STATUTES OF CALIFORNIA

1951

REGULAR SESSION

Began on Monday, January 8, 1951, and Adjourned
Saturday, June 23, 1951

STATUTES OF CALIFORNIA

PASSED AT THE 1951 REGULAR SESSION OF THE LEGISLATURE

CHAPTER 1

An act to amend Section 10291.5 of the Insurance Code, relating to disability insurance policies, declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 22, 1951. Filed with Secretary of State January 22, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 10291.5 of the Insurance Code is amended to read: Purpose

10291.5. (a) The purpose of this section is to prevent, in respect to disability insurance, fraud, unfair trade practices, and insurance economically unsound to the insured.

(b) The commissioner shall not approve any disability policy for issuance or delivery in this State: Disapproval of disability policies Misleading, etc., statements

(1) If he finds that it contains any provision, or has any label, description of its contents, title, heading, backing, or other indication of its provisions which is unintelligible, uncertain, ambiguous, or abstruse, or likely to mislead a person to whom the policy is offered, delivered, or issued.

(2) If it contains any provision for payment at a rate, or in an amount (other than the product of rate times the periods for which payments are promised) for loss caused by particular event or events (as distinguished from character of physical injury or illness of the insured) more than triple the lowest rate, or amount, promised in the policy for the same loss caused by any other event or events (loss caused by sickness, loss caused by accident, and different degrees of disability each being considered, for the purpose of this paragraph, a different loss); or if it contains any provision for payment for any confining loss of time at a rate more than six (6) times the least rate payable for any partial loss of time or more than twice the least rate payable for any nonconfining total loss of time; or if it contains any provision for payment for any nonconfining total loss of time at a rate more than three (3) times the least rate payable for any partial loss of time. Excessive rate

(3) If it contains any provision for payment for disability caused by particular event or events (as distinguished from character of physical injury or illness of the insured) payable for a term more than twice the least term of payment provided by the policy for the same degree of disability caused Excessive terms

by any other event or events; or if it contains any benefit for total nonconfining disability payable for lifetime or for more than twelve (12) months and any benefit for partial disability, unless such benefit for partial disability is payable for at least three (3) months; or if it contains any benefit for total confining disability payable for lifetime or for more than twelve (12) months, unless it also contains benefit for total nonconfining disability caused by the same event or events payable for at least three (3) months, and, if it also contains any benefit for partial disability, unless such benefit for partial disability is payable for at least three (3) months. The provisions of this paragraph shall apply separately to accident benefits and to sickness benefits.

Reduction of liability

(4) If it contains provision whereby the discontinuance of the in force status of the policy after the occurrence while such policy was in force of an accident, or after the commencement while such policy was in force of total disability from sickness, will terminate or reduce such liability as the insurer would otherwise have under the other terms of the policy, including its other limitations, conditions, reductions, exceptions and restrictions, for losses resulting from such accident, or accruing during continuance of such disability.

Loss of time indemnity implication

(5) If by any caption, label, title or description of contents the policy states, implies, or infers without reasonable qualification that it provides loss of time indemnity for lifetime, or for any period of more than two years, if such loss of time indemnity is made payable only when house confined or only under special contingencies not applicable to other total loss of time indemnity.

Restricted confinements

(6) If it contains any benefit for total confining disability payable only upon condition that the confinement be of an abnormally restricted nature unless the caption of the part containing any such benefit is accurately descriptive of the nature of the confinement required and unless if the policy have a description of contents, label, or title at least one of them contain reference to such nature of the confinement required.

Economic value

(7) If, irrespective of the premium charged therefor, any benefit of the policy is, or the benefits of the policy as a whole are, not sufficient to be of real economic value to the insured.

In determining whether benefits are of real economic value to the insured, the commissioner shall not differentiate between insureds of the same or similar economic or occupational classes and shall give due consideration to the following:

(i) The right of insurers to exercise sound underwriting judgment in the selection and amounts of risks.

(ii) Amount of benefit, length of time of benefit, nature or extent of benefit, or any combination of such factors.

(iii) The relative value in purchasing power of the benefit or benefits.

(iv) Differences in insurance issued on an industrial or other special basis.

To be of real economic value, it shall not be necessary that any benefit or benefits cover the full amount of any loss which might be suffered by reason of the occurrence of any hazard or event insured against.

(8) If it contains provision which has the effect, other than at the election of the insured exercisable within not less than ninety (90) days:

Substitute indemnity plans

Double dismemberment

(i) Of substituting, upon the occurrence of any double dismemberment, some specified indemnity for any or all benefits under the policy, unless the least indemnity so specified is equal to, or greater than, the total of the benefit or benefits for which such specified indemnity is substituted and which, assuming in all cases that the insured would continue to live, could possibly accrue in the natural course of events under the other terms of the policy from the occurrence causing the dismemberment, or, when the policy provides lifetime loss of time benefit for which such specified indemnity is substituted, the least indemnity so specified is equal to, or greater than, forty-eight (48) times the greatest loss of time benefits payable under any circumstances in any one month under any provision of the policy. (Double dismemberment shall be loss of both hands, both feet, one hand and one foot, the sight of both eyes, or the sight of one eye and the loss of one hand or one foot. Loss of a hand shall be severance at or above the wrist joint. Loss of a foot shall be severance at or above the ankle joint. Loss of the sight of an eye shall be the irrecoverable loss of entire sight); or

Same: Other dismemberment

(ii) Of substituting, upon the occurrence of any dismemberment other than such a double dismemberment, some specified indemnity for any or all benefits under the policy, unless the least indemnity so specified is equal to, or greater than, one-fourth of the total of the benefit or benefits for which such specified indemnity is substituted and which, assuming in all cases that the insured would continue to live, could possibly accrue in the natural course of events under the other terms of the policy from the occurrence causing the dismemberment, or, when the policy provides lifetime loss of time benefit for which such specified indemnity is substituted, the least indemnity so specified is equal to, or greater than, twelve (12) times the greatest loss of time benefit payable under any circumstances in any one month under any provision of the policy; or

Same Accidental death, etc

(iii) Of substituting a specific indemnity upon the occurrence of accidental death or any dismemberment for any benefit of the policy which would accrue prior to the time of such death or dismemberment; or

Reduction due to age

(9) If it contains provision, other than as provided in Section 10370, reducing any original benefit more than fifty percent (50%) on account of age of the insured.

Reference to exceptions, etc

(10) If the insuring clause or clauses contain no reference to the exceptions, limitations and reductions (if any) or no specific reference to, or brief statement of, each abnormally restrictive exception, limitation or reduction.

Specified diseases

(11) If it contain benefits payable only for loss from specified diseases unless the diseases so specified are so similar in nature as to be capable of accurate description by some commonly known generic term.

Grace period

(12) If it does not contain provision for a grace period of at least the number of days specified below for the payment of each premium falling due after the first premium, during which grace period the policy shall continue in force; provided, that the grace period to be included in the policy shall be not less than seven (7) days for policies providing for weekly payment of premium, not less than ten (10) days for policies providing for monthly or quarterly payment of premium and not less than thirty-one (31) days for all other policies.

Compliance with law

(13) If it fail to conform in any respect with any law of this State.

Rules and regulations

(c) The commissioner may, from time to time as conditions warrant, after notice and hearing, promulgate such reasonable rules and regulations, and amendments and additions thereto, as are necessary or convenient, to establish, in advance of the submission of policies, the standard or standards conforming to the provisions of subdivision (b) of this section, by which he shall disapprove or withdraw approval of any disability policy.

In promulgating any such rule or regulation the commissioner shall give consideration to the criteria herein established and to the desirability of approving for use in policies in this State uniform provisions, nationwide or otherwise, and is hereby granted the authority to consult with insurance authorities of any other state and their representatives individually or by way of convention or committee, to seek agreement upon such provisions.

Procedure

Any such rule or regulation shall be promulgated in accordance with the procedure provided in Chapter 4 of Part 1 of Division 3 of Title 2 of the Government Code.

Withdrawing approval

(d) The commissioner may withdraw approval of filing of any policy or other document or matter required to be approved by him, or filed with him, by the provisions of this chapter when he would be authorized to disapprove or refuse filing of the same if originally submitted at the time of such action of withdrawal.

Hearing, etc

Any such withdrawal shall be in writing and shall specify reasons. An insurer adversely affected by any such withdrawal may, within a period of thirty (30) days following mailing or delivery of the writing containing such withdrawal, by written request secure a hearing to determine whether such withdrawal should be annulled, modified or confirmed. Unless, at any time, it be mutually agreed to the contrary, hearing shall be granted and commenced within a period of thirty (30) days following filing of the request and shall proceed with reasonable dispatch to determination. Unless the commissioner in writing in such withdrawal, or subsequent thereto, grants an extension, any such withdrawal shall, in the absence of any such request, be effective, prospectively and not retroactively, on the ninety-first

(91st) day following the mailing or delivery of such withdrawal, and, if request for such hearing be filed, on the ninety-first (91st) day following mailing or delivery of written notice of the commissioner's determination.

(e) No proceeding under this section shall be subject to the provisions of Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code.

Court review

(f) Except as provided in subdivision (i) of this section, any action taken by the commissioner under this section shall be subject to review by the courts of this State and proceedings on review shall be in accordance with the provisions of the Code of Civil Procedure.

Notwithstanding any other provision of law to the contrary, petition for any such review may be filed at any time before the effective date of the action taken by the commissioner. No action of the commissioner shall become effective before the expiration of twenty (20) days after written notice and a copy thereof are mailed or delivered to the person adversely affected, and any action so submitted for review shall not become effective for a further period of fifteen (15) days after the filing of the petition in court. The court may stay the effectiveness thereof for a longer period.

Liberal construction

(g) This section shall be liberally construed to effectuate the purpose and intentions herein stated; but shall not be construed to grant the commissioner power to fix or regulate rates for disability insurance or prescribe a standard form of disability policy.

Operative dates

(h) This section shall be effective on and after July 1, 1950, as to all policies thereafter submitted and on and after January 1, 1951, the commissioner may withdraw approval pursuant to subdivision (d) of any policy thereafter issued or delivered in this State irrespective of when its form may have been submitted or approved, and prior to such dates the provisions of law in effect on January 1, 1949, shall apply to such policies.

Presumption

(i) Any such policy issued by an insurer to an insured on a form approved by the commissioner, and in accordance with the conditions, if any, contained in the approval, at a time when such approval is outstanding shall, as between the insurer and the insured, or any person claiming under the policy, be conclusively presumed to comply with and conform to the provisions of this section.

Exemptions

(j) The provisions of this section do not apply to accident policies including those providing hospitalization benefits on account of sickness, which are issued through newspapers or other publications of general circulation to their subscribers, readers, carrier boys, newspaper vendors or district men.

Purpose

SEC. 2. As is more fully set forth in Section 3 hereof, this act is intended to be declaratory of existing law.

Urgency

SEC. 3. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution of the State of California and

shall therefore take effect immediately. The following is a statement of the facts constituting such necessity:

Insurance Code Section 10291.5, which is amended by this act, was amended by Chapter 1486 of the Statutes of 1949 to establish new and additional standards for disability insurance policies, which are required by law to be approved by the Insurance Commissioner before they can be issued or delivered in this State.

In recognition of the difficulty of applying such standards to policies approved under prior laws, the section provided for an adjustment period by the use of two separate delayed effective dates. One was intended to apply to policies thereafter submitted for approval and the other was intended to continue the right to issue previously approved policies until withdrawal of approval should be accomplished as provided in the section. Doubt has been expressed as to the adequacy of the language used for the purpose of delaying application of the withdrawal provisions to previously approved policies, and it has been suggested that since January 1, 1951, it has been unlawful to continue to issue such previously approved policies. If that is so, a great number of policies now being issued must be revised by the insurers and reviewed and approved by the Insurance Commissioner immediately. As a practical matter this cannot be done. In order to avoid the undue administrative burden that would result from such a construction, and to preserve an adequate disability insurance market for the people of this State, it is necessary that this clarifying and interpretive act go into effect immediately.

CHAPTER 2

Stats 1950, p 255

An act making an appropriation in augmentation of Item 5 of the Budget Act of 1950, for payment of the expenses of Members of the Senate necessarily incurred by them while attending a session of the Legislature, to take effect immediately.

In effect immediately

[Approved by Governor January 24, 1951. Filed with Secretary of State January 24, 1951.]

The people of the State of California do enact as follows:

Appropriation Senate expenses

SECTION 1. The sum of three thousand five hundred dollars ($3,500) is hereby appropriated out of the General Fund in the State Treasury, in augmentation of Item 5 of the Budget Act of 1950, for the payment of the expenses of Members of the Senate necessarily incurred by them while attending a session of the Legislature.

Current expenses

SEC. 2. This act makes an appropriation for the usual current expenses of the State within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 3

An act making an appropriation for mileage of the Members and Officers of the Senate, to take effect immediately.

[Approved by Governor January 24, 1951 Filed with Secretary of State January 24, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. The sum of one thousand two hundred dollars ($1,200) is hereby appropriated out of the General Fund in the State Treasury in augmentation of Item 3 of the Budget Act of 1950, for mileage of the Members and Officers of the Senate. Appropriation Senate mileage Stats 1950, p 255

SEC. 2. This act makes an appropriation for the usual current expenses of the State within the meaning of Article IV of the Constitution and shall go into immediate effect. Current expenses

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CHAPTER 4

An act to add Section 19620 to the Education Code, relating to the support of child care centers and making an appropriation therefor and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 30, 1951 Filed with Secretary of State January 30, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 19620 is added to the Education Code, to read:

19620. Notwithstanding any provision of this chapter or of any other law to the contrary, state support of child care centers shall continue to and including June 30, 1951. Child care centers State support continued

SEC. 2. The unexpended and unencumbered balance of any money appropriated by Item 79.5 of the Budget Act of 1950 shall be available to and including June 30, 1951. Same Present appropriation

SEC. 3. There is hereby appropriated out of any moneys in the State Treasury not otherwise appropriated one million eight hundred thousand dollars ($1,800,000), in augmentation of Item 79.5 of the Budget Act of 1950 for the administration, and support of child care centers by the Department of Education for the period February 16, 1951, to June 30, 1951, inclusive. Same New appropriation

SEC. 4. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health, and safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows: Urgency

The existing national emergency and the national defense program make it imperative that support for child care centers

be provided by the State beyond February 15, 1951, the date now fixed by law for the discontinuance of state support of child care centers. It is therefore necessary that this act take effect immediately.

CHAPTER 5

An act making an appropriation for the purpose of increasing salaries of state employees, to take effect immediately.

In effect immediately

[Approved by Governor January 30, 1951. Filed with Secretary of State January 30, 1951.]

The people of the State of California do enact as follows:

Appropriation Salary increase

SECTION 1. There is hereby appropriated from the General Fund in the State Treasury the sum of three million six hundred seventy-nine thousand six hundred fifty-two dollars ($3,679,652), plus the unexpended balance of the appropriation made by Item 279 of the Budget Act of 1950. The money hereby appropriated shall be used as a salary increase fund, to provide for increases of salary and wages of each state officer or employee in the state service whose compensation, or a portion thereof, is payable from the General Fund, and in addition thereto there is appropriated from each special fund from which such officers and employees are paid, an amount sufficient to provide increases in compensation for each such officer or employee in accordance with this act, which latter amounts shall be made available by executive order of the Director of Finance in augmentation of the respective appropriations to which such compensation is chargeable. This appropriation is in addition to any other money appropriated for compensation of state employees. None of the money appropriated by this act shall be available for expenditure to pay retroactive salary increases to any state officers or employees who have been separated from state service prior to January 1, 1951, except officers and employees who have been separated by retirement, officers and employees who have been separated by resignation for the purpose of entering the service of the armed forces of the United States or of this State, and officers and employees on military leave.

Same Limitations

Same Allocation

SEC. 2. The money appropriated by Section 1 of this act shall be allocated by the Department of Finance pursuant to the terms of Item 279 of the Budget Act of 1950; provided, that the limitation of one hundred fifty thousand dollars ($150,000) upon total annual salary increases for the Fiscal Year 1950-51 contained in said Item 279 shall not be applicable to the appropriation made by this act.

Current expenses

SEC. 3. This act, inasmuch as it provides an appropriation for the usual current expenses of the State, shall, under the provision of Section 1 of Article IV of the Constitution of the State of California, take effect immediately.

CHAPTER 6

An act to amend Sections 18939 and 19200 of, and add Sections 18544 and 18545 to, the Government Code, relating to duration appointments and continuous examinations in the state civil service, declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 30, 1951. Filed with Secretary of State January 30, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 18544 is added to the Government Code, to read:

18544. "Duration employment" means an employment in which permanent status cannot be attained and which is subject to termination and other conditions as prescribed by this part and board rules governing such employment during time of war or during an emergency in connection with the national defense. "Duration employment"

SEC. 2. Section 18545 is added to said code, to read:

18545. "Duration examination" means an open competitive examination, or promotional examination, held for the express purpose of providing a list of persons available for duration employment. Eligible lists resulting from duration examinations can be used only in making appointments for duration employment. "Duration examinations"

SEC. 3. Section 18939 of said code is amended to read:

18939. For classes of positions for which the board finds it difficult to maintain adequate eligible lists it may receive applications, conduct examinations, and create eligible lists continuously. The names of eligibles who took the same or a comparable examination on different dates may be ranked for purposes of certification in the order of final earned ratings, except as such order may be modified by the application of veterans preferences. Eligibility from a continuous examination may be deemed to be established as of the date of examination. Continuous examinations

SEC. 4. Section 19200 of said code is amended to read:

19200. Whenever the United States is engaged in war or whenever the board finds that an emergency exists in connection with the national defense, the board may provide by rule for a system of duration examinations and employments and the conditions attached thereto, in those classes in which the best interests of the State would be served during such war or emergency. Within not less than three months, or more than one year, after the board finds that for the purpose of this section there is no longer an emergency, all duration employments shall be terminated in such order as the board deems appropriate. Duration examinations

SEC. 5. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: During the present national emergency many state employees Urgency

are being granted leaves of absence to enter the armed forces of the United States. The adequate protection of the re-employment rights of these employees and the maintenance of reasonable standards of efficiency in the state civil service may require that a practice of not granting permanent civil service status to new employees be put into effect. To assure that a program of duration appointments and a program to speed up examining processes are not delayed unduly, it is necessary that this act take effect immediately.

CHAPTER 7

An act relating to revenues from tide and submerged lands, including provisions to establish a special deposit fund in the State Treasury for the deposit of revenues from tide and submerged lands, providing for the transfer thereof, and making an appropriation, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor January 30, 1951. Filed with Secretary of State January 30, 1951.]

The people of the State of California do enact as follows:

Tide and submerged lands. Stipulation ratified

SECTION 1. Notwithstanding the provisions of Section 6816 of the Public Resources Code, pending determination or settlement of the case of United States v. California, proceedings in which are now pending in the United States Supreme Court pertaining to the use of tide and submerged lands along the coast of California, the terms of that certain stipulation therein entered into by the Attorney General of California and the Attorney General of the United States, upon recommendation of the Secretary of the Interior of the United States, dated August 21, 1950, are hereby ratified and confirmed, and moneys received under leases by the State of California referred to in said stipulation, shall be held and disposed of as in this act provided. The State Lands Commission shall carry out the provisions of this act and of said stipulation, and may authorize the extension or modification of the terms of said stipulation from time to time pending ultimate determination of the issues. The provisions of this act shall apply equally to any such extension or modification.

Same. Lease money

SEC. 2. All moneys received in the period between June 23, 1947, and September 30, 1950, inclusive, under leases of such tide and submerged lands by the State of California referred to in said stipulation, shall continue to be segregated and held in a separate account in the Special Deposit Fund in the State Treasury, in trust, pending final determination by the United States Supreme Court, by Act of Congress, or other settlement, of the entitlement thereto. Upon such determination or settlement, the moneys so held in trust, or such portion the entitlement whereof may be so determined or settled, shall be paid to the beneficiaries entitled thereto, upon claim filed with the State Controller by the State Lands Commission.

Lease money Transfer to United States

SEC. 3. All moneys received on and after October 1, 1950, under said leases shall be deposited in the Special Deposit Fund in the State Treasury, in trust. During such time as said stipulation or any extension or modification thereof is in effect and so provides, moneys deposited in the Special Deposit Fund under this section shall be transferred quarterly to the Treasurer of the United States, to be by him segregated and held in a special fund in trust, pending final determination by the United States Supreme Court, by Act of Congress, or other settlement, of the entitlement thereto. Such transfers shall be made by warrant of the State Controller payable to a national bank within this State for the credit of the Treasurer of the United States and delivered to the Secretary of the Interior of the United States, as soon as practicable after receipt of the moneys from said leases for the quarter ended December 31, 1950, and quarterly in like manner thereafter, upon claims filed by the State Lands Commission with the State Controller.

No such money shall be transferred as herein provided unless the Treasurer of the United States agrees to deposit said money in a national bank of its choice within this State, subject, if authorized by federal law, to investment by the Treasurer of the United States in bonds or other obligations of the United States and withdrawals as provided in Section 5.

Same Transfer to State Lands Commission

SEC. 4. Anything to the contrary notwithstanding, upon order of the State Controller there shall be transferred from the money held in the Special Deposit Fund under Section 2 of this act, to the State Lands Act Fund, amounts not to exceed twelve thousand dollars ($12,000) per month commencing with the month of October, 1950, and continuing monthly thereafter so long as said stipulation or any extension or modification thereof, so providing, may be in effect, to defray the expenses of the State Lands Commission in administering its duties respecting operations under said leases

Reimbursement of federal agencies

SEC. 5. Anything to the contrary notwithstanding, the United States may use not to exceed fifty thousand dollars ($50,000) per annum of the moneys transferred to the Treasurer of the United States under Section 3 of this act, during such time as said stipulation or any extension or modification thereof is in effect, and so provides, to reimburse the Geological Survey and other agencies of the Department of the Interior for their expenses on and after October 1, 1950, under said stipulation. A state purpose in such expenditures is hereby found and declared.

Final accounting

SEC. 6. Transfers for expenditures as in Sections 4 and 5 of this act provided shall be charged, upon final accounting, to the distributees of the trust moneys in the same proportion as they share in the distribution of the whole.

Appropriation

SEC. 7. All moneys received under said leases and deposited in the Special Deposit Fund are hereby appropriated, without regard to fiscal years, to carry out the provisions of this act.

Urgency

SEC. 8. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution, and shall go into immediate effect. The facts constituting such necessity are:

It is of the greatest importance that the development and production of oil and gas from the tide and submerged lands along the coast of California continue uninterruptedly, and with the same degree of efficiency as heretofore, under the leases made by the State of California to its lessees, during such period as shall elapse until final adjudication of the issues now pending in the United States Supreme Court in the case of United States v. California under the proceedings before the special master appointed by said court, or until permanent legislation is enacted by the Congress determining the rights of this State in and to said lands. The reason for this is that such uninterrupted and efficient development and production is vital to the needs of public health, industry, transportation, and many domestic uses of hydrocarbon products in this State. Under the provisions of the stipulation entered into by the Attorney General of the United States and the Attorney General of California on August 21, 1950 in the action heretofore referred to, it was agreed that all rentals, royalties and other payments received by the State of California from these said leases in the tide and submerged lands along its coast, beginning on and subsequent to October 1, 1950, would be segregated and held in a special fund and paid quarterly to the order of the Treasurer of the United States and delivered to the Secretary of the Interior, the United States agreeing to segregate and hold all moneys so paid in a special fund until such time as the proprietary rights in any particular area of said lands shall be finally judicially determined, or shall be agreed to by the parties thereto; such agreement not to preclude any other proper disposition by reason of an order of the Supreme Court of the United States or of an Act of Congress.

The legislative provision contained in this act is necessary for the immediate carrying out of the provisions of this stipulation and the aforesaid uninterrupted and efficient production and development of hydrocarbon substances from the aforesaid lands.

CHAPTER 8

An act to amend Section 1596.1 of the Education Code, relating to school sites, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor January 30, 1951. Filed with Secretary of State January 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1596.1 of the Education Code is amended to read:

1596 1. The governing board of a school district may acquire a site for a school building contiguous to the boundaries of the district and upon the acquisition of such site it shall become a part of the district. No proceedings affecting school district boundaries, including annexation proceedings of any nature whatsoever, shall operate to exclude such a school site from the school district owning the same if after such proceedings are complete the school site remains contiguous to the boundaries of the district. Notwithstanding such proceedings the site shall continue to be a part of the district owning or occupying the same, and the buildings and improvements thereon shall remain the property of such district. Acquisition of school building site

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

Under the existing law if there is located in unincorporated territory annexed to a city a school building which was constructed and maintained at the expense of a school district which does not include the territory within the boundaries of the city, such school building will become a part of the city school district. In many cases the city school district would be unable to raise funds to maintain the school building. In order to assure adequate provision for the continued maintenance of such schools which serve areas greater than the area within the boundaries of such cities, and thus preserve the much needed existing institutions of education, it is necessary that this act take effect immediately.

CHAPTER 9

An act to amend Section 3466a of the Political Code and Section 51681 of the Water Code, relating to reclamation districts, declaring the urgency thereof to take effect immediately.

[Approved by Governor February 2, 1951. Filed with Secretary of State February 2, 1951] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 3466a of the Political Code is amended to read:

3466a. After the lapse of one year from and after the expiration of the period of redemption of any land sold to the district, or county treasurer as trustee for the district, either pursuant to the provisions of Sections 3466, 3480 or Section 3480a of this code, the county treasurer of the main county, when directed by the board of trustees of the district shall sell the whole or any part of any tract of land remaining unsold to the highest bidder for cash at the front door of the courthouse of the main county of the district after giving previous notice of Sale of land after redemption period

such sale, and the time and place of holding the same, by publication thereof in some newspaper published in the county in which the land to be sold or some portion thereof is situated for two times, to wit: once a week for two successive weeks. It shall be sufficient to describe said land in said notice by reference number as set forth in the assessment lists to which reference shall be made in said notice, and to the date and time of filing same, for further particulars. One or more parcels of such land may be included in the same notice and sold severally at the time and place set forth in said notice.

Such land shall be offered for sale within three years from and after the expiration period of redemption thereof, or within two years from and after the effective date of this amendment, whichever period is greater, in parcels of such number of acres as the board of trustees may determine will be most desirable for purposes of assuring the sale thereof.

Appraisal

Prior to the sale of any parcel, the county treasurer of the main county shall cause its fair market value to be ascertained by means of an appraisal made by a board of appraisement consisting of:

(a) One member who is an officer or an authorized appraiser of a banking corporation formed under the laws of this State, or by the manager of a branch bank of such banking corporation, or an officer or cashier of a national banking association, having a place of business in the county in which the parcel or some portion thereof is situated. If there is no such banking corporation or national banking association having a place of business in the county in which the parcel or some portion thereof is situated, one member shall be an officer or an authorized appraiser, or the manager of a branch bank of such a banking corporation, or an officer or cashier of a national banking association, having a place of business in a county adjacent thereto.

(b) One member who is an inheritance tax appraiser of the county in which the parcel is located.

(c) One member, a disinterested person, who is a licensed real estate broker, selected by the two other members of the board.

In the event that all of the members of the board of appraisement cannot agree as to the fair market value of the parcel, (a) if two of the members of the board agree as to the fair market value, the amount so agreed upon shall constitute the board's appraisal, or, (b) if no two members of the board agree as to the fair market value, then each member of the board shall make a separate appraisal and the average of the three appraisals shall constitute the board's appraisal.

Each appraisal shall be verified by the members of the board of appraisement. The verification shall state that the appraisal is made in good faith, and that the valuation is honestly determined and represents the bona fide opinion of the board. If any member of the board of appraisement does not concur in the appraisal, the verification shall contain a

statement as to the manner in which the board determined the appraised fair market value.

At the time of the sale of any parcel of such land, the county treasurer of the main county shall announce the fair market value of the parcel, as appraised, and shall not accept any bid therefor less than such fair market value.

Reappraisal

In the event that any parcel of such land remains unsold for want of an acceptable bid, the county treasurer shall have the parcel reappraised and offer it for sale to the highest bidder for cash in the manner herein provided, at least once each year until the parcel is sold.

In the event of a sale of a part of any tract of land remaining unsold then the assessment or assessments thereon shall be reapportioned as provided in Sections 3454 and 3460 of the Political Code.

Effect of sale

Upon such last mentioned sale being made as herein provided the said county treasurer shall execute a deed to the purchaser conveying the land sold, upon payment of the price bid, which deed shall have the effect of conveying title to the land sold to the purchaser free of encumbrance, except district assessments (including the unpaid balance of said assessment for the delinquency of which said property was sold) which upon the date of the sale herein provided had not been called, and except as may be otherwise provided by law, and such deed duly executed and acknowledged shall be prima facie evidence that all the proceedings for the levy and collection of the delinquent assessment for which said land was sold, and all of the proceedings for the sale of said land have been duly and regularly taken, and all notices required to be given or published have been so duly given and published for the time and manner as required by law.

Possession before sale

Where any land has been sold for a delinquent assessment, pursuant to the provisions of Sections 3466, 3480 or 3480a of the Political Code for a delinquent assessment or installment of the same and no redemption has been made and the time for redemption has expired, and until the sale thereof, the district shall have the right to the possession of the land so sold and unredeemed and the board of trustees shall have the right to bring and maintain any and all actions in equity or law in connection with said land and the protection of the district's rights therein to the same extent as any other owner; and the costs and expenses of such action or actions shall be a charge against the district. The board of trustees shall also have the right to expend funds of the district in such amounts that may from time to time be necessary for the purpose of retiring any and all liens against such land superior to the title of the county treasurer therein.

Lease before sale

The trustees of the district shall have the management and control of, and the right to lease out to a tenant or tenants for such reasonable rental and upon such terms as such trustees may deem advisable, any and all lands in the district which have been sold to the county treasurer, as trustee, for delin-

quent assessments, where the time for redemption has expired and said lands remain unsold and to receive and collect the rental for the same.

Rental money

All rentals collected or moneys received by the trustees of the district from such lease of land or for the use or occupation of such land may be applied by them to the payment of the incidental expenses of holding and leasing said lands and to the payment of any other incidental expenses of, or legal charge against the district or for the purpose of purchasing any outstanding bonds of the district matured or unmatured together with the coupons thereunto appertaining at not more than the face value of such bonds plus the accrued interest thereon; which said bonds and/or coupons when so purchased shall be forthwith delivered to the county treasurer and canceled, and to the payment of any call of any maintenance assessment on any tract of land theretofore bought in by county treasurer as trustee of the district for a delinquent installment of any assessment theretofore levied on any such tract of land and then remaining unsold by said county treasurer; provided, however, that after the period of redemption has expired all rentals collected or moneys received from lease of land sold to the county treasurer as trustee of the district pursuant to the provisions of Section 3480 or 3480a of this code or for the use or occupation of such land, less the incidental expenses of leasing or holding the same and less the amount required to pay any called or delinquent installment of any maintenance assessment on any tract of land which has been theretofore bought in by the said county treasurer for the payment of any delinquent installment of any assessment theretofore levied on any such tract of land, and then remaining unsold by such county treasurer, shall, in the event said district shall be in default for interest or principal payments on any of said bonds issued by said district, be deposited in said county treasury of the main county, to the credit of the bond fund of the district. An amount equal to the revenues derived from each tract by reason of the leasing, use or occupation thereof, less the incidental expenses of leasing and holding same, shall be credited by the county treasurer on the assessment lists against the delinquent charges on said tract.

The provisions hereof shall apply to all lands heretofore sold for delinquency to a district or to the county treasurer, as trustee as well as to future sales under assessments whether heretofore, or hereafter to be, levied.

SEC. 2. Section 51681 of the Water Code is amended to read:

Sale of land after redemption period

51681. Parcels purchased at delinquent sale by the county treasurer as trustee for the district shall be offered for sale within three years from the expiration of the redemption period, or before October 1, 1951, whichever period is greater, in parcels of such number of acres as the board may determine will be most desirable for purposes of assuring the sale thereof.

SEC. 3. Section 2 of this act becomes operative only if Division 15 of the Water Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 15 takes effect; at which time Section 3466a of the Political Code is repealed. Effect Stats 1951, Ch 336

SEC. 4. This act is an emergency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

During the depression large areas of land within the State of California went delinquent for nonpayment of reclamation assessments and were sold to the districts. Under the provisions of Section 3466a of the Political Code as amended in 1949, districts are required to sell said land within three years from and after the expiration of the period of redemption thereof, or within two years from and after the effective date of the 1949 amendment. At the present time the land cannot be sold on favorable terms and at the full market value thereof because it must be sold in parcels of 320 acres or less and cannot be subdivided into such acreage as will take best advantage of farming conditions, roads, canals and other matters of terrain. In order to permit the districts to sell their land on the most advantageous terms within the time required by law, it is necessary that this act take effect immediately.

CHAPTER 10

An act to add Section 3577 to the Education Code, relating to the Public School System, declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 2, 1951. Filed with Secretary of State February 2, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 3577 is added to the Education Code, to read:

3577. On July 1st, the formation date of the new high school district, all bills still due and owing by the high school district from which the new district was formed shall be paid. Within 30 days after such formation date, the county auditor shall determine the amount of the balance of the funds in the general fund, including the general reserve, of such high school district from which the new district was formed, remaining after the payment of its bills. Such amount shall be divided between such high school district and such new district in proportion to total assessed valuation as shown by the last equalized assessment roll. High school district *formation* Payment of bills Same Distribution of funds

Same Apportionments

During the first year after its formation the new school district shall receive from the district from which the new district was formed a sum equal to all state and federal apportionments which it would have received had it been formed on July 1st of the year preceding its formation, as such apportionments are received by the district from which the new district was formed.

Application

The provisions of this amendment shall apply to all separations pursuant to this article occurring after September 30, 1949. If the payment of bills and division of the balance of the undistributed reserve has not been made for any separation occurring after such date and before the effective date of this section, such payment and division shall be made within 30 days after the effective date of this section.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV, of the Constitution, and shall go into immediate effect. The facts constituting such necessity are:

In the absence of any express provision governing the distribution of funds upon the separation of high school districts, the situation arises where no distribution is made. Nor under existing law does the new high school district receive state and federal apportionments based on its average daily attendance, although the high school maintained by it was in existence during the preceding year; the money is instead paid to the old district which no longer maintains the high school.

In order to prevent the inequities arising under the existing law and to assure that a new high school district separated from an existing union high school district, after approval by the electors, will have funds to maintain its high school, it is necessary that this act take effect immediately.

CHAPTER 11

An act authorizing the expenditure of certain sums for construction, improvements, and equipment of an office building in the City of Sacramento for the State Department of California Highway Patrol, and to add Section 13115 to the Government Code, relating to the approval by the Department of Finance of investment of funds by certain state agencies, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor February 2, 1951. Filed with Secretary of State February 5, 1951.]

The people of the State of California do enact as follows:

Highway Patrol building Expenditure for construction authorized

SECTION 1. The State Department of California Highway Patrol is authorized to expend the sum of seven hundred thousand dollars ($700,000) for construction, improvements, and

equipment of an office building in the City of Sacramento for the State Department of California Highway Patrol.

SEC. 2. Section 13115 is added to the Government Code, to read:

13115. Notwithstanding any other provision of law the Department of Finance is authorized to approve and make effective an agreement between any state agency authorized to invest funds under the control of the agency and the State Department of California Highway Patrol whereby the agency agrees to invest with the State Department of California Highway Patrol funds not exceeding the sum of seven hundred thousand dollars ($700,000) for construction, improvements, and equipment of an office building in the City of Sacramento for the State Department of California Highway Patrol. The agreement shall provide for the liquidation of the investment with interest at a rate agreed upon between the parties, out of rental charges to be paid by the agencies using the building or such other funds as are available to the State Department of California Highway Patrol for the purpose. Same Investments by state agencies

Any state agency authorized to invest funds under its control and the State Department of California Highway Patrol are hereby authorized to enter into the above agreement.

Whenever under any general or special statute the Director of Finance is authorized to invest the money in a special fund in the State Treasury, he is hereby authorized to invest the money in any such fund or funds for the purposes of this section. Investments by the Director of Finance under this section shall not exceed seven hundred thousand dollars ($700,000) in the aggregate. Any such investment shall be made pursuant to an agreement between the Director of Finance and the State Department of California Highway Patrol providing for the investment of such funds and the liquidation of the investment with interest at the rate agreed upon between the parties out of rental charges to be paid by the agencies using the building or from other funds available to the State Department of California Highway Patrol for such purpose.

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Section 1, Article IV, of the Constitution, and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows: Urgency

Because of overcrowded conditions in the Sacramento office of the State Department of California Highway Patrol it is necessary that construction begin as quickly as possible upon a new office building for this department. Because of constant increases in building costs the State will be able to procure the required office building at more reasonable cost if construction is begun immediately than if construction of the building is delayed until the beginning of the next fiscal year.

CHAPTER 12

An act authorizing the expenditure of certain sums for construction, improvements, and equipment of an office building in the City of Sacramento for the State Department of Motor Vehicles, and to add Section 13116 to the Government Code, relating to the Department of Finance, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor February 2, 1951. Filed with Secretary of State February 5, 1951.]

The people of the State of California do enact as follows:

Department of Motor Vehicles building Expenditure for construction authorized

SECTION 1. The State Department of Motor Vehicles is authorized to expend the sum of five million five hundred thousand dollars ($5,500,000) for construction, improvements, and equipment of an office building in the City of Sacramento for the State Department of Motor Vehicles.

Same Investments by state agencies

SEC. 2. Section 13116 is added to the Government Code, to read:

13116. Notwithstanding any other provision of the law the Department of Finance is authorized to approve and make effective an agreement between any state agency authorized to invest funds under the control of the agency and the State Department of Motor Vehicles whereby the agency agrees to invest with the State Department of Motor Vehicles funds not exceeding the sum of five million five hundred thousand dollars ($5,500,000) for construction, improvements and equipment of an office building in the City of Sacramento for the State Department of Motor Vehicles.

The agreement shall provide for the liquidation of the investment, of the sum invested with interest at the rate agreed upon between the parties, out of rental charges to be paid by the agencies using the building or such other funds as are available to the State Department of Motor Vehicles for the purpose.

Any state agency authorized to invest funds under its control and the State Department of Motor Vehicles are hereby authorized to enter into the above agreement.

Whenever under any general or special statute the Director of Finance is authorized to invest the money in a special fund in the State Treasury, he is hereby authorized to invest the money in any such fund or funds for the purposes of this section. Investments by the Director of Finance under this section shall not exceed five million five hundred thousand dollars ($5,500,000) in the aggregate. Any such investment shall be made pursuant to an agreement between the Director of Finance and the State Department of Motor Vehicles providing for the investment of such funds and the liquidation of the investment, with interest as the rate agreed upon between the parties, out of rental charges to be paid by the agencies using the building or from other funds available to the State Department of Motor Vehicles for such purpose.

SEC. 3. As soon as the office building provided for in this act has been constructed and has been occupied by the State Department of Motor Vehicles, the state office building now occupied by the State Department of Motor Vehicles between 12th and 13th on N Street, Sacramento, California, shall be transferred to the jurisdiction and control of the Department of Finance. The Department of Finance shall charge rent comparable to rent charged in other state-owned buildings to any agency occupying space in the building and shall pay into the Motor Vehicle Fund from the proceeds of such rent, after deducting the actual cost of maintaining the building, an amount equal to the average appraised value of the building as of the date when it was vacated by the State Department of Motor Vehicles. The Department of Finance shall obtain at least three appraisals to determine the value of the building. Transfer of control of building

SEC. 4. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Section 1, Article IV, of the Constitution, and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows: Urgency

Because of overcrowded conditions in the Sacramento office of the State Department of Motor Vehicles it is necessary that construction begin as quickly as possible upon a new office building for this department. Because of constant increases in building costs the State will be able to procure the required office building at more reasonable cost if construction is begun immediately than if construction of the building is delayed until the beginning of the next fiscal year.

CHAPTER 13

An act making an appropriation to the Emergency Fund specified in Item 277 of the Budget Act of 1950, relating to the repair and restoration of property damaged or destroyed by storms or floods and the expenditure of money appropriated therefor, declaring the urgency thereof, to take effect immediately. Stats 1950, p 255

[Approved by Governor February 2, 1951. Filed with Secretary of State February 5, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Out of any moneys unappropriated in the Postwar Unemployment and Construction Fund in the State Treasury the sum of one million five hundred thousand dollars ($1,500,000) is hereby appropriated to the Emergency Fund specified in Item 277 of the Budget Act of 1950, to be expended by the Department of Public Works acting through the agency of the State Engineer (1) during the 1950-1951 Fiscal Year beginning July 1, 1950, and ending June 30, 1951, the 1951-52 Fiscal Year beginning July 1, 1951, and ending June 30, 1952, Appropriation Flood and storm damage repair

and the 1952-53 Fiscal Year beginning July 1, 1952, and ending June 30, 1953, (2) for the cost of repair or restoration, or both, of levees, flood control works, channels, irrigation works, city and county roads and bridges and other property damaged or destroyed by storm and flood or flood conditions subsequent to October 1, 1950, and for which no appropriation or insufficient appropriation, has otherwise been made by law, (3) subject to each and all of the following (in addition to other) conditions, restrictions and limitations:

Limitations

None of the moneys hereby appropriated shall be expended, allotted or encumbered, or become available for expenditure, for a work of repair, or restoration, except for the making of investigations, estimates or reports hereunder by said department unless and until:

(a) Such expenditure and purpose is first approved by the Director of Finance.

(b) The department has first investigated and reported upon the proposed work, has found it to be a matter of general public and state interest and concern, has estimated the cost of the work and filed its report thereon with the Department of Finance

(c) Moneys equal to or in excess of the amount expendable from this appropriation for said work shall be made available (by a political subdivision, public district, municipality, county or public agency, including agencies of local and Federal Government but excluding agencies which are a part of the executive department of the State Government) for expenditure by the department for such work to the end that any sums expended from this appropriation shall be matched by like or greater amounts from public sources other than the State Treasury or funds of any agency which is a part of the executive department of the State Government.

The department may perform all or any portion of said work directly by contract or force account or the department and any entity herein authorized to match the appropriation herein made may enter into a contract whereby all or any portion of such work may be performed by any party to such contract.

Not more than 20 percent of the money appropriated by this act shall be expended in any one county.

Same

SEC. 2. When the United States or any agency thereof is to provide the matching funds under Section 1 hereof it shall not be required that the funds to be provided from federal sources shall be paid into the State Treasury, but the department may proceed with the work when the department has received assurance, adequate in the opinion of the department and the Department of Finance, that the federal matching funds will be made available for expenditure for said work, or for reimbursement to the department for performance thereof.

Urgency

SEC. 3. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of

Article IV of the Constitution, and therefore shall go into immediate effect. The following is a statement of the facts constituting such necessity:

Recent occurrences of storms and floods have caused extensive damage to levees, flood control works, channels, irrigation works, city and county roads and bridges and other property. Funds heretofore appropriated by the State will soon be exhausted and additional funds are required immediately. The occurrence of future storms and floods is inherently unpredictable and it is necessary to provide a flexible method whereby funds may be made available for necessary repair, restoration, and replacement of works and property damaged or destroyed by storms or floods. This act makes such provisions, and inasmuch as money is needed now for repair, restoration and replacement of works and property damaged or destroyed by recent past floods, and inasmuch as the danger of disaster from storms and floods is now and, until the end of the current runoff season, will be present, it is necessary in the interest of the public health and safety that this act take effect immediately.

CHAPTER 14

An act to add Section 14276 to the Government Code, relative to state contracts, declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 2, 1951. Filed with Secretary of State February 5, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 14276 is added to the Government Code, to read:

14276 The department may, with the approval of the State Public Works Board, receive bids for the construction of several public works projects at one state institution as a single project. Where more than one appropriation has been made for the several projects united as a single project under the provisions of this section, payments for the single project shall be made from the separate appropriations on such proportional basis as may be determined by the department and approved by the Department of Finance. Bids for public works projects

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

Where several buildings are to be constructed at one location, in most cases the buildings can be constructed at a more reasonable cost if a single contract can be awarded for all of the buildings than if a separate contract has to be awarded for each building. The buildings for which bids must soon be

received are necessary to carry on essential governmental services. In view of the increasing building costs, it may be impossible to construct those buildings if advantage cannot be taken of the savings which can be effected by the awarding of a single contract for the construction of several buildings.

CHAPTER 15

Stats 1949, p. 1104

An act to amend Section 1 of an act entitled "An act making an appropriation to the emergency fund specified in Item 278 of the Budget Act of 1949, relating to the repair and restoration of property damaged or destroyed by storms or floods and the expenditure of money appropriated therefor, and declaring the urgency thereof, to take effect immediately," approved June 9, 1949, relating to repair and restoration of property damaged or destroyed by storms and floods, declaring the urgency thereof to take effect immediately.

In effect immediately

[Approved by Governor February 2, 1951. Filed with Secretary of State February 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1 of the act cited in the title hereof is amended to read:

Section 1. The entire unencumbered balance of the appropriation provided for by an act entitled "An act making an appropriation to the emergency fund specified in Item 325 of the Budget Act of 1947, relating to the repair and restoration of property damaged or destroyed by storms or floods and the expenditure of money appropriated therefor," approved July 18, 1947, is hereby appropriated to the emergency fund specified in Item 278 of the Budget Act of 1949, to be expended by the Department of Public Works acting through the agency of the State Engineer (1) during the 1949-50 Fiscal Year beginning July 1, 1949, and ending June 30, 1950 and the 1950-51 Fiscal Year beginning July 1, 1950 and ending June 30, 1951, (2) for the cost of repair or restoration, or both, of levees, flood control works, roads, canals, ditches and flumes, channels, irrigation works, city and county roads and bridges and other property damaged or destroyed by storm, storm and flood or flood conditions subsequent to December 31, 1948, and for which no appropriation or insufficient appropriation, has otherwise been made by law, (3) subject to each and all of the following (in addition to other) conditions, restrictions and limitations:

Stats 1947, p. 3190

Appropriation for flood and storm damage repair

Limitations

None of the moneys hereby appropriated shall be expended, allotted or encumbered, or become available for expenditure, for a work of repair, or restoration, except for the making of investigations, estimates or reports hereunder by said department unless and until:

(a) Such expenditure and purpose is first approved by the Director of Finance.

(b) The department has first investigated and reported upon the proposed work, has found it to be a matter of general public and state interest and concern, has estimated the cost of the work and filed its report thereon with the Department of Finance.

(c) Moneys equal to or in excess of the amount expendable from this appropriation for said work shall be made available (by a political subdivision, public district, municipality, county or public agency, including agencies of local and Federal Government but excluding agencies which are a part of the executive department of the State Government) for expenditure by the department for such work to the end that any sums expended from this appropriation shall be matched by like or greater amounts from sources other than the State Treasury or funds of any agency which is a part of the executive department of the State Government. Money allocated or assigned to a political subdivision, public district, municipality, county or public agency pursuant to the provisions of the Construction and Employment Act shall not be considered to be funds from the State Treasury or funds of any agency which is a part of the executive department of the State Government and may be used for matching purposes under this act notwithstanding provisions of the Construction and Employment Act.

The department may perform all or any portion of said work directly by contact or force account or the department and any entity herein authorized to match the appropriation herein made may enter into a contract whereby all or any portion of such work may be performed by any party to such contract.

Not more than 20 percent of the money appropriated by this act shall be expended in any one county.

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

Recent floods have caused great damage to many of the public works. The immediate repair of those works is essential to the public health and safety. Some public agencies desiring to repair those works have insufficient funds to provide the matching money necessary to obtain assistance under the provisions of Chapter 609 of the Statutes of 1949 which this act amends, while they do have unexpended funds allocated or assigned to them for such purposes under the Construction and Employment Act. This act would permit those agencies to use unexpended money allocated under the Construction and Employment Act and thereby permit immediate repair of the damaged public works.

CHAPTER 16

An act to add Section 13115 to the Government Code, relating to acquisition of easements and rights as an incident to the construction of state buildings and other structures, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor February 2, 1951. Filed with Secretary of State February 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 13115 is added to the Government Code, to read:

State buildings, etc., interfering easements

13115. Whenever a state building or other state structure is about to be constructed and it is necessary to clear any land, public street or public way of any easement or right of way, or the works of any public utility, which would interfere with the state building or structure, the Director of Finance may enter into an agreement with the owner of the easement or right of way, or public utility, for the relocating or removal of any facilities of such public utility or owner which lie in, on, along, or across such land, public street or public way and for the conveying or quitclaiming to the State of any interest of such utility or owner in such land, public street or public way. The cost of such removal or relocation may be paid, with the approval of the State Public Works Board, out of any money available for the construction of the state building or other structure the erection of which necessitates such relocation or removal. Nothing in this section authorizes the relocation or removal at state expense of any public utility works or other facilities which, under the same circumstances, the public utility or owner would be required to relocate or remove at its own expense.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and therefore shall take effect immediately. The facts constituting such necessity are:

The state building program is essential to necessary governmental functions. A number of situations have occurred in which the provision of an adequate state building or other structure depends upon the removal of works of a public utility, such as telephone and power lines, gas mains, and similar works, or easements or rights of way from the land, public streets or other public ways in, on, along or across which such works, easements or rights of way are situated. In order to expedite the state building program and to provide for the removal and relocation of such public utility works or easements or rights of way as may be necessary it is necessary that provision therefor be made as soon as possible in order that necessary governmental functions can be carried out to the extent required in view of the rapidly expanding population of the State and the emergency situation confronting the United States.

CHAPTER 17

An act to amend Sections 7 and 11 of the Unemployment Insurance Act, relating to a system of unemployment and disability insurance, declaring the urgency thereof, to take effect immediately.

Stats 1935, p 1226, amended

[Approved by Governor February 2, 1951. Filed with Secretary of State February 5, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 7 of the Unemployment Insurance Act cited in the title hereof is amended to read:

"Employment"

Sec. 7. The term "employment" does not include:

(a) Agricultural labor;

(b) Domestic service in a private home;

(c) Maritime services as to which this State is prohibited by the Constitution and laws of the United States of America from requiring contributions of employers or their workers with respect to wages as provided in this act;

(d) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 21 in the employ of his father or mother;

(e) Service performed in the employ of the United States Government or of any instrumentality of the United States; provided, that in the event that the Congress of the United States shall permit the states to require any instrumentalities of the United States to make payments into an unemployment fund under a state unemployment compensation act, and to comply with state regulations thereunder, then, to the extent permitted by Congress, and from and after the date as of which such permission becomes effective, all of the provisions of this act shall be applicable to such instrumentalities and to services performed for such instrumentalities in the same manner, to the same extent, and on the same terms as to all other employers, employing units, individuals and services; provided further, that if this State should not be certified by the Social Security Board under Section 903 of the Social Security Act for any year, then the payments required of such instrumentalities and their workers with respect to such year shall be refunded by the commission from the Unemployment Fund without interest;

(f) Service performed in the employ of a state, a political subdivision thereof, or an instrumentality of one or more states or political subdivisions;

(g) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation;

Same

(h) Service, under any unemployment compensation system established by a law of the United States;

(i) Service performed by uncompensated officers or employees of a corporation or association where the corporation or association is not subject to the Federal Unemployment Tax Act;

(j) Service performed by directors of a corporation or association receiving a per diem of not more than twenty dollars ($20) for attending meetings of the board of directors, with or without a reasonable mileage for going to and from meetings of the board and other reasonable expenses incidental to attending such meetings where the corporation or association is not subject to the Federal Unemployment Tax Act;

(k) If, when, and during such time as the definition of the term "employment," as contained in the Federal Unemployment Tax Act, excludes from "employment" any one or more of the following types of service, then that type or types of service as are so excluded shall likewise be excluded from the definition of employment as contained in this section:

(1) Domestic service in a local college club, or local chapter of a college fraternity or sorority;

(2) Service not in the course of the employer's or employing unit's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is fifty dollars ($50) or more and such service is performed by an individual who is regularly employed by such employer or employing unit to perform such service. For the purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer or employing unit during a calendar quarter only if (A) on each of some 24 days during such quarter such individual performs for such employer or employing unit for some portion of the day service not in the course of the employer's or employing unit's trade or business, or (B) such individual was regularly employed (as determined under clause (A)) by such employer or employing unit in the performance of such service during the preceding calendar quarter;

(3) Service performed in any calendar quarter in the employ of any organization exempt from federal income tax if

(i) The remuneration for such service does not exceed fifty dollars ($50), or

(ii) Such service is in connection with the collection of dues or premiums for a fraternal beneficiary society, order or association and is performed away from the home office or is ritualistic service in connection with any such society, order or association, or

(iii) Such service is performed by a student who is enrolled and is regularly attending classes at a school, college or university.

(4) Service performed in the employ of an agricultural or horticultural organization;

(5) Service performed in the employ of a voluntary employees' beneficiary association providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents, if Same

(i) No part of its net earnings inures (other than through such payments) to the benefit of any private shareholder or individual, and

(ii) Eighty-five per centum or more of the income consists of amounts collected from members for the sole purpose of making such payments and meeting expenses;

(6) Service performed in the employ of a voluntary employees' beneficiary association providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents or designated beneficiaries, if (i) admission to membership in such association is limited to individuals who are employees of the United States Government, and (ii) no part of the net earnings of such association inures (other than through such payments) to the benefit of any private shareholder or individual;

(7) Service performed in the employ of a school, college, or university, not exempt from federal income tax, if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university;

(8) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(9) Service performed in the employ of an instrumentality wholly owned by a foreign government;

(i) If the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

(ii) If the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof;

(10) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to state law; and service performed as an interne in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to state law.

SEC. 2. Section 11 of said act is amended to read:

Sec. 11. (a) Except as hereinafter in this section provided the term "wages" means: "Wages"

(1) All remuneration payable for personal services, whether by private agreement or consent or by force of statute, including commissions and bonuses, and the cash value of all remuneration payable in any medium other than cash.

Same

(2) If tips or gratuities are customarily received and retained by a worker in the course of his employment from persons other than his employing unit, and if (1) such tips or gratuities, or (2) such tips or gratuities plus the excess of the minimum wage required to be paid by law over and above the amount of such tips or gratuities, constitute substantially the only wage payable to the worker, then such tips or gratuities shall for the purpose of this act be treated as wages paid by his employing unit.

(3) If the remuneration of an individual is not based upon a fixed period or duration of time or if the individual's wages are paid at irregular intervals or in such manner as not to extend regularly over the period of employment, the wages for any week or for any calendar quarter for the purpose of computing an individual's right to unemployment benefits only shall be determined in such manner as may by authorized regulations be prescribed. Such regulations shall, so far as possible, secure results reasonably similar to those which would prevail if the individual were paid his wages at regular intervals.

(4) The reasonable cash value of remuneration paid in any medium other than cash shall be determined and the reasonable amount of tips or gratuities may be estimated in accordance with authorized regulations.

(b) The term "wages" does not include the actual amount of any required or necessary business expense incurred by an individual in connection with his employment, or, in lieu of the actual amount of such expenses, the reasonably estimated amount allowed therefor in accordance with the authorized regulations as may be prescribed.

(c) If, when, and during such time as the definition of the term "wages," as contained in the Federal Unemployment Tax Act excludes from "wages" any one or more of the following types of payments, then such type or types of payments as are so excluded shall likewise be excluded from the definition of wages as contained in subsection (a) of this section:

(1) That part of the remuneration which, after remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) equal to three thousand dollars ($3,000) with respect to employment has been paid to an individual by an employer during any calendar year, is paid to such individual by such employer during such calendar year. If an employer (hereinafter referred to as successor employer) during any calendar year acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor, then, for the purpose of determining whether the successor employer has paid remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment equal to

three thousand dollars ($3,000) to such individual during such calendar year, any remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment paid (or considered under this paragraph as having been paid) to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer; Same

(2) The amount of any payment (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) made to, or on behalf of, an employee or any of his dependents under a plan or system established by an employer which makes provision for his employees generally (or for his employees generally and their dependents) or for a class or classes of his employees (or for a class or classes of his employees and their dependents), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical or hospitalization expenses in connection with sickness or accident disability, or (D) death;

(3) Any payment made to an employee (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) on account of retirement;

(4) Any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employer to, or on behalf of, an employee after the expiration of six calendar months following the last calendar month in which the employee worked for such employer;

(5) Any payment made to, or on behalf of, an employee or his beneficiary (A) from or to a trust exempt from tax under Section 165 (a) of the Internal Revenue Code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust, or (B) under or to an annuity plan which, at the time of such payment, meets the requirements of Section 165 (a) (3), (4), (5), and (6) of the Internal Revenue Code;

(6) The payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under Section 1400 of the Internal Revenue Code, or (B) of any payment required from an employee under a state unemployment compensation law;

(7) Remuneration paid in any medium other than cash to an employee for service not in the course of the employer's trade or business;

(8) Any payment (other than vacation or sick pay) made to an employee after the month in which he attains the age of 65, if he did not work for the employer in the period for which such payment is made;

(9) Dismissal payments which the employer is not legally required to make.

Saving clause

SEC. 3. The amendments to Sections 7 and 11 of the said act made by this amendatory act shall not affect any rights, liabilities, or proceedings for the enforcement thereof existing under the provisions of such sections on the effective date of this act.

Urgency

SEC. 4. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

Employers of eight or more individuals in this State are required to pay a federal unemployment tax of 3 percent of their taxable pay rolls. There is allowed as a credit against this tax the amount of unemployment insurance taxes paid to any state but not to exceed 90 percent of the federal tax. The changes made by this act will conform to recent changes in the federal act. In order that employers in this State may receive the advantages of simplified record keeping, reporting and tax savings, arising from uniformity in the tax base under the federal and state acts and to avoid the burden of additional accounting resulting in confusion and error which would materially hamper the administration of the state act, it is necessary that this act take effect immediately.

CHAPTER 18

Stats 1927, p 694, amended

An act to add Section 5.1 to the Metropolitan Water District Act, relating to the powers of metropolitan water districts, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor February 2, 1951. Filed with Secretary of State February 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5.1 is added to the Metropolitan Water District Act, to read:

Dissemination of information

Sec. 5.1. Any district incorporated as herein provided also shall have power to disseminate information concerning the activities of the district; and, in instances in which it shall be found by two-thirds vote of the board of directors to be necessary for the protection of district rights and properties, to disseminate information concerning such rights and properties, also concerning matters which, in the judgment of the board, may adversely affect such rights and properties; provided, however, that expenditures during any fiscal year for such purposes shall not exceed one-half of one cent ($0.005) for each one hundred dollars ($100) of assessed valuation of such district.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall

go into immediate effect. The facts constituting such necessity are:

The Metropolitan Water District of Southern California has been incorporated under the act hereby amended. Heretofore, in addition to the powers granted in the Metropolitan Water District Act, the officers of said district have relied, in part, on an act entitled "An act authorizing municipal corporations to expend money for advertising or publicity purposes" approved April 5, 1927 (Stats. 1927, Ch. 65). In the process of codification, said act was repealed (Stats. 1949, Ch. 79, Sec. 6) and the substance thereof re-enacted as Sections 40100, 40102, and 40103 of the Government Code, but in such re-enactment reference is made to cities instead of to municipal corporations, of which said district is one. The effect of such change has not been judicially determined. The said district is governed by a board of directors, the members of which perform their duties as a public service, without compensation. The power to protect the property rights of the district by the method herein specifically authorized and confirmed already exists in the district, but members of the board of directors are exposed to vexatious and costly litigation, based on the unfounded contention that expenditures for the purposes mentioned are not authorized, and that they are personally liable therefor. To remove any possible basis for such contention, and to enable the board of directors to proceed with its functions and perform its duties without interruption, and free from the threat or probability of such litigation, it is necessary that this act take effect immediately.

CHAPTER 19

An act to amend by renumbering Section 4675 of the Health and Safety Code, relating to sanitary districts.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4675 of the Health and Safety Code is amended to read:

4765. Any district, directly or through a representative, may attend the Legislature and any committees thereof and present information to aid the passage of legislation which the district deems beneficial to the district or to prevent the passage of legislation which the governing board of the district deems detrimental to the district. The cost and expense incident thereto are proper charges against the district. The governing boards of districts may enter into associations and through a representative of the associations attend the Legislature, and any committees thereof, and present information to

Legislative representatives

aid the passage of legislation which the association deems beneficial to the districts in the association, or to prevent the passage of legislation which the association deems detrimental to the districts in the association. The cost and expense incident thereto are proper charges against the districts comprising the association.

CHAPTER 20

An act to amend and renumber Section 10880 of the Insurance Code, relating to conversion to mutual legal reserve.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10880 of the Insurance Code, as added by Chapter 283 of the Statutes of 1935, is renumbered and amended to read:

Penalty

10780. Any such association or any officer or agent thereof refusing to comply with or violating any provision of this chapter is, except as otherwise provided, guilty of a misdemeanor.

CHAPTER 21

An act to repeal Section 10651 of the Insurance Code, relating to associations.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Section 10651 of the Insurance Code is repealed.

CHAPTER 22

An act to repeal Article 5, Chapter 2, Division 4 of the Welfare and Institutions Code, relating to bringing nonresident indigent persons into the State.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Article 5, Chapter 2, Division 4 of the Welfare and Institutions Code is repealed.

CHAPTER 23

An act to amend Section 10755 of the Revenue and Taxation Code, relating to vehicle fees.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 10755 of the Revenue and Taxation Code is amended to read:

Nonresident vehicle registration fee

10755. Upon vehicles registered for the first time in this State after January 31st of any year and upon any nonresident vehicle which has been previously registered in this State in prior years, the fee imposed for this part of the year shall be reduced one-twelfth for each month which has elapsed since the beginning of the year.

CHAPTER 24

An act to amend Section 5156 of the Public Resources Code, relating to the expenditure of funds.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5156 of the Public Resources Code is amended to read:

Funds for public parks

5156. Expenditures authorized by Section 5155, may be made from any one of the following funds:

(a) The general fund of the county.

(b) The proceeds of any county bond issue voted for the purpose of acquiring lands or improving or maintaining them as a public park within the county, or from any other fund available for such purposes.

CHAPTER 25

An act to amend and renumber Section 2040 of the Penal Code (as added thereto by Chapter 2 of the Statutes of the Third Extraordinary Session of the Fifty-fifth Legislature) to be Section 2049, relating to the Department of Corrections.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2040 of the Penal Code, as added thereto by Chapter 2 of the Statutes of the Third Extraordinary Session of the Fifty-fifth Legislature, held in 1944, is amended and renumbered to read:

"Board"

2049. (a) "Board" as used in Sections 2050, 2051, 2052, 2053, 2055, 2056, 2057, 2058, and 2059 refers to the department.

(b) The provisions of Section 2060 shall be applicable to the officers and employees of the department.

CHAPTER 26

An act to amend Section 1127 of the Penal Code, relating to instructions to the jury.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1127 of the Penal Code is amended to read:

Jury instructions

1127. All instructions given (except such as may incidentally be given during the admission of evidence) shall be in writing, unless both parties request the giving of an oral instruction, or consent thereto. In charging the jury the court must instruct the jury regarding the law applicable to the facts of the case, and may make such comment on the evidence and the testimony and credibility of any witness as in its opinion is necessary for the proper determination of the case and in any criminal case, whether the defendant testifies or not, his failure to explain or to deny by his testimony any evidence or facts in the case against him may be commented upon by the court. The court shall inform the jury in all cases that the jurors are the exclusive judges of all questions of fact submitted to them and of the credibility of the witnesses. If the instructions are given orally, they must be taken down by the phonographic reporter. Either party may present to the court any written charge on the law, but not with respect to matters of fact, and request that it be given. If the court thinks it correct and pertinent, it must be given; if not, it must be refused. Upon each charge presented and given or refused, the court must endorse and sign its decision. If part be given and part refused, the court must distinguish, showing by the endorsement what part of the charge was given and what part refused.

CHAPTER 27

An act to amend Section 5300 of the Labor Code, relating to compensation proceedings.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5300 of the Labor Code is amended to read:

5300. All the following proceedings shall be instituted before the commission and not elsewhere, except as otherwise provided in Division 4. Compensation proceedings

(a) For the recovery of compensation, or concerning any right or liability arising out of or incidental thereto.

(b) For the enforcement against the employer or an insurer of any liability for compensation imposed upon him by this division in favor of the injured employee, his dependents, or any third person.

(c) For the determination of any question as to the distribution of compensation among dependents or other persons.

(d) For the determination of any question as to who are dependents of any deceased employee, or what persons are entitled to any benefit under the compensation provisions of this division.

(e) For obtaining any order which by Division 4 the commission is authorized to make.

(f) For the determination of any other matter, jurisdiction over which is vested by Division 4 in the commission.

CHAPTER 28

An act to amend Section 2411 of the Labor Code, relating to public labor camps.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2411 of the Labor Code is amended to read:

2411. In any camp and labor supply camp suitable sleeping places shall be provided for all employees; provided, however, that where employees furnish their own camping equipment, the employer shall provide and set aside a clean and well drained camping ground suitable for the purpose and subject to the provisions of this article. Sleeping places

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CHAPTER 29

An act to amend Section 2102 of the Labor Code, relating to public labor camps.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2102 of the Labor Code is amended to read:

2102. Public labor camps established by public service districts are subject to all the provisions of Article 4 of Chapter 1 of Part 9 of this division. Public service district camp

CHAPTER 30

An act to amend Section 18455.5 of the Health and Safety Code, relating to building specifications.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 18455.5 of the Health and Safety Code is amended to read:

Building specifications

18455.5. Unit masonry walls used in the construction of any building in an auto court and resort, or motel, or any building in an auto and trailer park shall be constructed as follows:

(a) Bearing walls and bearing partitions shall be not less than eight inches in width.

(b) All masonry units shall be laid up in cement mortar.

(c) Bearing walls shall be so designed and constructed to withstand the vertical live and dead loads placed on them and to withstand a horizontal force from any direction of 15 pounds per square foot of wind pressure on the vertical projection of the exposed surface of the walls.

(d) Walls as described above shall be so designed as to admit of a rational analysis in accordance with established principles of mechanics.

CHAPTER 31

Stats 1950, p 459

An act to repeal Chapter 21 of the 1950 First Extraordinary Session, relating to horse race meetings.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Chapter 21 of the 1950 First Extraordinary Session is hereby repealed.

CHAPTER 32

An act to repeal Article 4 of Chapter 17, Division 3 of the Business and Professions Code, relating to temporary registration of social workers.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Article 4, of Chapter 17, Division 3, of the Business and Professions Code is hereby repealed.

CHAPTER 33

An act to amend Section 799 of the Agricultural Code, relating to standards for grapes.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 799 of the Agricultural Code is amended to read:

799. There are two standards for grapes. All grapes of the varieties in Group A shall be considered table grapes and all other varieties juice grapes. Grapes of all varieties must at least meet the standard for juice grapes. Grape standards

GROUP A

(White)

Almeria
Aspiran Blanc
Bicane
Chasselas de Fontainebleau
Chasselas Napoleon
Cornichon Blanc
Dattier de Beyrouth
Dizmar
Golden Queen
Khalili
Khandahar
Lady Finger
Malaga
Ohanez
Olivette Blanche
Olivette de Vendemain
Persian 23
Pizzutello di Roma
Rish Baba
Rosaki
Thompson Seedless

(Red)

Angelino
Catawba
Flame Tokay
Hunisa
Chasselas Rose
Emperor
Red Malaga
Rose de Falloux
Maraville de Malaga
Molinera Gorda
Pink Thompson Seedless
Piment
Sultanina Rose
Tokay
Zabalkanski
Zabalkanskoi

(Black)

Black Corinth	Black Monukka
Black Ferrara	Black Morocco
Black Hamburg	Muscat Albardiens
Black Zante	Black Prince
Bleu Grau	Muscat Hamburg
California Concord	Olivette Noir
Concord	Panariti
Corinthe Noir	Pierce
Cornichon	Pierce Isabella
Danugue	Pizzutello Nero
Drodelabi	Prune de Cazouls
Frankenthal	Purple Damascus
Fresno Beauty	Rose of Peru
Gros Colman	Ribier
Gros Guillaume	Servian Blue
Isabella	Snow's Muscat Hamburg
Isabella Regia	Zante Currant

and other similar varieties.

CHAPTER 34

An act to amend Section 9060 of the Insurance Code, relating to exemptions.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9060 of the Insurance Code is amended to read:

County mutual fire reinsurers exempted

9060. The provisions of Sections 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, and 993 shall not apply to county mutual fire reinsurers.

CHAPTER 35

An act to amend Section 1020 of the Insurance Code, relating to insolvency and delinquency proceedings.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1020 of the Insurance Code is amended to read:

Injunctions, etc

1020. Upon the issuance of an order either under Section 1011 or 1016, or at any time thereafter, the court shall issue

such other injunctions or orders as may be deemed necessary to prevent any or all of the following occurrences:

(a) Interference with the commissioner or the proceeding.

(b) Waste of assets of such person.

(c) The institution or prosecution of any actions or proceedings.

(d) The obtaining of preferences, judgments, attachments, or other liens against such person or its assets.

(e) The making of any levy against any such person or its assets.

(f) The sale or deed for nonpayment of taxes or assessments levied by any taxing agency of property:

(1) Owned by such person.

(2) Upon which such person holds an encumbrance.

(3) Upon which such person has prior thereto commenced an action to foreclose any deed of trust or mortgage or has exercised the power of sale under any trust deed or mortgage which sale or foreclosure proceedings have not yet been completed or upon which no trustee's deed or judgment of court or sheriff's certificate of sale has been issued. "Taxing agency" as used in this section has the meaning ascribed to it by Section 121 of the Revenue and Taxation Code. The injunctions or orders authorized by this subdivision may be modified, dissolved or rescinded by the court on motion of the commissioner, the State Controller, the person charged with the collection of taxes or assessments on such property, or any person beneficially interested in the property. The recording in the office of the county recorder of any county in the State of an order or injunction issued pursuant to this section, shall constitute service of such order or injunction upon any taxing agency with respect to property or interests therein located in such county.

CHAPTER 36

An act to amend Sections 37618, 37658, and 37659 of the Government Code, relating to bond issues.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 37618 of the Government Code is amended to read:

37618. Instead of the tax levy, the city legislative body may raise the necessary funds by a bond issue pursuant to Article 1, Chapter 4, Division 4. Bond issue

SEC. 2. Section 37658 of the Government Code is amended to read:

37658. Such indebtedness shall be incurred and interest paid pursuant to Article 1, Chapter 4 of Division 4. The ordinance calling the bond election shall not contain any statement Ordinance calling election

as to bonds to be issued. In general terms the ordinance shall describe the proposed donation, the purpose for which it is to be used, and the terms upon which it is to be made and accepted.

SEC. 3. Section 37659 of the Government Code is amended to read:

For hospital

37659. The city may incur a bonded indebtedness pursuant to Article 1, Chapter 4 of Division 4, for the acquisition of real or personal property for the hospital and its construction and equipment.

The question of incurring such an indebtedness may be submitted at the election determining whether a hospital is to be established.

CHAPTER 37

An act to amend and renumber Section 9906.1 of the Government Code, relating to influencing the legislative process.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9906.1 of the Government Code, as added by Chapter 67 of the Statutes of 1950 (First Extraordinary Session), is renumbered and amended to read:

Agreement to influence passage or defeat of legislation

9906.2. It shall be unlawful for any person to employ for pay or any consideration, or pay or agree to pay any consideration to, a person to engage in activities for the purpose of influencing the passage or defeat of any legislation or the approval or veto of any legislation who is not registered under Section 9906 except upon condition that such person register forthwith.

CHAPTER 38

An act to amend Section 9020 of the Government Code, relating to sessions of the Legislature.

In effect September 22, 1951

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9020 of the Government Code is amended to read:

Legislative sessions

9020. The Legislature shall assemble at the City of Sacramento at 12 o'clock m., on the first Monday after the first day of January in every odd-numbered year, and at 12 o'clock m., on the first Monday in March in every even-numbered year.

CHAPTER 39

An act to amend Section 1268 of the Code of Civil Procedure, relating to escheat of property.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1268 of the Code of Civil Procedure is amended to read:

Escheat proceedings

1268. The Attorney General shall, from time to time, commence actions on behalf of the State for the purpose of having it adjudged that title to real or personal property to which the State has become entitled by escheat, has vested in the State, and for the purpose of having it adjudged that property has been actually abandoned or that the owner thereof has died and there is no person entitled thereto and the same has escheated and vested in the State; provided, however, that any action for the escheat of real or personal property under the provisions of the Alien Land Law, as amended, may be instituted and prosecuted by the Attorney General or by the district attorney of the county in which such real or personal property is situated. Such actions shall be brought in the Superior Court for the County of Sacramento; except that if any real property covered by the petition is not situated in the County of Sacramento, an action respecting the real property shall be commenced in the superior court for the county in which such real property, or any part thereof, is situated; provided further, that any action for the escheat of real or personal property under the provisions of the Alien Land Law, as amended, shall be commenced and prosecuted in the superior court for the county in which such real or personal property is situated.

Same Pleading

Such action shall be commenced by filing a petition. The provisions of Section 1269 of this code, relating to the facts to be set forth in the petition, joinder of parties and causes of action, and the provisions of Section 1271 of this code, relating to appearances and pleadings, shall be applicable to any proceeding had under this section; provided, however, that in any action for the escheat of real or personal property under the provisions of the Alien Land Law, as amended, all of the provisions of the Alien Land Law, as amended, relating to the commencement and prosecution of such actions shall have the same effect as though incorporated in the provisions of this section, and the provisions of Section 1269 of this code, relating to the facts to be set forth in the petition, joinder of parties and causes of action, and the provisions of Section 1271 of this code relating to appearances and pleadings, shall, insofar as they are applicable, cover such actions.

Upon the filing of the petition, the court shall make an order requiring all persons interested in the property or estate to appear on a day not more than 90 days or less than 60 days

from the date of the order and show cause, if any they have, why title to the property should not vest in the State of California.

Service

Service of process in such actions shall be made by delivery of a copy of the order, together with a copy of the petition, to each person who claims title to any property covered by the petition and who is known to the Attorney General or the State Controller or who has theretofore filed in the Office of the State Controller a written request for such service of process, stating his name and address, including street number, or post-office box number, if any, and by publishing the order at least once a week for four successive weeks in a newspaper published in the county in which the action is filed, the last publication to be at least 10 days prior to the date set for the hearing.

Jurisdiction

Upon completion of the service of process as provided in this section, the court shall have full and complete jurisdiction over the estate, the property, and the person of everyone having or claiming any interest in the property, and shall have full and complete jurisdiction to hear and determine the issues therein, and to render an appropriate judgment.

Publication

In addition to the foregoing publication of the order, a notice shall be given by publication, at least once a week for four successive weeks in a newspaper published in the county from which the property was forwarded to the State Treasury or is situated, of each estate and item of property from such county or situated in such county in excess of one thousand dollars ($1,000). Such notice shall state that a petition has been filed and an order made as hereinbefore provided and shall list each estate and item in excess of one thousand dollars ($1,000) and show the amount of the property if money, or a description thereof if other than money, and the name of the owner or claimant and his last known address, if known. Any omission or defect in the giving of such additional notice shall not affect the jurisdiction of the court.

Judgment

If it appears from the facts found or admitted that the State is entitled to the property or any part thereof mentioned in the petition, judgment shall be rendered that title to such property or part thereof, as the case may be, has vested in the State by escheat.

Vesting of title

Within five years after judgment of escheat to the State in any proceeding had under this title, except judgment in proceedings for the escheat of real or personal property under the provisions of the Alien Land Law, as amended, any person not a party or privy to such proceeding may file a petition in the Superior Court of the County of Sacramento, showing his claim or right to the property, or the proceeds thereof. A judgment of escheat to the State rendered pursuant to the provisions of the Alien Land Law, as amended, shall vest both legal and equitable title to the escheated property absolutely in the State, any other provisions of this title notwithstanding.

Costs

No costs of suit shall be allowed against any party in any action or proceeding had under this section.

CHAPTER 40

An act to renumber and amend Section 261b of the Code of Civil Procedure, relating to fees for phonographic reporters.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 261b of the Code of Civil Procedure is renumbered and amended to read:

Phonographic reporters

261a.5. In each county, or city and county, having a population of 275,000 inhabitants or over, as determined by the federal census taken in 1940, the judges of the superior court in and for such county, or city and county, a majority concurring, to assist the court in the transaction of the judicial business of said court, by having performed the duties of phonographic reporters as elsewhere in this code defined, may appoint as many regular official phonographic reporters as may be necessary to report the proceedings in said court and to perform such duties, except that the number of reporters so appointed shall not exceed at any one time the number of offices of judge provided by law for said court, said reporters to hold office during the pleasure of the judges of said court, a majority concurring.

Pro tempore reporters

When needed in order that the judicial business of the superior court in such county, or city and county, may be diligently carried on and a particular matter or matters may proceed to trial or hearing without delay, a pro tempore official reporter may be appointed to perform the duties of a phonographic reporter in such matter or matters, or until a regular official reporter becomes available for such service. A pro tempore official reporter for such service may be appointed by the presiding judge of the court and the judge presiding in the department where such reporter will serve, but when such appointment is made for service in a contested matter, it shall be made only pursuant to a written stipulation of the parties appearing at the trial or hearing or other proceeding to be reported by such pro tempore reporter.

Salary

Each of said regular official reporters shall be paid a salary of six thousand dollars ($6,000) per annum, and each of said pro tempore official reporters shall be paid twenty dollars ($20) per day for the days he actually is on duty under order of the court.

No further fee than that hereinabove provided shall be collected from, or assessed against, any party to any proceeding for the services of a phonographic reporter in taking down in shorthand the testimony and other proceedings in the trial or hearing of any matter as required by law or by order of the court; but a phonographic reporter shall be allowed, and shall

receive, unless waived by him, the fees now, or that may hereafter be, allowed by law for transcribing his shorthand notes of the testimony and proceedings reported by him, and such fees for transcriptions shall be paid as provided by Section 274 of the Code of Civil Procedure and by any other law of this State pertinent to the case.

The salaries in this section provided shall be paid in monthly installments out of the salary fund of the county, or city and county, and shall be allowed and audited in the same manner as other salary demands against the county, or city and county, are required by law to be allowed and audited.

Fees

In addition to a fee or fees required by any other law or laws, a fee of three dollars ($3) shall be paid to the county clerk of such a county, or city and county, by each party, or jointly by parties appearing jointly, in each of the following instances:

(1) Where Section 26821 of the Government Code requires such party or parties to pay said clerk a fee for the filing of the first paper in a civil action or in a special proceeding, except in an appeal from an inferior court.

(2) Where Section 26822, to 26825, inclusive of the Government Code requires such party or parties to pay said clerk a fee for filing papers transmitted from another court on the transfer of a civil action or special proceeding from another court, except in an appeal from an inferior court.

(3) Where Section 26826 of the Government Code requires such party or parties to pay said clerk a fee on the appearance in a civil action or special proceeding of a defendant, intervenor, respondent, correspondent or adverse party, except in an appeal from an inferior court; provided, however, if any of the parties named in this paragraph shall appear jointly they shall pay but one such additional fee of three dollars ($3) as in this section provided.

(4) Where Section 26827 of the Government Code requires such party or parties to pay said clerk a fee for the filing of a petition or other paper in a probate or guardianship matter.

The fee so required shall be taxed as costs in favor of any party paying the same and to whom costs are awarded by the judgment of the court. Such fee shall not be subject to the provisions of Section 6103 of the Government Code.

The fee provided in this section shall not be required of any party who is exempted from the payment of costs by any statute other than Section 6103 of the Government Code.

The county clerk shall, on or before the first day of each calendar month, transmit to the county treasurer, or city and county treasurer, all moneys paid to him under the provisions of this section during the preceding calendar month, or up to the day immediately preceding the day on which he transmits such moneys, and such moneys shall be deposited in the salary fund of said county, or city and county.

CHAPTER 41

An act to repeal Title 9, Part 4, Division 1, comprising Sections 557 to 566, of the Civil Code, relating to homestead corporations.

[Approved by Governor April 6, 1951. Filed with Secretary of State April 6, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Title 9, Part 4, Division 1, comprising Sections 557 to 566 inclusive, of the Civil Code is hereby repealed. Repeal

CHAPTER 42

An act to amend Section 824 of the Code of Civil Procedure, relating to publication of notice of execution sales of vessels.

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 824 of the Code of Civil Procedure is amended to read:

824. If the attachment be not discharged, and a judgment be recovered in the action in favor of the plaintiff, and an execution be issued thereon, the sheriff must sell at public auction, after publication of notice pursuant to Section 6062 of the Government Code, the steamer, vessel, or boat, with its tackle, apparel, and furniture, or such interest therein as may be necessary, and must apply the proceeds of the sale as follows: Execution sales of vessels

1. When the action is brought for demands other than the wages of mariners, boatmen, and others employed in the service of the steamer, vessel, or boat sold, to the payment of the amount of such wages, as specified in the execution.

2. To the payment of the judgment and costs, including his fees.

3. He must pay any balance remaining to the owner, or to the master, agent, or consignee who may have appeared on behalf of the owner, or if there be no appearance, then into court, subject to the claim of any party or parties legally entitled thereto.

CHAPTER 43

An act to amend Section 413 of the Code of Civil Procedure, relating to service of summons.

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 413 of the Code of Civil Procedure is amended to read:

Service of summons

413. The order must direct the publication to be made in a newspaper, to be named and designated as most likely to give notice to the person to be served, and for such length of time as may be deemed reasonable, at least once each calendar week; but publication against a defendant residing out of the State, or absent therefrom, must be pursuant to Section 6065 of the Government Code, except in proceedings instituted pursuant to the provisions of Chapter 4, Title 3, Part 3, of this code. In case of publication, where the residence of a nonresident or absent defendant is known, the court, judge, or justice, must direct a copy of the summons and complaint to be forthwith deposited in the post office, directed to the person to be served, at his place of residence. When publication is ordered, personal service of a copy of the summons and complaint out of the State is equivalent to publication and deposit in the post office. Service is complete upon the making of such personal service or at the expiration of the time prescribed by the order for publication, whichever event shall first occur.

As used in this section "post office" includes mail box, substation and mail chute or other like facility regularly maintained by the Government of the United States.

CHAPTER 44

An act to amend Section 189 of the Code of Civil Procedure, relating to publication of notice of intention to destroy records.

In effect September 22, 1951

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 189 of the Code of Civil Procedure is amended to read:

Destruction of records

189. Except as hereinafter provided, all records, papers, and exhibits in any civil case and all records and papers in any criminal case in a justice's, city or police court, may be disposed of for the purpose of destruction, or may be destroyed, by the clerk of the court, or by a justice thereof, after the lapse of seven years after the date on which judgment in such case became final, or after the lapse of five years from the date of filing of the complaint, if such case has not been prosecuted to judgment; provided, that in criminal cases the consent of either the district attorney or prosecuting attorney shall first be obtained. In civil cases notice must be published pursuant to Government Code Section 6061 in a newspaper of general circulation, published in the county in which the court is situated, at least 30 days before the proposed disposal. The notice shall be substantially as follows:

Notice of Intention to Destroy Records

Notice is hereby given that on _____ (date) the justice (judge or clerk) of the justice's court (city or police court) of _____ intends to dispose of the records, papers, and exhibits of all cases in which judgment became final seven years prior thereto, or which have not been prosecuted to judgment within five years prior thereto, unless a party to the case or his attorney appears in court and moves that such records, papers, and exhibits be not destroyed.

Such records, papers, and exhibits may be destroyed at any time after the effective date of this section and the cost thereof, and the cost of publication of the notice, shall be a county charge. The cost of destroying city or police court records, papers and exhibits and the cost of publication of the notice to destroy city or police court records shall be a city charge. Minute book entries, dockets and judgment dockets shall not be destroyed, and shall be and constitute for all purposes the record in lieu of the records, papers, and exhibits destroyed.

CHAPTER 45

An act to amend Section 1277 of the Code of Civil Procedure, relating to publication of order to show cause in relation to change of names.

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1277 of the Code of Civil Procedure is amended to read:

Change of name

1277. Upon the filing of the said petition the court shall thereupon make an order reciting the filing of the application, the name of the person by whom it is filed and the name proposed, and directing all persons interested in said matter to appear before the court, at a time and place specified, not less than four or more than eight weeks from the time of making such order, to show cause why the application for change of name should not be granted. A copy of the order to show cause must be published pursuant to Government Code Section 6064 in some newspaper of general circulation to be designated in the order, printed in the county, if a newspaper be printed therein, or, if no newspaper be printed in the county, a copy of such order to show cause shall be posted by the clerk of the court in three of the most public places in the county in which the court is held, for a like period. Proof must be made to the satisfaction of the court, of such publication, or posting, at the time of the hearing of the application.

Four weekly publications shall be sufficient publication of said order to show cause. If said order is published in a daily newspaper, publication once a week for four successive weeks shall be sufficient.

CHAPTER 46

An act to amend Section 750 of the Code of Civil Procedure, relating to publication of summons in actions to determine conflicting claims to real property.

In effect September 22, 1951

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 750 of the Code of Civil Procedure is amended to read:

Real property claims. Summons.

750. Within one year after the filing of the complaint, as required by the preceding section, a summons must be issued, which shall contain the matters required by Section 407 of this code, and in addition, a description of the property and a statement of the object of the action. In said summons the said unknown defendants shall be designated as in the complaint, whether they are the sole defendants or not. If as to any defendant the action is one brought under the provisions of Section 738 and sections pertinent thereto of this code, such defendant may be named in the same summons and no separate or additional summons need be issued directed to such defendant.

Within 30 days after the issuance of the summons, the plaintiff shall post or cause to be posted a copy thereof in a conspicuous place on the property described in the complaint.

Same. Affidavit.

At any time after the issuance of the summons, the plaintiff, or his agent or attorney, shall make and file an affidavit wherein there shall be stated the following matters:

(a) The names of the defendants, if any, as to whom the action is brought under the provisions of Section 738 and sections pertinent thereto of this code. If there is no such defendant that fact shall be stated,

(b) The names of all the defendants who have been served personally, if any. If there is none that fact shall be stated,

(c) The names of the defendants who reside out of the State and their places of residence, if known to the plaintiff, and

(d) The names of the defendants residing in or out of the State whose place of residence is unknown to the plaintiff.

All defendants as to whom the action is one brought under the provisions of Section 738 and sections pertinent thereto of this code, shall be served with said summons in the manner provided in Title 5 of Part 2 of this code.

All other defendants residing in the State of California, whose place of residence is known to the plaintiff shall be served personally with said summons; provided, that any such defendant who conceals himself to avoid service of summons may be served as provided in Sections 412 and 413 of this code.

Except as otherwise provided, upon the making and filing of the aforesaid affidavit, the court or a judge thereof shall

make an order directing the said summons to be served upon the defendants residing out of the State, whose place of residence is known to the plaintiff and upon the defendants residing in or out of the State, whose place of residence is unknown to the plaintiff, and upon all the unknown defendants as stated in the complaint and summons, by publication in some daily or weekly newspaper of general circulation printed and published in the county where the property is situated, and if there be no such paper in such county, then in some adjoining county, to be designated by the court or a judge thereof, which publication shall be pursuant to Government Code Section 6064.

Within 10 days after the making of the said order directing publication of summons, a copy of the summons and complaint, properly addressed and with the postage thereon fully prepaid, shall be mailed to each of the defendants whose names are known who reside out of the State, at their place of residence, if known, and also to the defendants whose names are known residing in or out of the State, whose place of residence is unknown to plaintiff, addressed to them at the county seat of the county where the action is commenced.

All such unknown persons so served shall have the same rights as are provided by law in cases of all other defendants named, upon whom service is made by publication, or personally, and the action shall proceed against such unknown persons in the same manner as against the defendants who are named upon whom service is made by publication or personally, and with like effect; and any such unknown person who has or claims to have any right, title, estate, lien or interest in the said property, or cloud on the title thereto, adverse to plaintiff, at the time of the commencement of the action, who has been duly served as aforesaid, and any one claiming under him, shall be concluded by the judgment in such action as effectually as if the action was brought against the said person by his or her name and personal service of process was obtained, notwithstanding any such unknown person may be under legal disability. Service shall be deemed complete upon the completion of the mailing and publication.

In the event that service of any summons shall be required to be by publication as to any defendant as to whom the action is brought under the provisions of Section 738 of this code, the order for such publication, made pursuant to the provisions of Section 412 and 413 of this code may be made either as a part of the order for publication of summons made as to other defendants, or as a separate order, as the court or a judge thereof may consider proper in the particular case.

CHAPTER 47

An act to amend Section 1274.5 of the Code of Civil Procedure, relating to publication of notice and compiled report of abandoned property.

In effect September 22, 1951

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1274 5 of the Code of Civil Procedure is amended to read:

Abandoned property

1274.5. The State Controller shall immediately after March 1st of each year prepare returns of all reports received by him, compiled by counties in which such property is located or held. The compiled returns for each county shall contain in addition to the matters otherwise required by this title the

Notice

name and address of the holder and a notice that the property listed in the return is presumed to be abandoned property and will be delivered to the State Treasurer if money or if other property be delivered to the State Controller for deposit in the State Treasury on or after June 1st, unless the owner thereof appears and makes claim on the holder prior thereto.

The State Controller shall cause the compiled return for each county together with said notice to be published in a newspaper of general circulation published in the county pursuant to Government Code Section 6064. If there is no newspaper of general circulation published in the county, he shall cause to be posted a copy of the compiled return for said county, together with said notice at the courthouse in said county for a period of four consecutive weeks. The publication or posting shall be begun on or before April 1st of each year, and when it is completed shall be constructive notice to all interested parties and shall be in addition to any other notice required by law. If for any reason the return together with said notice is not published or posted in any county prior to April 1st, the same may be published or posted at any time thereafter; provided, that the date for the delivery of said property to the State Treasurer or State Controller shall be specified at not less than two calendar months from the date of first publication or posting.

If in the judgment of the State Controller the compiled return for any county or any portion of such compiled return includes property of such small value as not to justify the cost of publication, he shall cause notice to be given in the same manner as if there were no newspaper of general circulation published in the county.

CHAPTER 48

An act to amend Sections 2466 and 2469.1 of the Civil Code, relating to publication of certificates of doing business under a fictitious name and cessation of doing business under a fictitious name.

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2466 of the Civil Code is amended to read:

Fictitious name

2466. Except as otherwise provided in the next section every person transacting business in this State under a fictitious name and every partnership transacting business in this State under a fictitious name, or a designation not showing the names of the persons interested as partners in such business, must file with the clerk of the county in which his or its principal place of business is situated, a certificate, stating the name in full and the place of residence of such person and stating the names in full of all the members of such partnership and their places of residence.

Such certificate must be published pursuant to Government Code Section 6064, in a newspaper published in the county, if there be one, and if there be none in such county, then in a newspaper in an adjoining county. An affidavit showing the publication of such certificate shall be filed with the county clerk within 30 days after the completion of such publication.

SEC. 2. Section 2469.1 of the Civil Code is amended to read:

Same
Cessation of business

2469.1. Every person and every partnership transacting business in this State under a fictitious name, or designation not showing the names of the persons interested as partners in such business, who has filed a certificate and caused the publication thereof according to the provisions of this chapter, may, upon ceasing to do business under that name, file a certificate to that effect, stating the name in full and the place of residence of such person, and stating the names in full of all the members of such partnership and their places of residence.

Such certificate must be published pursuant to Government Code Section 6064, in a newspaper published in the county, if there be one, and if there be none in such county, then in a newspaper in an adjoining county. An affidavit showing the publication of such certificate shall be filed with the county clerk within 30 days after the completion of such publication.

CHAPTER 49

An act to amend Section 283 of the Probate Code, relating to notices in estates of missing persons.

In effect September 22, 1951

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 283 of the Probate Code is amended to read:

Estates of missing persons

283. Notice of hearing the petition for administration or probate of the last will of the missing person shall be published in the form of similar notices of hearing in the administration of estates of deceased persons, pursuant to Section 6065 of the Government Code, the first publication to be at least three calendar months prior to the day set for the hearing of said petition; and in addition, within 20 days after the filing of the petition, copies of the notice shall be sent by registered mail to each person named in the petition as heir-at-law, next of kin, devisee and legatee, and to the last known address of such missing person; and proof by affidavit of such publication and such mailing shall be filed at or prior to the hearing

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CHAPTER 50

An act to amend Section 851 of the Probate Code, relating to notices in administration of estates.

In effect September 22, 1951

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 851 of the Probate Code is amended to read:

Petition

851. The executor or administrator or any person claiming to be entitled to such conveyance or transfer may file with the clerk of the court a verified petition, setting forth the facts upon which the claim is predicated. Thereupon the clerk shall set the petition for hearing by the court, and notice thereof shall be served on the executor or administrator personally when he is not the petitioner, and shall be published pursuant to Government Code Section 6062 before the hearing, in a newspaper published in the county where the proceedings are pending, or, if there is no such newspaper, then, in lieu of publication, three written or printed notices of the hearing shall be posted at three of the most public places in the county at least 10 days before the hearing; but if such contract was recorded before the death of the person executing it, notice of the hearing may be given by serving such notice on the executor or administrator personally, when he is not the petitioner, and posting a copy of the notice at the courthouse of the county in which the proceedings are pending, for at least 10 days prior to the hearing.

CHAPTER 51

An act to amend Section 1201 of the Probate Code, relating to notices in the administration of estates.

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1201 of the Probate Code is amended to read:

1201. In the case of a petition for leave to sell or to give an option to purchase a mining claim or real property worked as a mine, or for leave to borrow money or execute a mortgage or deed of trust or give other security, or for leave to execute a lease, or sublease, in addition to the notice required by Section 1200 of this code, the clerk shall cause such notice of the application to be published in a newspaper of general circulation in the county in which the estate is being probated pursuant to Section 6062 of the Government Code. Administration of estates

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CHAPTER 52

An act to amend Section 4700 of the Penal Code, relating to the expenses of trial of prisoners.

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4700 of the Penal Code is amended to read:

4700. Whenever a trial is had of any person under any of the provisions of Sections 4530 and 4531 of this code, whenever a hearing is had on the return of a writ of habeas corpus prosecuted by or on behalf of any prisoner in the state prison, whenever a prisoner in the state prison is tried for any crime committed therein, and whenever a trial or hearing is had on the question of the insanity of any such prisoner, the county clerk of the county where such trial or hearing is had must make out a statement of all the costs incurred by the county for the investigation, and the preparation of the trial, and actual trial of such case, or of the hearing on the return of such writ, and all guarding and keeping of such prisoner, while away from the prison, the transportation of the prisoner to and from the prison, the costs of appeal, and of the execution of the sentence of such prisoner, exclusive of the cost of any report or statement required by Section 1192a of the Penal Code, properly certified to by a judge of the superior court of such county, which statement must be sent to the Department of Corrections for its approval; and after such approval, said department must cause the amount of such costs to be paid out of the money appropriated for the support of the state prison, to the county treasurer of the county where such trial or hearing was had. Payment of trial expenses

CHAPTER 53

An act to amend Section 10115 of the Insurance Code, relating to life insurance policies.

In effect September 22, 1951

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10115 of the Insurance Code is amended to read:

Insurance
Death of insured before policy issued

10115. When a payment is made equal to the full first premium at the time an application for life insurance other than group life insurance is signed by the applicant and either (1) the applicant received at that time a receipt for said payment on a form prepared by the insurer, or (2) in the absence of such a receipt the insurer receives the said payment at its home office, branch office, or the office of one of its general agencies, and in either case the insurer, pursuant to its regular underwriting practices and standards, approves the application for the issuance by it of a policy of life insurance on the plan and for the class of risk and amount of insurance applied for, and the person to be insured dies on or after the date of the application, on or after the date of the medical examination, if any, or on or after any date specially requested in the application for the policy to take effect, whichever is later, but before such policy is issued and delivered, the insurer shall pay such amount as would have been due under the terms of the policy in the same manner and subject to the same rights, conditions and defenses as if such policy had been issued and delivered on the date the application was signed by the applicant. The provisions of this section shall not prohibit an insurer from limiting the maximum amount for which it may be liable prior to actual issuance and delivery of the policy of life insurance either to (1) an amount not less than its established maximum retention, or to (2) fifty thousand dollars ($50,000), if a statement to this effect is included in the application.

CHAPTER 54

An act to amend Section 28153 of the Government Code, relating to compensation for public service in counties of the fifty-third class.

In effect September 22, 1951

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 28153 of the Government Code is amended to read:

28153. In a county of the fifty-third class the following shall receive as compensation for the services required of them by law or by virtue of their offices, the following sums: Del Norte County salaries

(a) The auditor, one thousand four hundred dollars ($1,400) a year.

(b) The district attorney, three thousand dollars ($3,000) a year.

(c) Each supervisor, two thousand four hundred dollars ($2,400) a year, for all services required of him by law in any capacity. Supervisors may use automobiles provided and maintained by the county in the performance of the duties required of them by law.

(d) Grand jurors shall be paid four dollars ($4) a day, and jurors in the superior court shall be paid three dollars ($3) for each day's attendance, and thirty cents ($0.30) for each mile actually traveled in going only, while acting as such jurors. The court shall make an order directing the auditor to draw his warrant on the treasurer in favor of the jurors for the per diem and mileage and the treasurer shall pay the warrant.

The compensation provided by this section shall be paid to incumbent officers.

CHAPTER 55

An act to repeal Section 19432 of the Education Code, relating to the use of civic center or school property by subversive groups.

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 19432 of the Education Code is repealed. Repeal

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CHAPTER 56

An act to amend Sections 7014, 7015, and 7020 of the Education Code, relating to apportionment of school funds.

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7014 of the Education Code is amended to read:

7014. He shall allow to each elementary school district, high school district, and junior college district, except as to any to which Section 7016 is applicable, which during the preceding fiscal year provided for the transportation of pupils, an amount which shall be computed as follows: School funds for transportation of pupils

He shall determine the total current expenses of the district for such transportation during the preceding fiscal year, as

approved by him in accordance with such regulations as he may establish. He shall then determine what rate of tax levied on each one hundred dollars ($100) of 90 percent of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than two cents ($0.02) he shall allow to the district (a) 50 percent of the amount which would be produced by not more than eight cents ($0.08) of the computed tax rate less two cents ($0.02) and (b) 100 percent of the amount which would be produced by the computed tax rate in excess of eight cents ($0.08).

He shall allow to each high school district maintaining a junior college, except as to any to which Section 7016 is applicable, which during the preceding fiscal year provided for the transportation of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the districts for such transportation during the preceding fiscal year, as approved by him, in accordance with such regulations as he shall establish. He shall then determine what rate of tax levied on each one hundred dollars ($100) of 90 percent of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than three cents ($0.03) he shall allow to the district (a) 50 percent of the amount which would be produced by not more than twelve cents ($0.12) of the computed tax rate less three cents ($0.03) and (b) 100 percent of the amount which would be produced by the computed tax rate in excess of twelve cents ($0.12).

SEC. 2. Section 7015 of said code is amended to read:

Same

7015. He shall allow to each unified school district formed under the provisions of Chapter 16 of Division 2, the formation of which became effective on July 1, 1948, or thereafter, an amount equal to the total current expenses of the district during the preceding fiscal year for the transportation of pupils, determined by the Superintendent of Public Instruction to have been required because of a change of the location of schoolhouses within the district during such preceding fiscal year. No allowance shall be made under this paragraph subsequent to the close of the fifth fiscal year following that in which the district was formed and thereafter the provisions of the next paragraph shall control as to such district.

He shall allow to each unified school district not maintaining a junior college which during the preceding fiscal year provided for the transportation of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the district for such transportation during the preceding fiscal year as approved by the Superintendent of Public Instruction in accordance with such regulations as he may establish. He shall then

determine what rate of tax levied on each one hundred dollars ($100) of 90 percent of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than three cents ($0.03) he shall allow to the district (a) 50 percent of the amount which would be produced by not more than twelve cents ($0.12) of the computed tax rate less three cents ($0 03) and (b) 100 percent of the amount which would be produced by the computed tax rate in excess of twelve cents ($0.12).

He shall allow to each unified school district maintaining a junior college, except as to any to which Section 7016 is applicable, which during the preceding fiscal year provided for the transportation of pupils, an amount which shall be computed as follows:

He shall determine the total current expenses of the district for such transportation during the preceding fiscal year, as approved by him in accordance with such regulations as he may establish. He shall then determine what rate of tax levied on each one hundred dollars ($100) of 90 percent of the assessed valuation of the district as shown by the equalized assessment roll of the district for the preceding fiscal year, hereinafter referred to in this section as computed tax rate, would, if levied, produce such amount. If the computed rate of tax is more than four cents ($0.04) he shall allow to the district (a) 50 percent of the amount which would be produced by not more than sixteen cents ($0 16) of the computed tax rate less four cents ($0.04) and (b) 100 percent of the amount which would be produced by the computed tax rate in excess of sixteen cents ($0.16).

SEC. 3. Section 7020 of said code is amended to read:

Same
Reduction

7020. In the event the amount available under Section 7019 for apportionment during any fiscal year is less than the total allowances computed under this article for such fiscal year, the amounts allowed shall be reduced in the ratio that the amount of such deficit bears to the amounts allowed.

CHAPTER 57

An act to amend Section 4663 of the Education Code, relating to annexation of school districts.

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4663 of the Education Code is amended to read:

Annexation of school districts

4663. One or more contiguous elementary or high school districts, one of which is contiguous to a unified school district,

may be annexed to the unified school district not later than the first day of February in any school year by the board of supervisors of the county having jurisdiction over the unified school district whenever a majority of the qualified electors in each of the elementary or high school districts voting at an election held for that purpose vote in favor of the annexation and the governing board of the unified school district has filed its approval of the annexation, in writing, with the board of supervisors. The election shall be called by the county superintendent of schools having jurisdiction over the unified school district whenever a majority of the qualified electors residing in each of the elementary or high school districts petition the county superintendent of schools to call the election.

CHAPTER 58

An act to amend Sections 175 and 176 of the Education Code, relating to the powers of the Department of Education.

In effect September 22, 1951

[Approved by Governor April 9, 1951. Filed with Secretary of State April 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 175 of the Education Code is amended to read:

Department of Education Powers

175. Except as otherwise in this chapter prescribed, the provisions of Article 2, Chapter 2, Part 1, Division 3 of Title 2 of the Government Code, shall govern and apply to the conduct of the Department of Education in every respect as if such provisions were herein set forth at length.

SEC. 2. Section 176 of said code is amended to read:

"Head of the department"

176. Wherever in Article 2, Chapter 2, Part 1, Division 3 of Title 2 of the Government Code, the term "head of the department," or similar designation occurs, it shall, for the purposes of this chapter mean the Director of Education.

CHAPTER 59

An act to amend Section 1269 of the Code of Civil Procedure, relating to publication of order to show cause in relation to an action to declare property escheated to the State.

In effect September 22, 1951

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1269 of the Code of Civil Procedure is amended to read:

Action to adjudge land escheated

1269. At any time after two years after the death of any decedent, leaving property to which the State is entitled by reason of its having escheated to the State, the Attorney General

shall commence a proceeding on behalf of the State in the Superior Court for Sacramento County to have it adjudged that the State is so entitled. Such action shall be commenced by filing a petition, which shall be treated as the information elsewhere referred to in this title.

There shall be set forth in such petition a description of the property, the name of the person last possessed thereof, the name of the person, if any, claiming such property, or any portion thereof, and the facts and circumstances by virtue of which it is claimed the property has escheated.

Upon the filing of such petition, the court must make an order requiring all persons interested in the estate to appear and show cause, if any they have, within 60 days from the date of the order, why such estate should not vest in the State. Such order must be published pursuant to Government Code Section 6064 in a newspaper published in said County of Sacramento, the last publication to be at least 10 days prior to the date set for the hearing. Upon the completion of the publication of such order the court shall have full and complete jurisdiction over the estate, the property, and the person of everyone having or claiming any interest in the said property, and shall have full and complete jurisdiction to hear and determine the issues therein, and render the appropriate judgment thereon.

If proceedings for the administration of such estate have been instituted, a copy of such order must be filed with the papers in such estate in the office of the county clerk where such proceedings were had. If proceedings for the administration of any estate of any such decedent have been instituted and none of the persons entitled to succeed thereto have appeared and made claim to such property, or any portion thereof, before the decree of final distribution therein is made, or before the commencement of such proceeding by the Attorney General, or if the court shall find that such persons as have appeared are not entitled to the property of such estate, or of any portion thereof, the court shall, upon final settlement of the proceedings for the administration of such estate, after the payment of all debts and expenses of administration, distribute all moneys and other property remaining to the State of California.

The property so distributed shall be held by the State Treasurer for a period of five years from the date of the decree making such distribution within which time the same may be claimed in the manner in this title hereafter provided, but a nonresident foreigner claiming succession in any case must appear and claim within five years from the death of the decedent, and any person who does not appear and claim as herein required shall be forever barred, and such property, or so much thereof as is not so claimed, shall vest absolutely in the State.

Pleading

In any proceeding brought by the Attorney General under this title any two or more parties and any two or more causes of action may be joined in the same proceeding and in the same

petition without being separately stated, and it shall be sufficient to allege in the petition that the decedent left no heirs to take the estate and the failure of heirs to appear and set up their claims in any such proceeding, or in any proceedings for the administration of such estate, shall be sufficient proof upon which to base the judgment in any such proceeding or such decree of distribution.

Where proceedings for the administration of any estate have not been commenced within six months from the death of any decedent the Attorney General may direct the public administrator to commence the same forthwith.

CHAPTER 60

An act to amend Section 1812 of the Code of Civil Procedure, relating to publication of notice of intention to become a sole trader.

In effect September 22, 1951

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1812 of the Code of Civil Procedure is amended to read:

Notice of intention to become a sole trader

1812. A person intending to make application to become a sole trader must publish notice of such intention in a newspaper published in the county, or if none, then in a newspaper published in an adjoining county, pursuant to Government Code Section 6064. The notice must specify the day upon which application will be made, the nature and place of the business proposed to be conducted by her, and the name of her husband

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CHAPTER 61

An act to add Section 6066 to the Government Code, relating to publication of notices.

In effect September 22, 1951

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6066 is added to the Government Code, to read:

Publication of notice

6066. Publication of notice pursuant to this section shall be once a week for two successive weeks. Two publications, whether in a daily or weekly, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the second week thereafter.

CHAPTER 62

An act to amend the title of the Municipal Water District Act of 1911, and to amend Sections 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 15, 17, 18, 19, 22, 23, 24, 25, 26, 27, 28, 29, and 32 of, to amend and renumber Sections 6a, 27a, 27b, and 27c of, to repeal Sections 4a, 4b, 20, and 31 of, and to add Sections 12.1, 12.2, 13.1, 16, 20, 21, 27.1, 27.2, 27.3, and 27.7 to the Municipal Water District Act of 1911, relating to municipal water districts, declaring the urgency thereof, to take immediate effect.

Stats 1911, p 1290, amended

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 2 of the act cited in the title hereof is amended to read:

Sec. 2. The people of any county, or of any portion of a county, whether such portion includes unincorporated territory only or incorporated territory of any city or cities or both such incorporated and unincorporated territory, may organize a municipal water district under the provisions of this act. Such cities need not be contiguous and such unincorporated territory may consist of one or more parcels which need not be contiguous one with the other or with any such city or cities. The inclusion of any city or cities in the formation of such district shall require the inclusion of the entire corporate area of each such city.

Municipal water districts organization.

SEC. 2. Section 3 of said act is amended to read:

Sec. 3. A petition, which may consist of any number of separate instruments, shall be filed with the county clerk of the county in which the proposed municipal water district is located, signed by voters residing within the boundaries of the proposed district equal in number to at least 10 per centum of the number of such voters voting for all candidates for the office of Governor of this State at the last general election prior to the filing of such petition; provided, that where one or more cities are included in such proposed district, such petition must be signed by at least 10 per centum of the voters of each such city so voting at such election. Such petition shall set forth and describe the boundaries of such proposed district, and shall contain a prayer that such proposed district be incorporated under the provisions of this act.

Petition

Within 10 days of the date of the filing of such petition, the county clerk shall examine the same and ascertain whether or not said petition is signed by the requisite number of voters; and if requested by the county clerk, the board of supervisors shall authorize him to employ persons specially for that purpose, in addition to the persons regularly employed in his office, and shall provide for their compensation. When the county clerk has completed his examination of the petition, he shall attach to the same his certificate, properly dated, showing the result of

Sufficiency of petition

such examination; and if from such examination he shall find that said petition is signed by the requisite number of voters residing within the boundaries of such proposed district, and within the boundaries of each city included therein, or is not so signed, he shall certify that the same is sufficient or insufficient, as the case may be.

If by the certificate of the county clerk the petition is found to be insufficient, he shall also certify to the number of voters required to make such petition sufficient, and it may be amended by filing a supplemental petition or petitions within 10 days from the date of such certificate. The county clerk shall, within 10 days after the filing of such supplemental petition or petitions, make like examination of the same and certify to the result of such examination as hereinbefore provided.

If his certificate shall show any such petition, or such petition as amended, to be insufficient, it shall be filed by him with the board of supervisors and kept as a public record, without prejudice, however, to the filing of a new petition to the same effect. But if, by the certificate of the county clerk, such petition, or such petition as amended, is shown to be sufficient, the county clerk shall present the same to the board of supervisors without delay.

Supplemental petition

If any supplemental petition be filed, all the signatures appended to the petition and to the supplemental petition or petitions shall be considered in determining the number of voters signing the petition.

After an election for the incorporation of such proposed district the sufficiency of such petition in any respect shall not be subject to judicial review or be otherwise questioned.

If the county in which such proposed district is located shall have a registrar of voters other than the county clerk, upon the filing of the petition herein mentioned with the county clerk, he shall forthwith deliver the same to such registrar of voters, who shall perform the duties herein required to be performed by the county clerk respecting the examination and certification of such petition; and said registrar of voters shall return said petition, immediately upon the completion of such examination, together with his certificate showing the result of such examination, to the county clerk, who shall thereupon present such petition, together with the certificate of the registrar of voters attached thereto to the board of supervisors.

Division of the district

When such petition is presented, the board of supervisors shall make an order dividing the district into five divisions, according to and based upon the population as estimated by the board of supervisors from the register of voters used at the last general election, in such manner as to equalize, as nearly as practicable, the population in the respective divisions. Such divisions shall be numbered first, second, third, fourth, and fifth, and one director, who shall be a resident thereof, shall be elected for each division by the voters thereof and shall take office as hereinafter provided.

When such order dividing the proposed district into five divisions is made, the board of supervisors shall call and provide for the holding of an election to be held in said proposed district for the purpose of determining whether or not the same shall be incorporated and for the purpose of electing the first board of directors if the district is incorporated. The date of the election shall be not less than 90 days nor more than 120 days from the date of adoption of the resolution or ordinance calling the election. The notice of such election shall describe the boundaries of the proposed district and of the divisions thereof as so established and shall state the proposed name of the proposed district (which name shall contain the words "_____ Municipal Water District"), and shall state that the first directors will be elected at such election, who shall take office if the district is incorporated, and shall set forth the names of the candidates for the offices of directors from the respective divisions. Such notice of election shall be published once, not less than one week and not more than four weeks prior to such election in at least one, but not to exceed three newspapers printed and published in said county. Election

At such election the first directors shall be elected and the following measure shall be submitted: "Shall the proposition to organize _____ Municipal Water District under the Municipal Water District Act of 1911 as amended, be adopted?" The candidates shall declare their candidacy and shall be nominated, the election shall be held and conducted, the vote canvassed, the result declared and the certificates of election issued in accordance with the provisions of the Elections Code, so far as they may be applicable, except as in this act otherwise provided. No person shall be entitled to vote at any election under the provisions of this act unless such person possesses all the qualifications required of voters under the Elections Code.

Within seven days after such election the vote shall be canvassed by the board of supervisors. If a majority of the votes cast at such election shall be in favor of organizing such municipal water district, said board shall by an order entered on its minutes declare the territory included within the proposed boundaries duly organized as a municipal water district under the name theretofore designated, and the county clerk shall immediately cause to be filed with the Secretary of State and shall cause to be recorded in the office of the county recorder of the county in which said district is situated, each, a certificate stating that such a proposition was adopted. If a majority of the votes cast at such election are in favor of organizing such district, the persons voted for as directors who received the highest number of votes within the respective divisions shall be duly elected as directors of the district.

Upon the receipt of such last-mentioned certificate the Secretary of State shall, within 10 days, issue his certificate reciting that the municipal water district (naming it) has been duly incorporated according to the laws of the State of California. A copy of such certificate shall be transmitted to and filed with Certificate

the county clerk of the county in which such municipal water district is situated. From and after the date of filing said certificate with the Secretary of State, the district named therein shall be deemed incorporated as a municipal water district, with all the rights, privileges and powers set forth in this act, and necessarily incident thereto.

In case less than a majority of the votes cast are in favor of said proposition the organization fails, but without prejudice to renewing proceedings at any time after six months from date of said election.

SEC. 3. Section 4 of said act is amended to read:

Board of directors

Sec. 4. The board of directors of a district organized under this act shall consist of five members, and one director, who shall be a resident of the division, shall be elected by the voters thereof, for each of the five divisions of such district, which divisions shall be numbered first, second, third, fourth and fifth, and shall be established as provided in Section 3 of this act or re-established as provided in Section 32 of this act. The members of the first board of directors shall be elected at the time and in the manner provided in said Section 3, and their successors shall be elected or chosen at the times and in the manner hereinafter provided. Each director shall hold office for the term of four years from and after the date for his taking of office, as herein provided, and until the election and qualification of his successor, except that the five members of the first board of directors shall classify themselves by lot so that two of them shall hold office until the qualification of, and taking office by, their successors elected at an election held in the next succeeding even-numbered year, and so that three shall hold office until the qualification of, and taking of office by, their successors elected at an election held in the second succeeding even-numbered year.

In the case of all districts (except as to the election of the first board of directors) the elections of directors shall be held at the time of the direct primary election and shall be consolidated therewith. Each candidate for director who at such election receives votes on a majority of all the ballots cast for candidates for the office for which he seeks nomination shall be elected to such office. If at such primary election, as to any such office, none of the candidates receives such majority, the two candidates who receive the highest number of votes cast on all the ballots cast for candidates for such office, shall be the candidates for such office at the ensuing district election, which latter election shall be held at the same time as the next succeeding general election and shall be consolidated therewith. Candidates shall declare their candidacy and shall be nominated, election returns shall be canvassed, the election shall be held and conducted, the results shall be declared, and the certificates of election shall be issued, in the same manner as the declaration of candidacy, nomination, election, canvassing of returns, declaration of results, and issuance of certificates of

election for county officers are made, declared, held, and conducted, and issued, so far as consistent with the provisions of this act and except as otherwise herein expressly provided. Directors elected hereunder, except the first board of directors, shall take office at the same time provided by the Government Code for county officers. Said election held at the time of the direct primary election and consolidated therewith shall be known as the General Municipal Water District Election and each other election which may be held by authority of this act or the Elections Code or other law applicable thereto shall be known as a Special Municipal Water District Election.

SEC. 4. Sections 4a and 4b of said act are repealed. Repeal

SEC. 5. Section 5 of said act is amended to read:

Sec. 5. No person shall vote at any municipal water district election held under the provisions of this act who is not a voter within the meaning of the Elections Code, residing in the division of the municipal water district in which he casts his vote. For the purpose of registering voters who shall be entitled to vote at municipal water district elections, the county clerk or registrar of voters is authorized, in any county in which there is a municipal water district, to indicate upon the affidavit of registration whether the voter is a voter of a municipal water district. Voting qualifications

In case the boundary line of a municipal water district crosses the boundary line of a county election precinct only those voters within such municipal water district and within such precinct who are registered as being voters within the municipal water district shall be permitted to vote, and for that purpose the county clerk or registrar of voters is hereby empowered to provide two sets of ballots within such precincts, one containing the names of candidates for office in said municipal water district, and the other not containing such names, and it shall be the duty of the election officers in such precincts to furnish only those persons registered as voters within such municipal water district with the ballots upon which are printed the names of the candidates for office in said municipal water district.

SEC. 6. Section 6 of said act is amended to read:

Sec. 6. The provisions of the Elections Code so far as they may be applicable shall govern all general municipal water district elections and all special municipal water district elections, except as in this act otherwise provided. Elections

In counties in which municipal water districts are located the county clerk or registrar of voters is hereby given authority, and he hereby is authorized to have printed upon the official ballots provided for voters at elections for directors a heading in the same form as that provided by the Elections Code for nonpartisan officers, which heading shall be marked "Municipal Water District," with a subheading "For a Member of the Board of Directors, Division _____ (here inserting the number of the division)—Vote for One," and beneath which shall appear the names of the candidates for the office of

member of the board of directors for such division of the municipal water district, with the appropriate blank space for the writing in of the name of a candidate if desired by the voters, and with a voting square placed opposite the space. The ballots thus provided shall be furnished by the precinct officers only to those voters within their respective precincts who shall appear on the register as duly registered voters within that division of the municipal water district, and in precincts which lie partly within such municipal water district and partly without the precinct board shall be supplied with two kinds of ballots by said county clerk or registrar of voters, one of which shall contain the matters hereinabove set forth for the use of voters of such municipal water district, and the other of which shall be without such heading containing the names of candidates for the office of member of the board of directors, and which shall be furnished to those voters who are not voters of the municipal water district and who are voters of the precinct.

SEC. 7. Section 6a of said act is renumbered 6.1 and amended to read:

Canvass of elections

Sec. 6.1. The board of directors of the municipal water district shall call and canvass all elections involving matters of initiative and referendum and shall call all other elections which it is authorized to canvass.

The governing body calling or conducting any election under the provisions of this act shall fix the compensation to be paid the officers of the election and shall designate the precincts and polling places for each division of the district and shall appoint the officers of such election, who shall consist of one inspector, one judge, and two clerks, unless in case of consolidated elections, other officers of election are required by law. The voting precincts for any such election may be established and the boundaries thereof fixed and described by such governing body, or such voting precincts may consist of either the regular election precincts or portions thereof within the district established for holding state or county elections, or a consolidation of any or all of such regular election precincts or portions thereof last established. If any municipal water district election is consolidated with any state or county election, then the voting precincts, polling places, and election officers for the district election shall be the same as those established for such state or county election.

SEC. 8. Section 7 of said act is amended to read:

Recall

Sec. 7. Every incumbent of an elective office, whether elected by popular vote for a full term, or chosen by the board of directors to fill a vacancy, is subject to recall by the voters of any municipal water district organized under the provisions of this act in accordance with the recall provisions of the Elections Code of the State with reference to cities.

SEC. 9. Section 8 of said act is amended to read:

Board of directors' Organization

Sec. 8. The board of directors shall be the governing body of such municipal water district. It shall hold its first meeting as soon as possible after the election and certification of the

first board of directors and not later than the sixth Monday after the date of the first election of directors as herein provided; it shall choose one of its members president, and shall thereupon provide for the time and place of holding its meetings and the manner in which its special meetings may be called. All legislative sessions of the board of directors whether regular or special shall be open to the public. A majority of the board of directors shall constitute a quorum for the transaction of business. At its first meeting in the month of January of each odd-numbered year, the board of directors shall choose one of its members president.

SEC. 10. Section 9 of said act is amended to read:

SEC. 9. The board of directors shall act only by ordinance, resolution, or motion. On all ordinances the roll shall be called and the ayes and noes recorded in the journal of the proceedings of the board of directors. Resolutions and orders may be adopted by voice vote, but on demand of any member the roll shall be called. No ordinance, motion, or resolution shall be passed or become effective without the affirmative vote of a majority of the members of the board. The enacting clause of all ordinances passed by the board shall be: "Be it ordained by the Board of Directors of _____ Municipal Water District as follows:". Each of the members of the board of directors shall receive for each attendance at the meetings of the board twenty dollars ($20). No director, however, shall receive pay for more than three meetings in any calendar month. Any vacancy in the board of directors shall be filled by a majority of the remaining directors, the person so chosen shall be a resident of and otherwise qualified to be a director from the division in which the vacancy shall occur and shall hold office for the remainder of the unexpired term. Same: Ordinances, etc

SEC. 11. Section 12 of said act is amended to read:

SEC. 12. Any municipal water district incorporated as herein provided, shall have power: District powers

1. To have perpetual succession;

2. To sue and be sued, except as otherwise provided herein or by law, in all actions and proceedings in all courts and tribunals of competent jurisdiction;

3. To adopt a seal and alter it at pleasure;

4 To take by grant, purchase, gift, devise, or lease, hold, use, enjoy, and to lease or dispose of real and personal property of every kind, within or without the district;

5. To acquire, or contract to acquire, water works or a water works system, waters, water rights, lands, rights and privileges and construct, maintain and operate conduits, pipelines, reservoirs, works, machinery and other property useful or necessary to store, convey, supply or otherwise make use of water for a water works plant or system for the benefit of the district, and to complete, extend, add to, repair, or otherwise improve any water works or water works system acquired by it as herein authorized;

Same

6. To lease of and from any person, firm or public or private corporation, or public agency, with the privilege of purchasing or otherwise, all or any part of water storage, transportation or distribution facilities, existing water works or a water works system, and to carry on and conduct water works or a water works system; also to sell water under the control of the district to cities, and to other public corporations and public agencies within the district, and to the inhabitants of such cities and of other territory within the district, and to persons, corporations, and other private agencies within the district for use within said district without any preference, and it may, whenever the board shall find that there is a surplus of water above that which may be required by such consumers within said district, sell or otherwise dispose of such surplus water to any persons, firms, public or private corporations or public agencies or other consumers;

6a. To supply and deliver district water to publicly owned and operated golf courses and other publicly owned and operated recreational facilities and to public schools, school districts and public school properties, and to fix and establish special rates, terms and conditions for the use and sale of water for each of these purposes; provided, however, that this provision shall not be construed to indicate legislative intent either for or against the existence of any power of the district to furnish water to other persons, firms or corporations at just and reasonable rates;

7. To have and exercise the right of eminent domain and in the manner provided by law for the condemnation of private property for public use, to take any property necessary to supply the district or any portion thereof with water, whether such property be already devoted to the same use or otherwise, and may condemn any existing water works or system, or any portion thereof, or any waters or water rights owned by any person, firm or private corporation. In proceedings relative to the exercise of such right, the district shall have all of the rights, powers and privileges of a city;

8. To borrow money and incur indebtedness and to issue bonds or other evidences of such indebtedness; also to refund or retire any indebtedness or lien that may exist against the district or property thereof; also to issue warrants to pay the formation expenses of the district, which warrants may bear interest at a rate not exceeding 6 percent a year from the date of issue until funds are available to pay the warrants, and which formation expenses may include fees of attorneys and others employed to conduct the formation proceedings, but shall not include the expenses of holding and conducting the formation election;

9. To cause taxes to be levied, in the manner hereinafter provided, for the purpose of paying any obligation of the district, including its formation expenses and any warrants issued therefor;

9a. To restrict the use of district water during any emergency caused by drought, or other threatened or existing water shortage, and to prohibit the wastage of district water or the use of district water during such periods, for any purpose other than household uses or such other restricted uses as may be determined to be necessary by the district; to prohibit use of such water during such periods for specific uses which the district may from time to time find to be nonessential; Same

9b. To prescribe and define by ordinance the restrictions, prohibitions and exclusions referred to in subdivision 9a hereof. Every ordinance relating to the matters referred to in this subdivision shall be in full force and effect forthwith upon adoption, but shall be published once in full in a newspaper of general circulation, printed, published and circulated in the district within 10 days after adoption, or if there be no such newspaper it shall be posted within said time in three public places within the district;

10. To make contracts, to employ labor, and do all acts necessary for the full exercise of the foregoing powers;

11. In case of condemnation proceedings the board shall proceed in the name of the district;

12. To provide by ordinance of its board of directors for the pensioning of officers or employees and the creation of a special fund for the purpose of paying such pensions, and the accumulation of contributions to said fund from the revenues of the district, the wages of officers or employees, voluntary contributions, gifts, donations or any source of revenue not inconsistent with the general powers of the board, and to contract with any insurance corporation or any other insurance carrier for the maintenance of a service covering the pension of such officers or employees, and to provide in such ordinance for the terms and conditions under which such pensions shall be awarded, and for the time and extent of service of officers or employees before such pensions shall be available to them.

13. To acquire, control, distribute, store, spread, sink, treat, purify, reclaim, recapture, and salvage any water, including sewage and storm waters, for the beneficial use or uses of the district or its inhabitants or the owners of rights to water therein;

14. To join with one or more public agencies, private corporations or other persons for the purpose of carrying out any of the powers of such district, and for that purpose to contract with such other public agencies or private corporations or persons for the purpose of financing such acquisitions, constructions and operations. Such contracts may provide for contributions to be made by each party thereto and for the division and apportionment of the expenses of such acquisitions and operations, and the division and apportionment of the benefits, the services and products therefrom, and may provide for an agency to effect such acquisitions and to carry on such operations, and shall provide in the powers and methods of procedure for such agency the method by which such agency may contract. Such contracts

with other public agencies or private corporations or persons may contain such other and further covenants and agreements as may be necessary or convenient to accomplish the purposes thereof. The term "public agency," as used in this subdivision, shall be deemed to mean and include the United States of America or any department or agency thereof, the State of California or any department or agency thereof, a county, city, public corporation or public district of this State. The term "private corporation," as used in this subdivision, shall be deemed to mean and include any private corporation organized under the laws of the United States of America or of this or any other state thereof;

15. To commence, maintain, intervene in, and compromise, in the name of the district, any action or proceeding involving or affecting the ownership or use of water or water rights within the district, used or useful for any purpose of the district, or a common benefit to lands within the district or its inhabitants.

SEC. 12. Section 12.1 is added to said act, to read:

Emergency or water shortage

Sec. 12.1. A finding by the board of directors upon the existence, threat or duration of an emergency or shortage or upon the matter of necessity or any other matter or condition referred to in subdivisions 9a or 9b of said Section 12, shall be made by resolution or ordinance, and shall be prima facie evidence of the fact or matter so found, and such fact or matter shall be presumed to continue unchanged unless and until a contrary finding shall have been made by the board by resolution or ordinance. Such finding shall be received in evidence in any civil or criminal proceeding in which it may be offered, and shall be proof and evidence of the fact or matter found until rebutted or overcome by other sufficient evidence received in such proceeding. Copy of any resolution or ordinance setting forth such finding shall, when certified by the secretary of the district, be evidence that the finding was made by the district as shown by the resolution or ordinance and certification.

SEC. 13. Section 12.2 is added to said act, to read:

Penalty

Sec. 12.2. From and after the publication or posting of any ordinance as provided in subdivision 9b of Section 12 of this act, it is hereby declared to be and it shall be a misdemeanor for any person, firm or corporation to use or apply water received from the district contrary to or in violation of such restriction or prohibition, until such ordinance shall have been repealed or such emergency or threatened emergency shall have ceased, and upon conviction thereof such person, firm or corporation shall be punished by being imprisoned in the county jail for not more than 30 days or by fine of not more than three hundred dollars ($300), or by both such fine and imprisonment.

SEC. 14. Section 13 of said act is amended to read:

Board of directors: Powers

Sec. 13. All powers, privileges and duties vested in or imposed upon any district incorporated hereunder shall be exercised and performed by and through the board of directors; provided, however, that the exercise of any and all executive, administrative and ministerial powers may be by said board of

directors delegated and redelegated to any of the offices created hereby or by the board of directors acting hereunder. Same

The board of directors shall have power:

(1) To fix the time and place or places at which its regular meetings shall be held, and shall provide for the calling and holding of special meetings.

(2) To fix the location of the principal place of business of the district and the location of all offices and departments maintained hereunder.

(3) To prescribe by ordinance a system of business administration and to create any and all necessary offices and to establish and re-establish the powers and duties and compensation of all officers and employees and to require and fix the amount of all official bonds necessary for the protection of the funds and property of the district.

(4) To prescribe by ordinance a system of civil service.

(5) To delegate and redelegate by ordinance to officers of the district power to employ clerical, legal and engineering assistants and labor, and under such conditions and restrictions as shall be fixed by the directors, power to bind the district by contract.

(6) To prescribe a method of auditing and allowing or rejecting claims and demands.

(7) To prescribe methods for the construction of works and for the letting of contracts for the construction of works, structures or equipment, or the performance or furnishing of labor, materials, or supplies, necessary or convenient for carrying out any of the purposes of this act or for the acquisition or disposal of any real or personal property; provided, that in cases where work is not to be done by the district itself by force account, and the amount involved shall be ten thousand dollars ($10,000), or more, any contract for the doing of such work shall be let to the lowest responsible bidder, after publication, in the manner prescribed by the board, of notices inviting bids therefor, subject to the right of said board to reject any and all proposals; and provided further, that contracts, in writing or otherwise, for the acquisition or disposal of any real or personal property may be let without calling for competitive bids. The board may, from time to time, fix and establish the manner of calling for bids and letting contracts, but except as such procedure so established by the board otherwise requires, all contracts may be entered into upon such terms and in such manner as the board may authorize.

(8) To fix the rates at which water shall be sold, and to establish different rates for different classes or conditions of service; provided, that rates shall be uniform for like classes or conditions of service throughout the district, but any special water rate fixed in accordance with terms and conditions of annexation fixed by the board under the provisions of Section 27 or 27.1 hereof, shall be deemed to be a rate for a different class or condition of service.

SEC. 15. Section 13.1 is added to said act, to read:

Interest of directors, etc., in contracts

Sec. 13.1. Except as herein provided, no director of any district shall in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board of directors, and no officer or employee of any district shall in any manner be interested, directly or indirectly, in any contract made by such officer or employee pursuant to discretionary authority vested in him, or in the benefits to be derived therefrom. For any violation of this section, such director or other officer or employee of any district shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine

Penalty

not exceeding five hundred dollars ($500) or by imprisonment in the county jail not exceeding six months, or by both such fine and imprisonment. Neither this section nor any other law shall, however, be deemed to invalidate any contract or instrument, nor to establish or define any misdemeanor or other crime, merely because such director or other officer or employee shall have any interest in such contract or instrument, or shall derive any benefit therefrom:

(a) If such director or other officer or employee shall own or control, directly or indirectly, not more than 5 per centum of the outstanding stock or securities of the contracting corporation; or

(b) If such contract or instrument shall be entered into pursuant to the provisions of any ordinance or regulation of the district of uniform application, and which ordinance or regulation shall have become effective prior to the making or execution of such contract or instrument.

SEC. 16. Section 14 of said act is amended to read:

Duties of officers

Sec. 14. The president and secretary in addition to the respective duties imposed on them by law shall perform such duties as may be imposed on them by the board of directors. The treasurer, or such other person or persons as may be authorized by the board of directors, shall draw checks or warrants to pay demands when such demands shall have been audited and approved in the manner prescribed by the board of directors.

The general manager shall have full charge and control of the maintenance, operation and construction of the water works or water works system of the district with full power and authority to employ and discharge all employees and assistants at pleasure, prescribe their duties, fix their compensation, subject to the approval of the board of directors.

The general manager shall perform such other duties as may be imposed on him by the board of directors. The general manager shall report to the board of directors in accordance with such rules and regulations as they may direct.

The attorney shall be the legal adviser of the district and shall perform such other duties as may be prescribed by the board of directors.

Depository of funds

The board of directors shall designate a depository or depositories to have the custody of the funds of the district, all of which depositories shall give security sufficient to secure

the district against possible loss, and who shall pay the warrants drawn by the treasurer for demands against the district under such rules as the directors may prescribe.

The general manager, secretary and treasurer, and all other employees or assistants of said district who may be required so to do by the board of directors, shall give such bonds to the district conditioned for the faithful performance of their duties as the board of directors from time to time may provide. The premiums on such bonds shall be paid by the district.

SEC. 17. Section 15 of said act is amended to read:

Sec. 15. Whenever the board of directors deems it necessary for the district to incur a bonded indebtedness, the board shall, by resolution, so declare and state the purpose for which the proposed debt is to be incurred, the amount of debt to be incurred, the maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 40 years; the maximum rate of interest to be paid, which shall not exceed 5 percent per annum, and the measure to be submitted to the voters. The board of directors shall fix a date upon which an election shall be held for the purpose of authorizing said bonded indebtedness to be incurred. It shall be the duty of the board of directors to provide for holding such special election on the day so fixed and in accordance with the provisions of the Elections Code so far as the same shall be applicable, except as herein otherwise provided. Such board of directors shall give notice of the holding of such election, which notice shall contain the text of the resolution adopted by the board of directors of the district, the designation of precincts, the location of polling places, and the names of the officers selected to conduct the election, who shall consist of one judge, one inspector and two clerks in each precinct. In case such election is consolidated with a state or county election, the precincts, polling places, and election officers shall be the same as provided for such state or county election, and it shall be sufficient if the resolution and notice so state. Such notice shall be published once each week for two weeks, the last publication to be made not less than two weeks nor more than four weeks prior to the date of the proposed election, in at least one newspaper, and not more than three newspapers, published in such district, which newspaper or newspapers shall be designated by the board of directors If there is no newspaper published in such district, then such notice shall be posted in three public places in such district not less than two weeks nor more than four weeks prior to the date of the proposed election. All the expenses of holding such election shall be borne by the district. The returns of such election shall be made, the votes canvassed by said board of directors within seven days following said election, and the results thereof ascertained and declared in accordance with the provisions of the Elections Code, so far as they may be applicable, except as in this act otherwise provided. The secretary of the board of directors, as soon as the result is declared, shall enter in the

Issuance of bonds

records of such board a statement of such results. No irregularities or informalities in conducting such election shall invalidate the same, if the election shall have otherwise been fairly conducted.

Any action or proceeding, wherein the validity of any such bonds or of the proceedings in relation thereto is contested, questioned or denied, shall be commenced within three months from the date of such election; otherwise, said bonds and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

SEC. 17a. Section 16 is added to said act, to read:

Same
Alternative method

Sec. 16. As an alternative to the method of incurring bonded indebtedness authorized by Section 15 of this act, any district organized hereunder is authorized to incur a bonded indebtedness pursuant to the following subdivisions:

(1) Whenever the board of directors deems it necessary for the district to incur a bonded indebtedness which in the opinion of the board will not benefit the whole of the district, the board shall, by resolution adopted by the affirmative vote of at least four directors, so declare and state the purpose for which the proposed debt is to be incurred, the amount of debt to be incurred, and the time and place for a hearing by the board on the questions of whether the whole or only a portion of the district will be benefited by the accomplishment of said purpose and if only a portion of the district will be benefited, which portion will be so benefited. The secretary shall cause notice of said hearing to be given by publishing a copy of the resolution once each week for two weeks prior to the time fixed for the hearing, the last publication to be made not more than four weeks nor less than one week prior to said time. Said publication shall be made in a newspaper printed and published in said district, or, if there is no newspaper printed and published in said district, such notice shall be given by posting a copy of said resolution in three public places within the district at least two weeks but not more than four weeks before the time fixed for said hearing. The copy of the resolution so published or posted shall be accompanied by a notice subscribed by the secretary, with the seal of the district affixed, notifying all interested persons that the hearing referred to in the resolution will be had at the time and place specified in the resolution and that at that time and place any person interested, including all persons owning property in the district, will be heard upon the questions stated in the resolution.

(2) At the time and place so fixed, or at any time and place to which the hearing is adjourned, the board shall proceed with the hearing. At the hearing any person interested, including any person owning property within the district, may appear and present any matters material to the questions set forth in the resolution declaring the necessity for incurring the bonded indebtedness. At the conclusion of the hearing the board shall by resolution determine whether it is deemed necessary to incur the bonded indebtedness, and, if so, whether the whole or part

of the district will be benefited by the accomplishment of the purpose stated in said resolution declaring such necessity. Same

(3) If the board determines that the whole of the district will not be benefited, the resolution shall also describe the portion of the district which will be benefited, in a manner sufficient for identification, which portion of the district described in such resolution shall thereupon constitute and be known as "Improvement District No. ____ of _____ Municipal Water District." After the formation of such improvement district within a municipal water district pursuant to this section, all proceedings for the purpose of a bond election within the improvement district and for the purpose of taxation for the payment of the bonds and interest shall be limited, and shall apply only, to the improvement district. The determination of the board that the whole of the district will be benefited by the bond issue or that only a described portion of the district will be benefited by the bond issue is final and conclusive.

(4) After the board has made its determination of the matters required to be determined by said last mentioned resolution, and if the board deems it necessary to incur the bonded indebtedness, the board by a further resolution shall state the following (a) that the board deems it necessary to incur the bonded indebtedness; (b) the purpose for which the bonded indebtedness will be incurred; (c) that the whole, or a portion, as the case may be, of the district will be benefited by incurring the bonded indebtedness, and if only a portion will be benefited, setting forth the description thereof as contained in the resolution referred to in subdivision (3) hereof; (d) the amount of debt to be incurred; (e) the maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 40 years; (f) the maximum rate of interest to be paid, which shall not exceed 5 percent per annum; and (g) the measure to be submitted to the voters.

(5) The board of directors shall fix a date upon which an election shall be held for the purpose of authorizing said bonded indebtedness to be incurred. It shall be the duty of the board of directors to provide for holding such special election on the day so fixed and in accordance with the provisions of the Elections Code so far as the same shall be applicable, except as herein otherwise provided Such board of directors shall give notice of the holding of such election which notice shall contain the text of the resolution adopted by the board of directors of the district pursuant to subdivision (4) hereof, the designation of precincts which shall include only the portion of the district specified in such resolution, the location of polling places, and the names of the officers selected to conduct the election, who shall consist of one judge, one inspector and two clerks in each precinct.

In case such election is consolidated with a state or county election, the precincts, polling places, and election officers shall be the same as provided for such state or county election, and it shall be sufficient if the resolution and notice so state.

Such notice shall be published once each week for two weeks, the last publication to be made not less than two weeks nor more than four weeks prior to the date of the proposed election, in at least one newspaper, and not more than three newspapers, published in such district, which newspaper or newspapers shall be designated by the board of directors. If there is no newspaper published in such district, then such notice shall be posted in three public places in such district not less than two weeks nor more than four weeks prior to the date of the proposed election; provided, that if an improvement district in such district is to be benefited, then such notice shall be so posted in three public places within such improvement district.

All expenses of holding such election shall be borne by the district. The returns of such election shall be made, the votes canvassed by said board of directors within seven days following said election, and the results thereof ascertained and declared in accordance with the provisions of the Elections Code so far as they may be applicable, except as in this act otherwise provided. The secretary of the board of directors, as soon as the result is declared, shall enter in the records of such board a statement of such results. No irregularities or informalities in conducting such election shall invalidate the same, if the election shall have otherwise been fairly conducted.

(6) Any action or proceeding, wherein the validity of any such bonds or of the proceedings in relation thereto is contested, questioned or denied, shall be commenced within three months from the date of such election; otherwise, said bonds and all proceedings in relation thereto shall be held to be valid and in every respect legal and incontestable.

SEC. 17b. Section 17 of said act is amended to read:

Election returns

Sec 17. If from such returns it appears that more than two-thirds of the votes cast at such election held pursuant to the provisions of Section 15 or of Section 16 of this act, were in favor of and assented to the incurring of such indebtedness, then the board of directors may, by resolution, at such time or times as it deems proper, provide for the form and execution of such bonds and for issuance of any part thereof, and may sell or dispose of the bonds so issued at such times or in such manner, either for cash in lawful money of the United States or its equivalent, as it may deem to be to the public interest.

SEC. 18. Section 18 of said act is amended to read:

Value, tax exemption, etc., of bonds

Sec. 18 Any bonds issued by any district are hereby given the same force, value and use as bonds issued by any city and shall be exempt from all taxation within the State of California.

SEC. 19. Section 19 of said act is amended to read:

Construction of works along streams, etc

Sec. 19. The board of directors shall have power to construct works along and across any stream of water, watercourse, street, avenue, highway, canal, ditch, or flume, or across any railway which the route of said works may intersect or cross; provided, such works are constructed in such manner as to

afford security for life and property, and said board of directors shall restore the crossings and intersections to their former state as near as may be, or in a manner not to have impaired unnecessarily their usefulness. Every company whose right of way shall be intersected or crossed by said works shall unite with said board of directors in forming said intersections and crossings and grant the rights therefor. The right of way is hereby given, dedicated and set apart to locate, construct and maintain such works along and across any street or public highway and over and through any of the lands which are now or may be the property of this State, and to have the same rights and privileges appertaining thereto as have been or may be granted to cities within the State. Any use, under this section, of a public highway now or hereafter constituted a state highway shall be subject to the provisions of Chapter 3 of Division 1 of the Streets and Highways Code.

SEC. 20. Section 20 of said act is repealed. Repeal

SEC. 21. A new Section 20 is added to said act, to read:

Sec. 20. No suit shall be brought on any claim for money or damages against any district or the board of directors or any director or other officer or employee thereof, until a verified demand therefor shall have been filed, as herein provided, and rejected in whole or in part. If rejected in part, suit may be brought to recover the whole. Except in those cases where a shorter period of time is otherwise provided by law, verified demands for all such claims for damages must be filed with the secretary of such district within six months after the occurrence from which the damages arose or within six months after the effective date of this Section 20, and verified demands for all other claims shall be filed with the secretary of such district within six months after the last item of the account or claim accrued or within six months after the effective date of this Section 20. Each such verified demand shall set forth with reasonable certainty the nature of the claim and shall contain the name and address of the claimant, the date of the occurrence from which the damages arose or the date when each item of the account or claim accrued, the total amount originally claimed, all payments thereon or offsets or credits thereto, the net amount due, owing, and unpaid on such claim, and if such claim shall have been assigned, the name of the original claimant and the names of all assignees and the full particulars of each assignment. Verified demands so filed with said secretary shall be presented to the board of directors at its next meeting, and failure of the board of directors to act upon any such verified demand within ninety (90) days from the date such demand is filed with said secretary shall be deemed to be a rejection thereof. Nor shall suit be brought against such district or the board of directors or any director or other officer or employee thereof upon any claim or demand that shall have been approved in whole and audited for payment; provided, that nothing herein contained shall be construed so as to deprive the holder of any claim of his right to resort to writ of mandamus or other

Suit on claim for money, etc

proceeding against the district or the board of directors or any officer thereof to compel it or him to act upon such claim or to pay the same when so audited. If suit be brought on a claim allowed in part and rejected in part by the board of directors and no more is recovered in such suit than the amount so allowed by the board of directors, no costs shall be awarded to the claimant.

SEC. 22. Section 21 is added to said act, to read:

Liability of director, etc

Sec. 21. No director or other officer, agent, or employee of any district shall be liable for any act or omission of any officer, agent or employee appointed or employed by him unless he had actual notice that the person appointed or employed was inefficient or incompetent to perform the service for which such person was appointed or employed or unless he retains the inefficient or incompetent person after notice of the inefficiency or incompetency.

The district may employ counsel to defend any litigation brought against any director or other officer, agent, or employee thereof, on account of his official action, and the fees and expenses involved therein shall be a lawful charge against the district.

If any director or other officer, agent, or employee of the district is held liable for any act or omission in his official capacity, and any judgment is rendered thereon, the district, except in case of his actual fraud or actual malice, shall pay the judgment without obligation for repayment by such director or other officer, agent, or employee.

SEC. 23. Section 22 of said act is amended to read:

Rates for water

Sec. 22. The board of directors, so far as practicable, shall fix such rate or rates for water as will result in revenues which will pay the operating expenses of the district, provide for repairs and depreciation of works owned or operated by the district, and provide a reasonable surplus for improvements, extensions and enlargements, pay the interest on any bonded debt of the district, and provide a sinking or other fund for the payment of the principal of such debt as it may become due.

SEC. 24. Section 23 of said act is amended to read:

Taxation

Sec. 23. If the revenues of the district are or in the judgment of the board of directors will probably be inadequate for any cause to pay the principal of or interest on any bonded debt of the district, or of any improvement district thereof, as it becomes due, the board of directors must cause a tax to be levied, as herein provided, sufficient to provide for such deficit and to pay the amount of such principal and interest as the same becomes due.

SEC. 25. Section 24 of said act is amended to read:

Same

Sec. 24. The board of directors shall determine the amounts necessary to be raised by taxation during the fiscal year and shall fix the rate or rates of tax to be levied which will raise the amounts of money required by the district, and within a reasonable time previous to the time when the board of supervisors is required by law to fix its tax rate, the board of

directors shall certify to the board of supervisors the rate or rates so fixed and shall furnish to the board of supervisors a statement in writing containing the following: (a) an estimate of the minimum amount of money required to be raised by taxation during the fiscal year for the payment of the principal of and interest on any bonded debt of the district or of an improvement district thereof as it becomes due; (b) a description of the improvement district benefited by the purposes of the bonded debt as stated in the resolution declaring the necessity to incur the bonded indebtedness, or, if the whole district was benefited by incurring it, a statement of such fact; (c) an estimate of the minimum amount of money required to be raised by taxation during the fiscal year for all other purposes of the district. The board of directors shall direct that at the time and in the manner required by law for the levying of taxes for county purposes, such board of supervisors shall levy, in addition to such other tax as may be levied by such board of supervisors, at the rate or rates so fixed and determined by the board of directors, a tax upon the property within the district, or improvement district thereof benefited by the bonded debt, as the case may be, and it is made the duty of the officer or body having authority to levy taxes within each county to levy the tax so required. Taxes for the payment of the interest on or principal of any bonded debt shall be levied on the property within the district, or improvement district thereof, benefited by the bonded debt, as determined by the board of directors in the resolution declaring the necessity to incur the debt. Taxes for other purposes of the district shall be levied on all property in the district or portion thereof subject to the particular tax. And it shall be the duty of all county officers charged with the duty of collecting taxes to collect such tax in time, form, and manner as county taxes are collected, and when collected to pay the same to the district. Taxes for the payment of a bonded debt and the interest thereon shall be a lien on all the property benefited thereby as stated in the resolution of the board of directors declaring the necessity to incur the debt. All taxes for other purposes of the district shall be a lien on all the property in the district subject to the respective tax. District taxes, whether for payment of a bonded indebtedness and the interest thereon or for other purposes, shall be of the same force and effect as other liens for taxes, and their collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

SEC. 26. Section 25 of said act is amended to read:

Sec. 25. Ordinances may be passed by the voters of any municipal water district organized under the provisions of this act in accordance with the methods provided by the Elections Code for direct legislation in cities Ordinances

SEC. 27. Section 26 of said act is amended to read:

Sec. 26. Ordinances may be disapproved and thereby vetoed by the voters of any such municipal water district by Same Disapproval by voters

proceeding in accordance with the methods provided by the Elections Code for protesting against legislation in cities.

SEC. 28. Section 27 of said act is amended to read:

Annexation of cities

SEC. 27. Any portion of a county in which a municipal water district is situated, or any city situated within such county, or both, may be added to any district organized under the provisions of this act, and such cities need not be contiguous and such unincorporated territory may consist of one or more parcels which need not be contiguous one with the other or with any such cities and such annexing area or areas need not be contiguous with the district. Such annexation shall occur in the following manner. A petition, which may consist of any number of separate instruments, shall be filed with the secretary of the district, signed by voters residing within the boundaries of the area proposed to be annexed equal in number to at least 10 per centum of the number of such voters voting for all candidates for the office of Governor of this State at the last general election prior to the filing of such petition; provided, that where one or more cities are included in such proposed annexation, such petition must be signed by at least 10 per centum of the voters of each such city so voting at such election. Such petition shall set forth and describe the boundaries of the area proposed to be annexed and shall contain a prayer that such area be annexed to such municipal water district.

The text of such petition shall be published once a week for at least two weeks, the last publication to be made not less than one week nor more than four weeks before the time at which the same is to be presented to the board of directors of the district in at least one, but not to exceed three, newspapers printed and published in such county, together with a notice stating the time of the meeting at which the same will be presented. When contained upon one or more instruments, one copy only of such petition need be published. No more than five of the names attached to said petition need appear in said publication of said petition and notice, but the number of signers shall be stated.

Within 10 days of the date of the filing of such petition the secretary of the district shall examine the same and ascertain whether or not such petition is signed by the requisite number of voters; and if requested by the secretary of the district, the board of directors shall authorize him to employ persons especially for that purpose, in addition to the persons regularly employed in his office, and shall provide for their compensation. When the secretary of the district has completed his examination of the petition, he shall attach to the same his certificate, properly dated, showing the result of such examination; and if from such examination he shall find that said petition is signed by the requisite number of voters or is not so signed, he shall certify that the same is sufficient or insufficient, as the case may be.

If, by the certificate of the secretary of the district, the petition is found to be insufficient, he shall also certify to the number of voters required to make such petition sufficient, and

it may be amended by filing a supplemental petition or petitions within 10 days of the date of such certificate. The secretary of the district shall, within 10 days after the filing of such supplemental petition or petitions, make like examination of the same and certify to the result of such examination as hereinbefore provided.

If his certificate shall show any such petition, or such petition as amended, to be insufficient, it shall be filed by him with the board of directors of the district and kept as a public record, without prejudice, however, to the filing of a new petition to the same effect. But if, by the certificate of the secretary, such petition, or petition as amended, is shown to be sufficient, the secretary shall present the same to the board of directors, without delay.

If any supplemental petition be filed, all the signatures appended to the petition or to the supplemental petition or petitions shall be considered in determining the number of voters signing the petition.

After an election for the annexation of such area to the district the sufficiency of such petition in any respect shall not be subject to judicial review or be otherwise questioned.

Same Conditions

Such petition may be granted by ordinance of the board of directors of such district In granting such petition, such board of directors may fix in said ordinance the terms and conditions upon which such annexation may occur, and such terms and conditions may provide, among other things, for the levy by such municipal water district of special taxes upon taxable property within such annexed area or areas in addition to the taxes elsewhere in this act authorized to be levied by such municipal water district, and in case such terms and conditions shall provide for the levy of such special taxes, the board of directors, in fixing such terms and conditions, shall specify the aggregate amount to be so raised and the number of years prescribed for raising such aggregate sum and that substantially equal annual levies will be made for the purpose of raising such sum over the period so prescribed. Such terms and conditions also may provide, among other things, that a special water rate may be fixed from time to time by the board of directors for the area or areas proposed to be annexed. If such petition is granted, the proposition of such annexation subject to the terms and conditions so fixed, shall be submitted to the vote of the voters in the proposed addition, at an election called by the board of directors and held, as herein provided, within 70 days after the effective date of such ordinance. Notice of such election shall be given by publication in a newspaper of general circulation published in the county once a week for three successive weeks, the last publication to be not more than four weeks nor less than one week prior to the date fixed for such election Such notice shall describe the boundaries of the area or areas so proposed to be annexed and shall designate such territory by some appropriate name, or other words of identification, by which such territory may be referred to and indicated upon the ballot

Same Election

to be used at any election at which the question of such annexation is submitted, as in this act provided. Such notice also shall contain the substance of the terms and conditions fixed by the board of directors, as herein provided. The measure so submitted at such election shall be stated on the ballot substantially as follows: "Shall _____ (giving the name or other designation of the territory proposed to be annexed, as stated in the notice of election) be annexed to _____ (name of municipal water district) subject to the terms and conditions fixed by the board of directors of said district?" At the right of such proposition there shall be printed the words "yes" and "no" with voting squares. The board of directors shall canvass the votes cast at such election and if such proposition is approved by a majority of the voters voting thereon at such election, the president and secretary of the board of directors shall certify that fact to the Secretary of State and to the county recorder of the county in which such district is located. Upon receipt of such last-mentioned certificate, the Secretary of State shall, within 10 days, issue his certificate reciting the passage of said ordinance and the addition of said area or areas to said district. A copy of said certificate shall be transmitted to, and filed with, the county clerk of the county in which such municipal water district is situated. From and after the date of such certificate, the area or areas named therein shall be deemed added to, and shall form a part of, said municipal water district, and the taxable property therein shall be subject to taxation thereafter for the purposes of said municipal water district, including the payment of bonds and other obligations of such district at the time authorized or outstanding, and the board of directors of such municipal water district shall be empowered to do all things necessary to enforce and make effective the terms and conditions of annexation fixed as hereinabove authorized.

SEC. 29. Section 27a of said act is renumbered 27.4, and amended to read:

Disorganization, etc

SEC. 27.4. A municipal water district organized under the terms of this act may be disorganized or disincorporated in the following manner:

A petition shall be filed with the county clerk of the county in which such district is located, signed by at least 25 percent of the voters of the district praying for the disorganization and disincorporation of such district and briefly stating the reasons therefor. Upon the filing of such petition the county clerk shall examine the same within 10 days and ascertain whether or not said petition is signed by the requisite number of voters. When the county clerk has completed his examination of the petition he shall attach to the same his certificate properly dated, showing the result of such examination, and if from such examination he shall find that said petition is signed by the requisite number of voters residing within the boundaries of such district, or is not so signed, he shall certify that the same is sufficient or insufficient, as the case may be. If the same is found insufficient by him, supplemental petitions may be filed at the

times and in the manner and for the same purpose as supplemental petitions to the original petition for the incorporation of a district, as set forth in Section 3 of this act. After an election for the disincorporation of a district hereunder the sufficiency of such petition in any respect shall not be subject to judicial review or be otherwise questioned.

If by the certificate of the county clerk such petition, or such petition as amended or supplemented, is shown to be sufficient, the county clerk shall present the same to the board of supervisors without delay. When such petition is presented by the county clerk as aforesaid, the board of supervisors shall give notice of an election to be held in said district for the purpose of determining whether or not the same shall be disincorporated and dissolved; provided, however, that in the event the said district shall have issued bonds, the board of supervisors shall not consider said petition or take any action hereunder until evidence shall be furnished showing said bonds to have been fully satisfied Said notice of election shall be published in a newspaper published in said district and determined by said board most likely to give notice to those interested in said hearing, at least once a week for three successive weeks, the last publication to be not more than four weeks nor less than one week prior to the date fixed for the election; said notice shall state that the question of disincorporating said corporation shall be submitted to the voters of said district at the time appointed for such election, and voters shall be invited thereby to vote upon such proposition by placing upon their ballots the cross as provided by law after the words "For Disincorporation" or "Against Disincorporation" The board of supervisors shall cause a copy of said notice to be mailed by the clerk of said board to each of the directors of said municipal water district, within five days after the date of the first publication thereof, and no election shall be had until proof of such mailing is furnished by affidavit of the clerk of said board. Such election shall be held and conducted in the same manner as the election on the organization of said district, as nearly as practicable Within seven days after the date of said election, the board of supervisors shall proceed to canvass the vote cast thereat; if it be found by the canvass of said votes that less than a majority of the votes cast were in favor of disincorporation, said board of supervisors shall declare the petition for disincorporation denied. In case it shall appear from said canvass that a majority of all the votes cast were in favor of disincorporation, said board of supervisors shall make and cause to be entered upon the records of their proceedings an order that the petition for such disincorporation be granted, and declaring that such municipal water district be disincorporated; said order to take effect at the time hereinafter provided. Said board of supervisors shall in case said municipal water district is so disincorporated, forthwith cause its clerk, or other officer performing the duties of clerk, to make and transmit to the Secretary of State a certified copy of the notice of election hereinbefore provided for, and a statement of the number of

voters voting for said disincorporation and the number of voters voting against said disincorporation. Twenty days from and after the holding of the election, in case a majority of said votes were cast in favor of said disincorporation, said municipal water district shall be forever disincorporated

SEC. 30. Section 27b of said act is renumbered 27 5, and amended to read:

Same Indebtedness, etc.

Sec. 27 5. Upon the disincorporation of any district in the manner hereinbefore provided for, the board of supervisors shall forthwith, after ascertaining by said canvass that the disincorporation has been carried, determine the amount of the indebtedness of said district, the amount of money in the treasury thereof and all indebtedness due or coming due the said district, and the directors of said district shall furnish the said board of supervisors with a statement showing said amount of indebtedness, the said amount of money in the treasury and all indebtedness due or coming due said district, and said municipal water district shall before the expiration of 30 days turn over to the treasurer of said county all moneys of said district in his possession, and said county treasurer shall place said money in a special fund to be drawn upon as hereinafter provided for. Upon the disincorporation of said district every public officer of said district shall immediately turn over to the board of supervisors of the county in which said district is situated, all public property of every nature and description in their possession, and including all public records and data of every nature and description. Nothing contained in this act shall be held to relieve said municipal water district, or the territory included within it, from any liability or any debt contracted by said district prior to its disincorporation All warrants for said indebtedness shall be drawn on order of the board of supervisors of the county in which said municipal water district is situated, on the fund hereinabove provided for in the county treasury. All moneys paid into the county treasury under the provisions of this act shall be placed in the special fund hereinbefore provided for If at any time after the disincorporation of said district it shall be found that there is not sufficient money in the treasury to the credit of the fund hereinbefore provided, with which to pay any indebtedness of said district, said board of supervisors shall have the power, and it shall be their duty, to levy upon, and there shall be collected from, the property within the territory formerly included within said district subject to taxation for the indebtedness, a tax or taxes sufficient in amount to pay the said indebtedness as the same shall become due; such tax or taxes, assessments and collections shall be made in the same manner and at the same time that other taxes of the county are levied and collected, and they shall be an additional tax within said territory for the payment of said debts. If after payment of all debts of said district there shall remain any surplus in the hands of said county treasurer to the credit of the fund hereinbefore mentioned, the board of supervisors shall appropriate said surplus and declare a dividend pro

Same Surplus

rata to the taxpayers of said district duly paid, and said taxpayers shall have the right to have the amount of such pro-rata dividends refunded to them on demand, and the said board of supervisors shall refund such pro rata to said taxpayers and each thereof. The board of supervisors of the county in which any such district has been disincorporated, shall have the power and it shall be the duty of said board, if the board of directors of such municipal water district shall fail or refuse to return to said board the statement of said amounts as hereinbefore in this act provided, to ascertain the indebtedness, other than the bonded indebtedness, of said district at the time of its disincorporation, the amount of money in its treasury and the amount due it at the said time; said board of supervisors shall make provision for the collection of the amounts due to said district, for the closing up of its affairs, and any act or acts necessary for said purposes not otherwise herein provided for, shall upon the order of said board of supervisors directing the same, be as fully done and performed and with as full effect as if the same had been performed by the proper officers of said district before disincorporation, and said county shall succeed to and possess all the right of said district in and to said indebtedness, and shall have the power to sue for or otherwise collect any such debts in the name of said county, and all costs and expenses of ascertaining the facts hereinbefore mentioned, and all other costs and expenses incurred by the board of supervisors in the execution of the orders and duties of said board of supervisors provided for in this act, shall be paid out of the special fund in this act provided for.

It is the intention that no municipal water district shall be disincorporated until all bonded indebtedness shall have been fully paid, and by the word "indebtedness" as used herein is meant all indebtedness other than said bonded indebtedness unless the latter is expressly used.

SEC. 31. Section 27c of said act is renumbered 27.6, and amended to read:

Same
Transfer of money

Sec. 27.6. Whenever, after the dissolution of a district, composed exclusively of the territory of a city, under the provisions of this act, and the payment of the moneys thereof to the county treasurer, there remains any portion of such moneys in the hands of the supervisors after the lapse of a period of three years from and after the payment of all the debts of said district, such remaining portion shall be transferred to the general fund of the city upon order of the superior court upon application of the district attorney of the county, as follows:

The legislative body of the city may by resolution direct the attorney for such city to apply to the superior court for the transfer of said moneys to the general fund of the city. Thereupon, the district attorney shall apply to said court for such transfer. Upon the hearing on such application, if it is made to appear to the satisfaction of the court or judge, by affidavit or by testimony taken in open court, (a) that such money has not been paid out but has been in the hands of the

county treasurer for a period of three years; (b) that there is no proceeding pending to require the supervisors to appropriate said money or to pay it out pro rata to any taxpayer entitled thereto, and (c) that the period of three years has passed since the payment of all the debt of the district under the provisions of this act, the court shall order that such money be transferred to the general fund of the city, and thereafter be subject to expenditure for all purposes as a part of said general fund.

If, at the time the proceeding is brought, or while the proceeding is pending in the superior court, an action or proceeding is brought to require the payment of any part of such moneys to a taxpayer, the court may order that there be paid into the said general fund the excess of such money over the amount claimed on behalf of the taxpayer in the action, or proceeding brought to require the payment thereof to said taxpayer. Upon the determination of such other action or proceeding on behalf of the taxpayer, the court may order any portion of said funds over and above the amount, if any, paid to the taxpayer, to be transferred to the said general fund without further proceedings on the part of the legislative body of the city, county, or the attorney for the city.

SEC. 32. Section 27.1 is added to said act, to read:

Annexation of uninhabited territory

SEC. 27.1. Uninhabited territory within a county in which a municipal water district is situated may be added to such district pursuant to the provisions of this section. For the purposes hereof, territory shall be deemed uninhabited if less than 12 voters reside therein at the time of the filing of the petition for annexation or the initiation of proceedings by resolution of the board. Such uninhabited territory may consist of unincorporated territory only or of incorporated territory lying within the boundaries of one or more cities, or of both such unincorporated and incorporated territory; provided, that incorporated territory lying within the boundaries of any city may be added to such district in accordance with the provisions of this section only if upon the annexation of such uninhabited territory the entire corporate area of such city will be included in such district. Such uninhabited territory, whether consisting of unincorporated territory or of incorporated territory or of both such unincorporated and incorporated territory, may consist of one or more parcels, which need not be contiguous one with the other or with the district.

Same Proceedings

Proceedings for the annexation of uninhabited territory to any district may be initiated by petition. Such petition, which may consist of any number of separate instruments, shall be filed with the secretary of the district, signed by the owners of not less than one-fourth of the land in such territory by area and by assessed value as shown on the last equalized assessment roll of the county in which such territory is situated. A guardian, executor, administrator, or other person holding property in a trust capacity under appointment of court, may sign any petition or protest provided for in this section, when authorized by the proper court, which authorization may be

made without notice. The last equalized assessment roll of said county is prima facie evidence of the ownership of the land or lands lying within such territory proposed to be annexed. Such petition shall set forth and describe the boundaries of the area proposed to be annexed and shall contain a prayer that such area be annexed to such municipal water district pursuant to the provisions of this section.

The secretary shall present such petition to the board of directors of the district at its next meeting, and said board, without delay, shall pass a resolution giving notice of the proposed annexation. Said resolution shall state that such petition has been filed, shall set forth and describe the boundaries of the territory proposed to be annexed, shall contain the terms and conditions of annexation, if any, prescribed by the board as hereinafter authorized, shall state that any owner of property within such territory may file with the secretary of the district, at any time prior to the hour set for the hearing thereof, written protest to the annexation of such territory, or to the annexation of such territory upon such terms and conditions, as the case may be, and shall fix the time and place of the meeting of the board at which the board will hear such protests.

Same Initiated by board

The board of directors of any district by resolution may initiate proceedings for the annexation of uninhabited territory to such district. Such resolution shall declare that proceedings have been initiated by the board of directors under the provisions of this section, shall state the reason for proposing such annexation, shall set forth and describe the boundaries of the territory proposed to be annexed, shall contain the terms and conditions of annexation, if any, prescribed by the board as hereinafter authorized, shall state that any owner of property within such territory may file with the secretary of the district, at any time prior to the hour set for the hearing thereof, written protest to the annexation of such territory, or the annexation of such territory upon such terms and conditions, as the case may be, and shall fix the time and place of the meeting of the board at which the board will hear such protests.

Said hearing shall be commenced not less than 20 nor more than 40 days after the passage of the resolution of the board of directors. The secretary of the district shall cause the text of the resolution to be published once each week for at least two weeks, the last publication to be made not less than one week nor more than four weeks before the time so fixed for the hearing, in at least one, but not to exceed three, newspapers printed and published in the district.

After the date of issuance by the Secretary of State of his certificate reciting the passage of the ordinance approving the annexation and the addition of the uninhabited territory to the district, the sufficiency of the petition or resolution shall not be subject to judicial review or be otherwise questioned.

Same Protests

At any time prior to the hour set for the hearing of protests, any owner of property within the territory proposed to be annexed may file with the secretary of the district written protest against the annexation, or against the annexation upon the terms and conditions specified in the resolution, as the case may be. The protest shall state the name of the owner of the property affected, and the description and area of such property in general terms. At the hearing, which may be adjourned from time to time, the board of directors shall hear and pass upon all protests so filed. If such protests are so filed by the owners of one-half of the value of the territory proposed to be annexed as shown by the last equalized assessment roll of the county, further proceedings shall not be taken. If such protest is not made, the board of directors shall approve or disapprove the annexation by ordinance. Any ordinance approving such annexation shall set forth and describe the boundaries of the territory so annexed and the terms and conditions of annexation, if any, prescribed by the board as hereinafter authorized. If the board of directors disapproves the annexation, or the annexation subject to such terms and conditions, as the case may be, a new proceeding to annex any of the same territory shall not be initiated under this section for a period of 12 months from the effective date of the ordinance.

Conditions, etc

The board of directors may approve the annexation of such territory upon terms and conditions fixed by the board in the manner hereinafter provided Such terms and conditions may provide, among other things, for the levy by such municipal water district of special taxes upon taxable property within such annexed area or areas in addition to the taxes elsewhere in this act authorized to be levied by such municipal water district, and in case such terms and conditions shall provide for the levy of such special taxes, the board of directors, in fixing such terms and conditions, shall specify the aggregate amount to be so raised and the number of years prescribed for raising such aggregate sum and that substantially equal annual levies will be made for the purpose of raising such sum over the period so prescribed Such terms and conditions also may provide, among other things, that a special water rate may be fixed from time to time by the board of directors for the area or areas proposed to be annexed. The board shall propose such terms and conditions either in the resolution adopted subsequent to the filing of a petition for annexation or in the resolution initiating the proceedings, as the case may be, or in a resolution adopted by the board at the hearing. Terms and conditions proposed in a prior resolution may be amended and the amended terms and conditions proposed in a resolution adopted by the board at the hearing. If such terms and conditions, or amended terms and conditions, are proposed by the board in a resolution adopted at the hearing, the board shall adjourn the hearing for not less than 20 nor more than 40 days, to a time and place to be fixed in such resolution, and said resolution shall state that any owner of property within such territory may file with the secretary

of the district, at any time prior to the hour set for the adjourned hearing, written protest to the annexation of such territory upon such terms and conditions. The secretary of the district shall cause the text of the resolution to be published for the time and in the manner required for publication of the resolution giving notice of the original hearing. If prior to the hour set for the adjourned hearing, written protests, in the form hereinabove prescribed, to the annexation of such territory subject to such terms and conditions, are filed with the secretary of the district by the owners of one-half of the value of said territory as shown by the last equalized assessment roll of the county, further proceedings shall not be taken. If such protest is not made, the board of directors shall by ordinance approve or disapprove the annexation. If approved, such annexation shall be subject to the terms and conditions, or amended terms and conditions, so proposed by resolution of the board, which terms and conditions shall be set forth in the ordinance.

Effect of annexation

When an ordinance approving annexation of uninhabited territory becomes effective, the president and secretary of the board of directors shall file with the Secretary of State a certified copy of the ordinance. Upon receipt of the certified copy of the ordinance, the Secretary of State shall, within 10 days, issue his certificate reciting the passage of said ordinance and the addition of said area or areas to said district. A copy of said certificate shall be transmitted to, and filed with, the county clerk of the county in which such municipal water district is situated. From and after the date of such certificate, the area or areas named therein shall be deemed added to, and shall form a part of, said municipal water district, and the taxable property therein shall be subject to taxation thereafter for the purposes of said municipal water district, including the payment of bonds and other obligations of such district at the time authorized or outstanding, and the board of directors of such municipal water district shall be empowered to do all things necessary to enforce and make effective the terms and conditions of annexation fixed as hereinabove authorized.

Notwithstanding the eligibility of any territory for annexation to a district pursuant to the provisions of this section, the procedure herein prescribed shall not be deemed exclusive and such territory may be annexed to such district as a separate parcel, or as part of a larger parcel, of territory annexed under the provisions of Section 27 of this act.

SEC 33. Section 27 2 is added to said act, to read:

Exclusion of territory

Sec 27 2. Territory included within any municipal water district may be excluded from such district; provided, that where any part of the corporate area of any city is included in the territory proposed to be excluded from the district, the whole of the corporate area of such city, or part thereof, then included within such district shall be included in the territory so proposed to be excluded from such district Such territory

may consist of one or more parcels, which need not be contiguous one with the other.

Same Proceedings

Proceedings for the exclusion of territory from any district may be initiated by petition. Such petition, which may consist of any number of separate instruments, shall be filed with the secretary of the district, signed by voters residing within the boundaries of the area proposed to be excluded equal in number to at least ten (10) per centum of the number of such voters voting for all candidates for the office of Governor of this State at the last general election prior to the filing of such petition; provided, that where one or more cities, or parts thereof, are included in the area so proposed to be excluded, such petition must be signed by at least ten (10) per centum of the voters of each such city, or part thereof, so voting at such election. Such petition shall set forth and describe the boundaries of the area proposed to be excluded, shall state the reason for proposing such exclusion, and shall contain a prayer that such area be excluded from the district.

Certification

Within ten (10) days of the date of the filing of such petition the secretary of the district shall examine the same and ascertain whether or not such petition is signed by the requisite number of voters; and if requested by the secretary of the district, the board of directors shall authorize him to employ persons especially for that purpose, in addition to the persons regularly employed in his office, and shall provide for their compensation. When the secretary of the district has completed his examination of the petition, he shall attach to the same his certificate, properly dated, showing the result of such examination; and if from such examination he shall find that said petition is signed by the requisite number of voters, or is not so signed, he shall certify that the same is sufficient or insufficient, as the case may be.

Supplemental petition

If, by the certificate of the secretary of the district, the petition is found to be insufficient, he shall also certify to the number of voters required to make such petition sufficient, and it may be amended by filing a supplemental petition or petitions within ten (10) days of the date of such certificate. The secretary of the district shall, within ten (10) days after the filing of such supplemental petition or petitions, make like examination of the same and certify to the result of such examination as hereinbefore provided.

If any supplemental petition be filed, all the signatures appended to the petition or to the supplemental petition or petitions shall be considered in determining the number of voters signing the petition.

If his certificate shall show any such petition, or such petition as amended, to be insufficient, it shall be filed by him with the board of directors of the district and kept as a public record, without prejudice, however, to the filing of a new petition to the same effect. But if, by the certificate of the secretary, such petition, or petition as amended, is shown to be sufficient, the

secretary shall present the same to the board of directors without delay.

Publication

The text of such petition shall be published once each week for at least two weeks, the last publication to be made not less than one week nor more than four weeks, before the time at which the same is to be presented to the board of directors of the district in at least one, but not to exceed three, newspapers printed and published in such district, together with a notice stating the time of the meeting at which the same will be presented. When contained upon more than one instrument, one copy only of such petition need be published. No more than five of the names attached to said petition need appear in such publication of said petition and notice, but the number of signers shall be stated.

After an election for the exclusion of such area from the district the sufficiency of such petition in any respect shall not be subject to judicial review or be otherwise questioned.

Exclusion proceedings initiated by board

The board of directors of any district, by resolution, may initiate proceedings for the exclusion of territory from such district. Such resolution shall describe the boundaries of the area proposed to be excluded, shall state the reason for proposing such exclusion, shall require all persons interested in the proposed exclusion to appear before the board and be heard as to why said area should not be so excluded, shall fix the time of the meeting of the board at which persons so interested will be heard, and shall direct the secretary of the district to give notice thereof. The secretary thereupon shall cause the text of said resolution and a notice of the time and place of said hearing to be published once each week for at least two weeks, the last publication to be made not less than one week nor more than four weeks, before the time so fixed for the hearing, in at least one, but not to exceed three, newspapers printed and published in the district.

After an election for the exclusion of such area from the district the sufficiency of such resolution shall not be subject to judicial review or be otherwise questioned.

Same: Initiated by petition

If the proceedings for exclusion have been initiated by petition, such petition may be granted by ordinance of the board of directors of such district. If such proceedings have been initiated by resolution, the board of directors shall hear all persons interested in the proposed exclusion who appear at the hearing, which may be adjourned from time to time, and after the conclusion of the hearing, the board may determine by ordinance that such area should be excluded from the district. If such petition is granted, or if such determination is made, the proposition of such exclusion shall be submitted to the vote of the voters within the area proposed to be excluded, at an election called by the board of directors and held, as herein provided, within 70 days after the effective date of such ordinance. Notice of such election shall be given by publication in a newspaper of general circulation published in the district once a week for three successive weeks, the last publication to be not

more than four weeks nor less than one week, prior to the date fixed for such election. Such notice shall describe the boundaries of the area so proposed to be excluded and shall designate such area by some appropriate name, or other words of identification, by which such area may be referred to and indicated upon the ballot to be used at any election at which the question of such exclusion is submitted, as in this act provided. The measure so submitted at such election shall be stated on the ballot substantially as follows:

Same Election

"Shall _____ (giving the name or other designation of the area proposed to be excluded, as stated in the notice of the election) be excluded from _____ (name of municipal water district)?"

At the right of such proposition there shall be printed the words "Yes" and "No" with voting squares. The board of directors shall canvass the votes cast at such election and if such proposition is approved by a majority of the voters voting thereon at such election, the president and secretary of the board of directors shall certify that fact to the Secretary of State and to the county recorder of the county in which such district is located. Upon receipt of such last-mentioned certificate, the Secretary of State shall, within 10 days, issue his certificate reciting the passage of said ordinance and the exclusion of said area from said district. A copy of said certificate shall be transmitted to, and filed with, the county clerk of the county in which such municipal water district is situated. From and after the date of such certificate, the area named therein shall be deemed excluded from, and shall no longer form a part of, said municipal water district, but the taxable property within such excluded area shall continue taxable by such municipal water district for the purpose of paying the bonded or other indebtedness of such municipal water district outstanding or contracted for at the time of such exclusion and until such bonded or other indebtedness shall have been satisfied, to the same extent that such property would be taxable for such purpose if such exclusion had not occurred

SEC. 34. Section 27.3 is added to said act, to read:

Exclusion of uninhabited territory

Sec. 27.3. Uninhabited territory included within any municipal water district may be excluded from such district pursuant to the provisions of this section. For the purposes hereof, territory shall be deemed uninhabited if less than 12 voters reside therein at the time of the filing of the petition for exclusion or the initiation of proceedings by resolution of the board. Incorporated territory lying within the boundaries of any city may be excluded from such district in accordance with the provisions of this section only if upon the exclusion of such uninhabited territory no part of the corporate area of such city will be included in such district. Such uninhabited territory may consist of one or more parcels, which need not be contiguous one with the other.

Same Proceedings

Proceedings for the exclusion of uninhabited territory from any district may be initiated by petition. Such petition,

which may consist of any number of separate instruments, shall be filed with the secretary of the district, signed by the owners of not less than one-fourth of the land in such territory by area and by assessed value as shown on the last equalized assessment roll of the county in which such territory is situated. A guardian, executor, administrator, or any person holding property in a trust capacity under appointment of court, may sign any petition or protest provided for in this section, when authorized by the proper court, which authorization may be made without notice. The last equalized assessment roll of said county is prima facie evidence of the ownership of the land or lands lying within such territory proposed to be excluded. Such petition shall set forth and describe the boundaries of the area proposed to be excluded, shall state the reason for proposing such exclusion, and shall contain a prayer that such area be excluded from such municipal water district pursuant to the provisions of this section.

Same
Notice

The secretary shall present such petition to the board of directors of the district at its next meeting, and said board, without delay, shall pass a resolution giving notice of the proposed exclusion. Said resolution shall state that said petition has been filed, shall set forth and describe the boundaries of the territory proposed to be excluded, shall state that any owner of property within such territory may file with the secretary of the district, at any time prior to the hour set for the hearing thereof, written protest to the exclusion of such territory, and shall fix the time and place of the meeting of the board at which the board will hear such protests.

The board of directors of any district by resolution may initiate proceedings for the exclusion of uninhabited territory from such district. Such resolution shall declare that proceedings have been initiated by the board of directors under the provisions of this section, shall state the reason for proposing such exclusion, shall set forth and describe the boundaries of the territory proposed to be excluded, shall state that any owner of property within such territory may file with the secretary of the district, at any time prior to the hour set for the hearing thereof, written protest to the exclusion of such territory, and shall fix the time and place of the meeting of the board at which the board will hear such protests.

Said hearing shall be commenced not less than 20 nor more than 40 days after the passage of the resolution of the board of directors. The secretary of the district shall cause the text of the resolution to be published once each week for at least two weeks, the last publication to be made not less than one week nor more than four weeks before the time so fixed for the hearing, in at least one, but not to exceed three, newspapers published in the district.

After the date of issuance by the Secretary of State of his certificate reciting the passage of the ordinance approving the exclusion and the exclusion of the uninhabited territory from

the district, the sufficiency of the petition or resolution shall not be subject to judicial review or be otherwise questioned.

Same Protest

At any time prior to the hour set for the hearing of protests, any owner of property within the territory proposed to be excluded may file with the secretary of the district written protest against the exclusion. The protest shall state the name of the owner of the property affected, and the description and area of such property in general terms. At the hearing, which may be adjourned from time to time, the board of directors shall hear and pass upon all protests so filed. If such protests are so filed by the owners of one-half of the value of the territory proposed to be excluded as shown by the last equalized assessment roll of the county, further proceedings shall not be taken. If such protest is not made, the board of directors shall approve or disapprove the exclusion by ordinance. Any ordinance approving such exclusion shall set forth and describe the boundaries of the territory so excluded. If the board of directors disapproves the exclusion, a new proceeding to exclude any of the same territory shall not be initiated under this section for a period of 12 months from the effective date of the ordinance.

Certification

When an ordinance approving exclusion of uninhabited territory becomes effective, the president and secretary of the board of directors shall file with the Secretary of State a certified copy of the ordinance. Upon receipt of the certified copy of the ordinance, the Secretary of State shall, within 10 days, issue his certificate reciting the passage of said ordinance and the exclusion of said area or areas from said district. A copy of said certificate shall be transmitted to, and filed with, the county clerk of the county in which such municipal water district is situated. From and after the date of such certificate, the area or areas named therein shall be deemed excluded from, and shall no longer form a part of, said municipal water district, but the taxable property within such excluded area or areas shall continue taxable by such municipal water district for the purpose of paying the bonded or other indebtedness of such municipal water district outstanding or contracted for at the time of such exclusion and until such bonded or other indebtedness shall have been satisfied, to the same extent that such property would be taxable for such purpose if such exclusion had not occurred.

Notwithstanding the eligibility of any territory for exclusion from a district pursuant to the provisions of this section, the procedure herein prescribed shall not be deemed exclusive and such territory may be excluded from such district as a separate parcel, or as part of a larger parcel, of territory excluded under the provisions of Section 27.2 of this act.

SEC. 35. Section 27.7 is added to said act, to read:

Contest of proceeding

SEC. 27.7. No informality in any proceeding or informality in the conduct of any election, not substantially affecting adversely the legal rights of any citizen, shall be held to invalidate the annexation of territory to, or exclusion of territory from, or the disincorporation of, any municipal water district.

Any action or proceeding, wherein the validity of such annexation or exclusion or disincorporation is denied or questioned, shall be commenced within three months from the date of the certificate of annexation or of exclusion issued by the Secretary of State, or from the date of the order of the board of supervisors declaring the disincorporation, as the case may be; otherwise, said annexation or exclusion or disincorporation, and all proceedings in respect thereto, shall be held to be valid and in every respect legal and incontestable.

SEC. 36. Section 28 of said act is amended to read:

Sec. 28. Nothing in this act shall be so construed as repealing or in anywise modifying the provisions of any other act relating to water or the supply of water to, or the acquisition thereof, by cities within this State. The term "city," as used in this act, shall mean and include any city or incorporated town, whether organized or functioning under a freeholders' charter or under the provisions of general laws. The word "district" shall apply, unless otherwise expressed or used, to a municipal water district formed under the provisions of this act, and the word "board" and the words "board of directors" shall apply to the board of directors of such district. The meaning of the term "voter," as used in this act, shall be ascertained by reference to Section 21 of the Elections Code. Definitions

SEC. 37. Section 29 of said act is amended to read:

Sec. 29. If there shall be a registrar of voters, other than the county clerk, in any county in which any district proposed to be incorporated, or incorporated, under the provisions of this act, is situated, the duties required by this act to be performed by the county clerk respecting the nomination of candidates for offices of such water district, and the holding of elections in such district, shall be performed by such registrar of voters. Registrar of voters

SEC. 38. Section 31 of said act is repealed.

SEC. 39. Section 32 of said act is amended to read:

Sec. 32. Whenever a sufficient change in the population occurs in a district after its organization which makes it desirable in the opinion of the board of directors of the district to relocate the boundary or boundaries of any division or divisions, or whenever any territory is added to or excluded from the district, the board of directors shall, by resolution, relocate the boundary lines of the division or divisions so as to equalize, as nearly as may be practicable, the population in the respective divisions. For this purpose, the board of directors may estimate the population by reference to the register of voters used at the last general election, and may relocate the boundary lines of the respective divisions without regard to the places of residence of the directors then in office. No such change in the division lines shall be made within the four months immediately preceding the election of any director nor shall such change in division lines work a forfeiture of office of any director. Whenever such change is made in the division lines, each director then in office, and until his office becomes vacant by expiration of his term or otherwise, shall continue to be the director for the respective Relocation of divisions

division bearing the number of his division as formerly located even though such director is not a resident of the relocated division His successor shall be a resident and voter of the relocated division.

SEC. 40. The title of said act is amended to read:

Title of act

An act to provide for the incorporation, organization, powers, government, and management of municipal water districts, to provide for the acquisition or construction of water works and for the acquisition and disposition of property by such districts, to provide for the distribution and sale of water by such districts, to provide for annexation of territory to and exclusion of territory from and disincorporation of such districts, to provide for the incurring of bonded indebtedness by such districts, to provide for the making of contracts with other public agencies, private corporations, and persons for financing and carrying out any purpose within the powers of such districts, and to provide for the levying and collection of taxes for paying the obligations of such districts.

Saving clause

SEC. 41. Any and all proceedings had or taken under the provisions of the act of which this act is amendatory, already commenced and pending at the time this act takes effect, may be continued under the provisions of the act of which this act is amendatory with the same force and effect as if this act had not been enacted.

Severability

SEC. 42. If any section, subsection, subdivision, sentence, clause or phrase of this act, or of the act or acts of which this act is amendatory or supplemental, is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act. The Legislature hereby declares that it would have passed this act, and each section, subsection, subdivision, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses or phrases of this act, or that any one or more sections, subsections, subdivisions, sentences, clauses or phrases of the act or acts of which this act is amendatory or supplemental, be declared unconstitutional. If any section, subsection, subdivision, sentence, clause or phrase of this act for any reason be held to be unconstitutional and such unconstitutional provision shall have purported to repeal or amend any provision of the act or acts of which this act is amendatory or supplemental, the provision existing and in force at the time of the enactment of this act shall remain and be in full force and effect notwithstanding such purported repeal or amendment.

Urgency

SEC. 43. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

The inhabitants of substantial portions of the State are in dire need of immediately obtaining an adequate supply of

water for domestic and municipal use which can be obtained only from The Metropolitan Water District of Southern California, a district duly organized and existing under the Metropolitan Water District Act of this State, but arrangements for obtaining said water by said inhabitants are dependent upon the annexation to said The Metropolitan Water District of Southern California of the corporate area of a municipal water district to be formed under the Municipal Water District Act of 1911 of this State, which act is sought to be amended by the within and foregoing act; this cannot be brought about effectually unless and until the amendments to the Municipal Water District Act of 1911 provided by the within and foregoing amendatory act shall have become effective.

CHAPTER 63

An act to amend Section 109 of the Welfare and Institutions Code, relating to the State Department of Social Welfare.

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 109 of the Welfare and Institutions Code is amended to read:

109. Except as otherwise expressly provided, the provisions of Part 1 of Division 3 of Title 2 of the Government Code as the same may be added to or amended from time to time shall apply to the conduct of the Department of Social Welfare.

Application of provisions

CHAPTER 64

An act to amend Section 736.3 of the Agricultural Code, relating to marketing plans.

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 736.3 of the Agricultural Code is amended to read:

736.3. Any stabilization and marketing plan shall contain the following provisions:

Stabilization and marketing plan

(a) Provisions for prohibiting distributors and retail stores from engaging in the unfair practices hereinafter set forth:

Required provisions
Unfair practices

(1) The payment, allowance or acceptance of secret rebates, secret refunds, or unearned discounts by any person, whether in the form of money or otherwise.

(2) The giving of any milk, cream, dairy products, services or articles of any kind, except to bona fide charities, for the purpose of securing or retaining the fluid milk or fluid cream business of any customer.

(3) The extension to certain customers of special prices or services not made available to all customers who purchase fluid milk or fluid cream of like quantity under like terms and conditions.

(4) The false or misleading advertising of fluid milk or fluid cream as defined in Sections 17500, 17501, and 17502 of the Business and Professions Code.

(5) The purchase of any fluid milk in excess of 200 gallons monthly from any producer or association of producers unless a written contract has been entered into with such producer or association of producers stating the amount of fluid milk to be purchased for any period. The quantity of such milk to be paid for as Class 1 in pounds of milk or pounds of milk fat or gallons of milk, and the price to be paid for all milk received, but in any marketing area where an equalization pool is a part of a stabilization and marketing plan, such contract need not specify the quantity of milk in any one class. The contract shall also state the date and method of payment for such fluid milk, which shall not be later than the last day of the month following the month during which the fluid milk was purchased, the charges for transportation if hauled by the distributor, and may contain such other provisions as are not in conflict with this chapter, and shall contain a proviso to the effect that the producer shall not be obligated to deliver in any calendar month fluid milk to be paid for at the minimum price for fluid milk that is used for Class 3, as said class is defined in Section 735.3 of this code. A signed copy of such contract shall be filed by the distributor with the director within five days from the date of its execution.

(6) The purchasing, processing, bottling, transporting, delivering or otherwise handling in any marketing area of any fluid milk or fluid cream which is to be or is sold or otherwise disposed of by such distributor at any place in the geographical area within the outer, outside and external boundaries or limits of such marketing area, whether such place is a part of the marketing area or not, at less than the minimum wholesale and minimum retail prices effective in such marketing area.

(7) The payment of a lesser price by a distributor to any producer for fluid milk or fluid cream which is distributed to any person, including agencies of the federal, state or local government, located upon property within the geographical limits of any marketing area for less than the minimum prices established by the director to be paid by distributors to producers for fluid milk or fluid cream for said marketing area.

Minimum milk prices

(b) Provisions whereby the director designates and prescribes or provides methods for designating or prescribing minimum prices to be paid by distributors to producers, for fluid milk in one or more of the various classes; provided, however,

that the prices so designated or prescribed shall be based upon the economic relationship of the price of fluid milk for the marketing area involved to the price of manufacturing milk, taking into consideration the additional costs incurred in producing and marketing fluid milk over and above costs incurred in producing and marketing manufacturing milk; and provided further, the director finds that such prices will tend to effectuate the purposes and policy of this chapter and will insure consumers a sufficient quantity of pure and wholesome milk.

Any stabilization and marketing plan may contain the following provisions: Stabilization and marketing plan

(c) Provisions whereby distributors shall report to each producer from whom fluid milk is secured, the volume of fluid milk received from such producer in pounds of milk, the milk-fat test of such milk and the amount of fluid milk in milk-fat pounds paid for in the several classes and the prices paid for the various classes for each month. Optional provisions. Distributors' report

(d) Provisions whereby the director designates and prescribes or provides methods for designating or prescribing minimum prices to be paid by distributors to producers for fluid cream; provided, that the prices so designated or prescribed shall be based upon the economic relationship of the price of fluid cream for the marketing area involved to the price of manufacturing cream, taking into consideration the additional costs incurred in producing and marketing fluid cream over and above costs incurred in producing and marketing manufacturing milk; and provided further, that the director finds that such prices will tend to effectuate the purposes and policy of this chapter and will insure consumers a sufficient quantity of pure and wholesome cream. Minimum prices

(e) Provisions whereby the director may provide methods for the establishment of minimum prices for fluid milk or fluid milk for fluid cream received within a marketing area regardless of whether such fluid milk or fluid milk for fluid cream is subsequently sold or distributed within or without such marketing area or within or without the jurisdiction of the State of California. Such stabilization and marketing plans may provide for the establishment of prices for fluid milk or fluid milk for fluid cream whether or not such fluid milk or fluid milk for fluid cream is subsequently sold or distributed in another marketing area within the State of California where a stabilization and marketing plan is in effect. The stabilization and marketing plan may provide that producers shall be paid not less than the minimum prices established for the marketing area wherein such fluid milk or fluid milk for fluid cream is ultimately sold or distributed, and may further provide that in the event such fluid milk or fluid milk for fluid cream is subsequently sold or distributed in any place within the jurisdiction of the State of California where no stabilization and marketing plan is in effect, then such fluid milk or fluid milk for fluid cream may be paid by the distributor to the producer thereof at not less than the average price paid by distributors to producers Same

for fluid milk or fluid milk for fluid cream of similar grade and quality at the plants in the vicinity where such fluid milk or fluid milk for fluid cream is so sold or distributed, as such prices are determined by the director from contracts required to be filed with him pursuant to this section.

The director may issue and make effective provisions establishing minimum prices to be paid by distributors to producer-distributors for milk which is not used by the purchasing distributor as Class 1 milk and which provisions may provide that such milk if used in classes other than Class 1 by the purchasing distributor may be paid for at the minimum prices established by the director for such other usage but which shall not be less than the prices as found by the director to be paid by manufacturing milk plants in or adjacent to the area using milk for similar purposes. Such prices shall remain in effect only for the period during which, as determined by the director, there is a surplus of producer-distributor milk.

Uniform prices

(f) Provisions whereby the director designates or prescribes methods to provide uniform prices to be paid to all producers supplying fluid milk to distributors for pasteurization purposes in the marketing area involved by pooling the returns of all such fluid milk; provided, that no equalization pool shall be established unless the director, after hearing, determines that producers who supply distributors with not less than sixty-five (65) percent of the total volume of fluid milk used for pasteurization purposes and who represent not less than sixty-five (65) percent of the total number of such producers desire the establishment of such pool, but no hearing shall be necessary if said sixty-five (65) percent, by volume and production, of such producers petition the director in writing to establish such equalization pool as a part of the plan. If the director finds that an equalization pool is necessary to carry out the provisions of this chapter he shall make provision therefor. The director may designate the local control board for the marketing area as his agency to operate the equalization pool and may permit such local board to employ a pool manager and such other necessary personnel and to incur such expenses incidental to the operation of the pool as the director finds are necessary. The director is hereby empowered to require distributors to make reports to the pool manager at such intervals and in such detail as he finds is necessary for the operation of the pool which reports shall be kept confidential as to any individual distributor but shall be available to the director or his agents and the pool manager, and such employees of the pool as are necessary to the operation of the equalization pool.

No provision of any pooling program shall prevent any distributor from paying premiums for quality; provided, all producers supplying fluid milk of like quality to such distributor are paid similar premiums, nor shall any provision prohibit the paying of different prices to producers based on differentials in transportation, adjustments or deductions made by a cooperative association of producers to its members, including the

blending of proceeds received from the sale of fluid milk by such cooperative in other markets. Distributors who purchase fluid milk from producers for pasteurization purposes shall deduct from payments due such producers at such time and in such manner such sums as the director determines are sufficient to insure uniform prices to all producers subject to the provisions of the equalization pool, irrespective of the usage of such fluid milk by the distributors. Distributors shall make, in addition to the deductions herein prescribed, such additional deductions per pound milk fat as the director finds necessary to pay all expenses incidental to the operation of the equalization pool, including the establishment of a reserve account to insure prompt payments to producers. The deductions herein prescribed are in addition to any other deductions prescribed by this chapter.

Sales stimulation, etc. program

(g) Provision whereby sales stimulation or consumer educational programs may be formulated and administered to increase the consumption of fluid milk and fluid cream, or other dairy products; provided, that such programs shall be carried on without reference to a particular brand or trade name; and provided further, that no such sales stimulation or consumer educational program shall be carried on which shall make use of false or unwarranted claims on behalf of such products or which disparages the quality, value, sale or use of any fluid milk or fluid cream or any other agricultural commodity authorized by law to be marketed within such marketing area.

Before any stabilization and marketing plan may provide for sales stimulation and consumer educational programs, not less than sixty-five (65) percent of the producers and who produce not less than sixty-five (65) percent of the total volume of fluid milk consumed in any marketing area shall petition the director in writing for the inclusion of such a program as part of the stabilization and marketing plan. If such a program is requested by distributors it shall be necessary that not less than sixty-five (65) percent of the total number of distributors and who distribute not less than sixty-five (65) percent of the total volume of fluid milk for consumption in the marketing area shall petition the director in writing for the inclusion of such a program as part of the stabilization and marketing plan.

The petition shall bear the signatures of petitioners, their addresses and the approximate daily volume of fluid milk handled in gallons and milk-fat pounds and the type of product distributed, together with the estimated cost of the program each month and the number of months the program is to continue in operation.

A sales stimulation and consumer educational program instituted by producers shall be financed by all producers supplying fluid milk to the marketing area. Such program, if instituted by distributors, shall be financed by all distributors supplying fluid milk to the marketing area. If such program is

instituted by both producers and distributors, both producers and distributors shall finance the program equally.

If the program is instituted by producers the director is hereby empowered to require producers to pay assessments of not more than two mills ($0.002) per pound milk fat, or if the program is instituted upon a gallonage basis not more than seven mills ($0.007) for each 10 gallons of fluid milk received by distributor, including the production of distributors who are also producers.

If the program is instituted by distributors the director is hereby empowered to require distributors to pay assessments of not more than two mills ($0.002) per pound milk fat, or if the program is instituted upon a gallonage basis not more than seven mills ($0.007) for each 10 gallons of fluid milk received by distributors, including the production of distributors who are also producers.

If the program is instituted by both producers and distributors, the director is hereby empowered to require both producers and distributors to pay assessments for the purpose of providing funds for formulating, administering, and carrying on such program. The assessments to be paid by distributors shall not exceed two mills ($0.002) per pound milk fat, or if the program is instituted upon a gallonage basis not more than seven mills ($0.007) for each 10 gallons of fluid milk received by distributors including the production of distributors who are likewise producers. Assessments of not more than two mills ($0.002) per pound milk fat, or if the program is instituted upon a gallonage basis, not more than seven mills ($0.007) for each 10 gallons of fluid milk produced by producers and received by distributors, shall likewise be paid by producers. In no instance shall the combined assessments exceed four mills ($0.004) per pound milk fat, or if the program is instituted upon a gallonage basis not more than fourteen mills ($0.014) for each 10 gallons of fluid milk received from producers and processed by distributors for distribution in the marketing area in the form of whole milk, fluid cream, or manufactured dairy products derived from fluid milk.

Same Hearing

Before a program may be instituted a public hearing shall be called by the director, the procedure for which public hearing is to be the same as that required for the institution of a stabilization and marketing plan for fluid milk. At such public hearing testimony and evidence shall be taken to determine the necessity of such a program, the estimated costs of the program, the time during which the program is to be continued, and such other matters as are necessary in the institution of the program.

If, after public hearing and consideration of the testimony and evidence presented at said hearing, the director finds that a sales stimulation and consumer educational program will tend to effectuate the purposes of this chapter, he shall issue an order making effective such program Such order shall state the number of months the program shall continue in operation, the rate of assessment per pound milk fat or per gallon to be

paid by those petitioning for the program, the names, addresses and business locations of the persons appointed to administer the program and such order may contain other provisions which are necessary and incidental to the operation of the program.

Selection of program administrator

The person named in the order to administer the program shall be selected by the director in the following manner and in the following number:

(a) If the program was instituted by producers the director shall name five representative producers from nominations made at the public hearing by the petitioners.

(b) If the program was instituted by distributors the director shall name five representative distributors from nominations made at the public hearing by the petitioners.

(c) If the program was instituted by both producers and distributors the director shall name three representative producers from nominations made at the public hearing by the petitioning producers and three representative distributors from nominations made at the public hearing by petitioning distributors.

(d) Distributors who are also producers shall be eligible to nomination for service on, and may be named by the director to serve on the committee to administer any program for which they will be required to pay assessments, and at least one of the persons named by the director to serve on any committee to administer any program for which distributors who are also producers will be required to pay assessments shall be a distributor who is also a producer.

All programs shall be administered by the persons named in the order of the director making the program effective, and shall be administered subject to the approval of the director. All amounts required to be paid to the director under this section by producers or distributors shall be paid to such director on or before the fifteenth day of the month following the month during which such fluid milk was received by distributors and all distributors receiving milk from producers in any area where the provisions of this section are in effect whereby the director is empowered to require payments from producers shall deduct and pay to the director such payments provided for under this section from the payments due for such distributors to such producers for fluid milk.

Termination of program

Upon the termination of any program, if there are any obligations arising thereunder, the final accrual or ascertainment of which requires further acts by any producer or distributor or by the persons appointed to administer the program or by the director, the power or duty to perform such further acts shall continue, notwithstanding such termination.

Deposit of money

All moneys received by the director pursuant to this section shall be deposited in the Department of Agriculture Fund in the State Treasury allocated to each separate marketing area from which they are collected and disbursed only for the purposes specified subject to the approval of the director.

Any money received by the director in excess of the amount required for any program shall be returned at such time as the director may determine on a pro-rata basis to the persons from whom such funds were collected.

CHAPTER 65

An act to amend Section 9300 of the Government Code, relating to compensation of Members of the Legislature, and declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9300 of the Government Code is amended to read:

Legislators' compensation

9300. The Members of the Legislature shall receive as compensation for their services three thousand six hundred dollars ($3,600) annually, during the term for which they are elected, payable at the rate of three hundred dollars ($300) per month.

Declaration

SEC. 2. It is hereby declared that this act is not intended as a change in the present law, but as a declaration of existing law, and shall apply to compensation payable to Members of the Legislature during the 1951 calendar year.

Urgency

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. A statement of the facts constituting such necessity is as follows:

The approval by the people of Assembly Constitutional Amendment No. 84 at the election on November 8, 1949, increased the compensation of Members of the Legislature and thus by implication amended Section 9300 of the Government Code relating to the payment thereof. In order to provide for the regular payment of the salaries of the Members of the Legislature during this session of the Legislature and to protect their rights thereto, it is essential that the provisions of Section 9300 of the Government Code be amended immediately to conform with the provisions of the Constitution and to clarify its provisions in order to resolve any questions that may exist as to the period for which compensation is to be paid and the manner of payment.

CHAPTER 66

An act to add Section 762.95 to the Agricultural Code, relating to inspection of canning tomatoes, making an appropriation for the purchase of color-meters for that purpose and

providing for the return of the money so appropriated, declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 762.95 is added to the Agricultural Code, to read:

762.95. There is hereby appropriated out of any money in the Department of Agriculture Fund to the Department of Agriculture the sum of ninety thousand dollars ($90,000) to be expended for the purchase of 150 color-meters (bridge-spectrophotometers) to be used to carry out the provisions of this article relating to the inspection of canning tomatoes. Appropriation Department of Agriculture Fund

The money hereby appropriated shall be repaid to the Department of Agriculture Fund in nine or fewer annual installments as follows: On March 1 of the year 1952 and each year thereafter until the repayment is completed the department shall cause to be transferred to the Department of Agriculture Fund a sum equal to 5 percent of the fees received by it pursuant to Section 762.9 for the next preceding calendar year or the sum of ten thousand dollars ($10,000) whichever is the greater.

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

The testing of tomatoes for conformity with the color requirements established by law is inaccurate at the present time because it is done by individuals by comparing the color of the tomatoes with a color chart. Devices have recently been perfected whereby the color testing can be done without the possibility of human error. Accurate color determination is essential to the proper marketing of canning tomatoes and both the canning industry and the producers will benefit by the use of automatic devices. Under existing conditions the devices mentioned herein may not be available much longer and in any event if the benefits derived from the use of such devices are to be available during the growing season of this calendar year this act must be put into immediate effect.

CHAPTER 67

An act to amend Section 2203 of the Education Code, relating to the traveling expenses of representatives of governing boards of school districts.

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2203 of the Education Code is amended to read:

School district governing board traveling expenses

2203. The governing board of each school district shall provide for the payment of the traveling expenses of any representatives of the board when performing services directed by the board.

CHAPTER 68

An act to add Section 37392.1 to the Government Code, relating to the power of cities, public corporations and public districts to lease or grant rights of use in sewage disposal facilities, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 37392.1 is added to the Government Code, to read:

Right of public corporation to lease sewers, etc

37392.1. A city, district, or other public corporation, acting individually or jointly with others, may lease sewers and sewage treatment and disposal facilities, and any land, rights of way, or other property appurtenant thereto, to any other city or to any county, city and county, municipal corporation, public district, sanitation district or other public corporation, or any two or more of them acting jointly, for any term or in perpetuity. A city, district or other public corporation, acting individually or jointly with others, may grant to any other city or to any county, city and county, municipal corporation, sanitation district, public district or other public corporation, or any two or more of them acting jointly, a perpetual right of use, or right of use for any term, in any such facilities, land or other property.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Section 1 of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The ability of certain sanitation districts to provide and complete sewage disposal facilities urgently needed for the public health and safety is dependent upon the acquisition by such districts of the use of facilities now owned by cities and sanitary districts, by lease or by grant of rights of use, in perpetuity or for substantial terms of years. Because of doubt as to the present power of such cities and sanitary districts to make leases or grants of rights of use for the required periods or in perpetuity, it is necessary that this act go into effect immediately.

CHAPTER 69

An act to amend the heading of Article 1 of Chapter 8 of Division 3, and Sections 5901, 5902, 5903, 5904, and 5905 of the Education Code, and to add Section 5906 to said code, all relating to cash funds of school districts.

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. The heading of Article 1 of Chapter 8 of Division 3 of the Education Code is amended to read: Heading

Article 1. Revolving Cash Fund

SEC. 2. Section 5901 of said code is amended to read:

5901. The governing board of any school district, high school, or junior college district may, with the consent of the county superintendent of schools, establish a revolving cash fund for the use of the chief accounting officer of the district, by adopting a resolution setting forth the necessity for the revolving cash fund, the officer for whom and the purposes for which the revolving cash fund shall be available, and the amount of the fund. The amount of the fund shall not be more than 1 percent of the district's estimated expenditures for the current fiscal year and shall not in any event exceed five hundred dollars ($500). Two certified copies of the resolution shall be transmitted to the county superintendent of schools. If he approves the establishment of the fund, the county superintendent shall endorse his consent on the resolution and return one copy to the governing body of the district. School district revolving fund

SEC. 3. Section 5902 of said code is amended to read:

5902. The officer for whose use the revolving cash fund is created shall file with the governing body of the district a bond in favor of the district, executed by him as principal and by a surety company authorized under the laws of the State to execute bonds as surety, in an amount not less than double the amount of the revolving cash fund. The bond shall be conditioned upon the faithful administration of the revolving cash fund and upon the willingness and ability of the principal to account for and pay over the revolving cash fund at any time upon the demand of the governing board of the district. The premium on the bond shall be a legal charge against the district, payable from the funds of the district. Bond for officer

SEC. 4. Section 5903 of said code is amended to read:

5903. The governing board of the district shall draw an order, on the form and in the manner required by law for order, requisition, and warrant for the payment of school moneys, payable from the county or special fund of the district, in favor of the officer for whose use the revolving cash fund is created, for the amount of the revolving cash Order creating fund

fund, and transmit the order to the county superintendent of schools accompanied by the bond and a certified copy of the resolution. Upon his approving the order, the county superintendent of schools shall detach and retain the bond. Upon his allowing and signing the warrant, the county auditor shall detach and retain the certified copy of the resolution and the county treasurer shall pay the warrant.

Expenditures

SEC. 5. Section 5904 of said code is amended to read:

5904. The person entrusted with the revolving fund shall not be authorized to expend any portion of the fund except for services or material, the securing or purchasing of which is a legal charge against the district, and no expenditure shall be made unless a receipt is obtained therefor setting forth the date and the purpose of the expenditure and the amount expended. A bill shall be presented to the district monthly, or oftener if necessary, for the reimbursement of the fund in the same manner as other bills are presented. Bills shall be supported by the receipts required. All sums received in payment of the bills shall be returned to the revolving cash fund and each person entrusted with the revolving cash fund shall, upon demand of the county superintendent of schools or the county auditor or of the governing board of the district, give an account of the fund.

Reduction, etc., of fund

SEC. 6. Section 5905 of said code is amended to read:

5905. The governing board of the district may at any time reduce or discontinue any revolving cash fund established by its order. Whenever the fund is ordered reduced the person using it shall immediately return to the county treasury the amount necessary to reduce the fund, as ordered by the board. If the fund is discontinued, the person using it shall immediately refund the amount thereof to the county treasurer. In either event a reasonable time shall be allowed the person to reimburse himself by bills presented to the school district for expenditures legally made from the fund.

Emergency cash fund

SEC. 7. Section 5906 is added to said code, to read:

5906. The emergency cash fund established by any school district prior to the effective date of this section shall be deemed to have been established as the revolving cash fund of the district and shall hereafter constitute the revolving cash fund of the district.

CHAPTER 70

An act to amend Sections 17003, 17010, 17019.7, 17058, 17059, 17102.2, 17136, 17191, 17214, 17302, 17304, 17306, 17309, 17310, 17313, 17314, 17316, 17318.4, 17318.7, 17320.5, 17322.5, 17322.9, 17322.11, 17324.2, 17324.3, 17327, 17330.1, 17330.3, 17332, 17333, 17335, 17336, 17347, 17348, 17350, 17351, 17381, 17501, 17503, 17504, 17506, 17508, 17514, 17521, 17531, 17532, 17536, 17556, 17558, 17559, 17560.9, 17565, 17569, 17672, 17685, 17687, 17725, 17743.1, 17755,

17981, 17982, 18103, 18104, 18174, 18175, 18201, 18202, 18203, 18205, 18206, 18401, 18405, 18406, 18431, 18433, 18434, 18451, 18452, 18453, 18470, 18471, 18472, 18474, 18475, 18478, 18479, 18552, 18554, 18581, 18582, 18583, 18585, 18590, 18592, 18593, 18594, 18595, 18596, 18597, 18600, 18641, 18642, 18643, 18645, 18646, 18647, 18648, 18649, 18650, 18652, 18653, 18681, 18682, 18683, 18686, 18689, 18690, 18691, 18691.1, 18802, 18805, 18806, 18807, 18808, 18809, 18810, 18831, 18832, 18834, 18835, 18861, 18865, 18881, 18884, 18885, 18906, 18908, 18931, 18932, 19051, 19053, 19053 3, 19056, 19057, 19058, 19059, 19060, 19061, 19061.1, 19062, 19062.1, 19062 2, 19062.3, 19062.4, 19062.5, 19062.6, 19062.7, 19071, 19082, 19083, 19084, 19085, 19086, 19087, 19088, 19089, 19091, 19092, 19111, 19113, 19131, 19132, 19251, 19252, 19253, 19254, 19255, 19256, 19258, 19259, 19260, 19281, 19282, 19286, 19288, 19351, 19401, 19402, 19403, and 19451, of the Revenue and Taxation Code, relating to personal income taxes.

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Sections 17003, 17010, 17019.7, 17058, 17059, 17102 2, 17136, 17191, 17214, 17302, 17304, 17306, 17309, 17310, 17313, 17314, 17316, 17318.4, 17318.7, 17320.5, 17322.5, 17322 9, 17322.11, 17324.2, 17324.3, 17327, 17330.1, 17330.3, 17332, 17333, 17335, 17336, 17347, 17348, 17350, 17351, 17381, 17501, 17503, 17504, 17506, 17508, 17514, 17521, 17531, 17532, 17536, 17556, 17558, 17559, 17560.9, 17565, 17569, 17672, 17685, 17687, 17725, 17743.1, 17755, 17981, 17982, 18103, 18104, 18174, 18175, 18201, 18202, 18203, 18205, 18206, 18401, 18405, 18406, 18431, 18433, 18434, 18451, 18452, 18453, 18470, 18471, 18472, 18474, 18475, 18478, 18479, 18552, 18554, 18581, 18582, 18583, 18585, 18590, 18592, 18593, 18594, 18595, 18596, 18597, 18600, 18641, 18642, 18643, 18645, 18646, 18647, 18648, 18649, 18650, 18652, 18653, 18681, 18682, 18683, 18686, 18689, 18690, 18691, 18691.1, 18802, 18805, 18806, 18807, 18808, 18809, 18810, 18831, 18832, 18834, 18835, 18861, 18865, 18881, 18884, 18885, 18906, 18908, 18931, 18932, 19051, 19053, 19053.3, 19056, 19057, 19058, 19059, 19060, 19061, 19061.1, 19062, 19062.1, 19062.2, 19062.3, 19062.4, 19062 5, 19062.6, 19062.7, 19071, 19082, 19083, 19084, 19085, 19086, 19087, 19088, 19089, 19091, 19092, 19111, 19113, 19131, 19132, 19251, 19252, 19253, 19254, 19255, 19256, 19258, 19259, 19260, 19281, 19282, 19286, 19288, 19351, 19401, 19402, 19403, and 19451 of the Revenue and Taxation Code are amended to read:

17003. "Franchise Tax Board" means the Franchise Tax Board created by Statutes of 1949, Chapter 1188. "Franchise Tax Board"

17010. "Taxable year" means the calendar year or the fiscal year upon the basis of which the net income is computed "Taxable year"

under this part. If no fiscal year has been established, "taxable year" means the calendar year.

"Taxable year" means, in the case of a return made for a fractional part of a year under this part or under regulations prescribed by the Franchise Tax Board, the period for which the return is made.

Definitions

17019.7. The terms "counsel for the Franchise Tax Board," and "Franchise Tax Counsel" as used in this part, means attorney or attorneys appointed or employed by the Franchise Tax Board and acting subject to the approval and under the supervision of the Attorney General.

Back pay

17058. If the amount of the back pay received or accrued by an individual during the taxable year exceeds 15 per centum of the gross income of the individual for such year, the part of the tax attributable to the inclusion of such back pay in gross income for the taxable year shall not be greater than the aggregate of the increases in the taxes which would have resulted from the inclusion of the respective portions of such back pay in gross income for the taxable years to which such portions are respectively attributable, as determined under regulations prescribed by the Franchise Tax Board.

"Back pay"

17059. For the purposes of Section 17058, "back pay" means (A) remuneration, including wages, salaries, retirement pay, and other similar compensation, which is received or accrued during the taxable year by an employee for services performed prior to the taxable year for his employer and which would have been paid prior to the taxable year except for the intervention of one of the following events: (i) bankruptcy or receivership of the employer; (ii) dispute as to the liability of the employer to pay such remuneration, which is determined after the commencement of court proceedings; (iii) if the employer is the United States, a state, a territory, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any of the foregoing, lack of funds appropriated to pay such remuneration; or (iv) any other event determined to be similar in nature under regulations prescribed by the Franchise Tax Board; and (B) wages or salaries which are received or accrued during the taxable year by an employee for services performed prior to the taxable year for his employer and which constitute retroactive wage or salary increases ordered, recommended, or approved by any federal or state agency, and made retroactive to any period prior to the taxable year; and (C) payments which are received or accrued during the taxable year as the result of an alleged violation by an employer of any state or federal law relating to labor standards or practices, and which are determined under regulations prescribed by the Franchise Tax Board to be attributable to a prior taxable year. Amounts not includible in gross income shall not constitute "back pay."

Method of computing income

17102.2. If the taxpayer exercises the election provided for in Section 17102.1 for any taxable year beginning after December 31, 1946, then the method of computing income so

adopted shall be adhered to with respect to all subsequent taxable years unless with the approval of the Franchise Tax Board a change to a different method is authorized.

"Recovery exclusion"

17136. As used in Section 17132, "recovery exclusion," with respect to a bad debt, prior tax, or delinquency amount, means the amount, determined in accordance with regulations prescribed by the Franchise Tax Board, of the deductions or credits allowed, on account of such bad debt, prior tax, or delinquency amount, which did not result in a reduction of the taxpayer's tax under this part, reduced by the amount excludible in previous taxable years with respect to such debt, tax or amount under this section.

Indebtedness canceled, etc

17191. If the indebtedness of a taxpayer is canceled or forgiven in whole or in part without payment, the amount so canceled or forgiven constitutes income to the extent the value of the property of the taxpayer exceeds his liabilities immediately after the cancellation or forgiveness. The remainder of the amount of indebtedness so canceled or forgiven, if any, shall be applied in reduction of the basis of the assets to the extent the basis thereof exceeds the value thereof immediately after the cancellation or forgiveness. The reduction shall be made in accordance with regulations prescribed by the Franchise Tax Board.

Gross income allocation, etc

17214. Gross income from sources within and without this State shall be allocated and apportioned under rules and regulations prescribed by the Franchise Tax Board.

Deductions not allowed

17302. The deductions permitted by Section 17301 shall not be allowed to the extent that they are connected with the production of income not taxable under this part. Proper apportionment and allocation of such deductions with respect to taxable and nontaxable income shall be determined under rules and regulations prescribed by the Franchise Tax Board.

Deduction of interest on indebtedness

17304. In computing net income there shall be allowed as a deduction all interest paid or accrued within the taxable year on indebtedness of the taxpayer. However, no deduction shall be allowed (a) to the extent that it is connected with income not taxable under this part; or (b) for interest paid or accrued within the taxable year on indebtedness incurred or continued to purchase or carry obligations, the interest upon which is wholly exempt from the tax imposed by this part. The proper apportionment and allocation of the deduction with respect to taxable and nontaxable income shall be determined under rules and regulations prescribed by the Franchise Tax Board.

Deductions Losses

17306. In computing net income there shall be allowed as a deduction losses sustained during the taxable year and not compensated for by insurance or otherwise:

(a) If incurred in trade or business; or

(b) If incurred in any transaction entered into for profit, though not connected with the trade or business; or

(c) Of property not connected with the trade or business, if the loss arises from fires, storms, shipwreck, or other casualty, or from theft; or

(d) If incurred by reason of the destruction or seizure of property, on or after December 7, 1941, in the course of military or naval operations by the United States or any other country engaged in the present war, subject to the rules and regulations prescribed by the Franchise Tax Board.

The basis for determining the amount of deduction for losses sustained, to be allowed under this section, shall be the adjusted basis provided in Article 5 of Chapter 6 of this part for determining the loss from the sale or other disposition of property.

Wash sales

17309. In the case of any loss claimed to have been sustained from any sale or other disposition of shares of stock or securities where it appears that, within a period beginning 30 days before the date of the sale or disposition and ending 30 days after that date, the taxpayer has acquired (by purchase or by an exchange upon which the entire amount of gain or loss was recognized by law) or has entered into a contract or option so to acquire, substantially identical stock or securities, then no deduction for the loss shall be allowed.

If the amount of stock or securities acquired (or covered by the contract or option to acquire) is less than the amount of stock or securities sold or otherwise disposed of, then the particular shares of stock or securities the loss from the sale or other disposition of which is not deductible shall be determined under rules and regulations prescribed by the Franchise Tax Board.

If the amount of stock or securities acquired (or covered by the contract or option to acquire) is not less than the amount of stock or securities sold or otherwise disposed of, then the particular shares of stock or securities the acquisition of which (or the contract or option to acquire which) resulted in the nondeductibility of the loss shall be determined under the rules and regulations prescribed by the Franchise Tax Board.

Worthless debts

17310. In computing net income there shall be allowed as a deduction debts which become worthless within the taxable year or, in the discretion of the Franchise Tax Board, a reasonable addition to a reserve for bad debts. When satisfied that a debt is recoverable only in part, the Franchise Tax Board may allow the debt as a deduction in an amount not in excess of the part charged off within the taxable year as a deduction. If a debt was actually worthless prior to January 1, 1943, but was not ascertained to be worthless and charged off prior to that date, a deduction may be taken therefor during the first taxable year ending after December 31, 1942; if a portion of a debt is claimed and allowed as a deduction in any year no deduction shall be allowed in any subsequent year for any portion of the debt which was charged off, regardless of whether or not claimed as a deduction in any prior year. This section does not apply to a debt evidenced by a security as defined in Section 17312.

Exhaustion, etc., of property

17313. In computing net income there shall be allowed as a deduction a reasonable allowance for the exhaustion, wear and tear of property used in the trade or business or of property

held for the production of net income, including a reasonable allowance for obsolescence. A taxpayer may elect to claim a deduction for amortization of emergency facilities, as defined by Section 124 of the Internal Revenue Code as amended, under regulations prescribed by the Franchise Tax Board. In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each.

Depletion, etc., of mines, etc

17314. In computing net income there shall be allowed as a deduction, in the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case; such reasonable allowance in all cases to be made under rules and regulations prescribed by the Franchise Tax Board. In any case in which it is ascertained as a result of operations or of development work that the recoverable units are greater or less than the prior estimate thereof, the prior estimate (but not the basis for depletion) shall be revised and the allowance under this section for subsequent taxable years shall be based upon the revised estimate

In the case of leases the deductions shall be equitably apportioned between the lessor and the lessee. In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each.

The percentage of depletion allowable under this section shall be computed in accordance with the provisions of Sections 17816 and 17817.

Contributions, etc

17316. Deductions for contributions or gifts shall be allowed to an amount which in all cases listed in Section 17315 combined does not exceed 15 per centum of the taxpayer's adjusted gross income. The contributions or gifts shall be allowed as deductions only if verified under rules and regulations prescribed by the Franchise Tax Board

17318 4. The determinations required under Sections 17318.2 and 17318.3 shall be made:

(a) In accordance with the method of amortizing bond premiums regularly employed by the holder of the bond, if that method is reasonable;

(b) In all other cases, in accordance with regulations prescribing reasonable methods of amortizing bond premiums, prescribed by the Franchise Tax Board.

Amortizable bond premium

17318.7. The amount of the amortizable bond premium for the taxable year shall be allowed as a deduction only if a taxpayer has elected to claim a deduction. The election shall be made in accordance with such regulations as the Franchise Tax Board shall prescribe If an election is made with respect to any bond, it shall also apply to all such bonds held by the taxpayer at the beginning of the first taxable year to which the election applies and to all bonds thereafter acquired by him, and shall be binding for all subsequent taxable years with respect to all bonds of the taxpayer, unless, upon application by the taxpayer, the Franchise Tax Board permits him, subject to such conditions as the Franchise Tax Board deems necessary, to revoke the election.

"Tenant-stockholder"

17320.5. As used in Section 17320, "tenant-stockholder" means an individual who is a stockholder in a cooperative apartment corporation, and whose stock is fully paid-up in an amount not less than an amount shown to the satisfaction of the Franchise Tax Board as bearing a reasonable relationship to the portion of the value of the corporation's equity in the building and the land on which it is situated, which is attributable to the apartment which such individual is entitled to occupy.

Method of accounting

17322.5. Sections 17321 to 17322.3, inclusive, shall not apply in respect of any contract if the taxpayer shows to the satisfaction of the Franchise Tax Board that a different method of accounting for the amount of the payment, repayment, or disallowance clearly reflects income, and in such case the payment, repayment, or disallowance shall be accounted for with respect to the taxable year provided for under that method.

Claim in abatement

17322.9. If prior to the payment of the last installment of tax for the taxable year the taxpayer becomes entitled to the exclusions or deductions provided in Sections 17321 to 17322.5, inclusive, for its taxable year, the taxpayer may, under regulation prescribed by the Franchise Tax Board, file a claim in abatement of any unpaid tax or portion thereof, but not in excess of the reduction in tax resulting from the application of these sections

Same

17322.11. In any case in which a claim in abatement is filed pursuant to Section 17322 9, and the Franchise Tax Board makes an abatement, the tax disclosed by the original return shall, for the purpose of Article 2 of Chapter 11 of this part, be deemed to be reduced by the amount of the tax abated.

Employee retirement trust Amount deductible

17324.2. If the taxable year ends within or with a taxable year of the trust for which the trust is exempt under Article 3 of Chapter 8, the amount deductible is:

(a) An amount not in excess of 5 percent of the compensation otherwise paid or accrued during the taxable year to all the employees under the trust, but the amount may be reduced for future years if found by the Franchise Tax Board upon periodical examinations at not less than five-year intervals to be more than the amount reasonably necessary to provide the

remaining unfunded cost of past and current service credits of all employees under the plan, plus

(b) Any excess over the amount allowable under (a) necessary to provide with respect to all of the employees under the trust the remaining unfunded cost of their past and current service credits distributed as a level amount or a level percentage of compensation, over the remaining future service of each such employee, as determined under regulations prescribed by the Franchise Tax Board. However, if the remaining unfunded cost with respect to any three individuals is more than 50 percent of the remaining unfunded cost, the amount of the unfunded cost attributable to such individuals shall be distributed over a period of at least five taxable years.

Alternative deduction

17324.3. In lieu of the amounts allowable under Section 17324.2, the amount deductible may be

(a) An amount equal to the normal cost of the plan, as determined under regulations prescribed by the Franchise Tax Board, plus

(b) If past service or other supplementary pension or annuity credits are provided by the plan, an amount not in excess of 10 percent of the cost which would be required to completely fund or purchase the pension or annuity credits as of the date when they are included in the plan, as determined under regulations prescribed by the Franchise Tax Board, except that in no case shall a deduction be allowed for any amount (other than the normal cost) paid in after such pension or annuity credits are completely funded or purchased.

Standard deduction

17327. (a) If the adjusted gross income shown on the return is five thousand dollars ($5,000) or more, the standard deduction shall be allowed only if the taxpayer so elects in his return, and the Franchise Tax Board shall by regulations prescribe the manner of signifying such election in the return.

(b) If the adjusted gross income shown on the return is less than five thousand dollars ($5,000), the standard deduction shall be allowed only if the taxpayer elects in the manner prescribed in Section 17053.5 to pay the tax imposed by that section.

(c) If the taxpayer does not signify, in the manner prescribed by paragraphs (a) or (b), his election to take the standard deduction, it shall not be allowed. If he does so signify, such election shall be irrevocable.

(d) If the adjusted gross income shown on the return is five thousand dollars ($5,000) or more, but the correct adjusted gross income is less than five thousand dollars ($5,000), then an election by the taxpayer under paragraph (a) to take the standard deduction shall be considered as an election to pay the tax imposed by Section 17053.5; and his failure to make under paragraph (a) an election to take the standard deduction shall be considered his election not to pay the tax imposed by Section 17053.5. If the adjusted gross income shown on the return is less than five thousand dollars ($5,000) but the correct adjusted gross income is five thousand dollars ($5,000) or more, then an

election by the taxpayer under paragraph (b) to pay the tax imposed by Section 17053 5 shall be considered as his election to take the standard deduction; and his failure to elect under paragraph (b) to pay the tax imposed by Section 17053.5 shall be considered his election not to take the standard deduction.

Property deemed destroyed

17330.1. Property described in Section 17330 shall be deemed to have been destroyed or seized on a date chosen by the taxpayer in the manner provided in Section 17333, which falls between:

(a) The latest date, as established to the satisfaction of the Franchise Tax Board, on which that property may be considered as not destroyed or seized, and

(b) The earliest date, as established to the satisfaction of the Franchise Tax Board, on which that property may be considered as having already been destroyed or seized.

Same

17330.3. The date specified in Section 17330.1 (a) shall not be later than the latest date determined by the Franchise Tax Board as the date on which that area was under the control of the United States or a country not at war with the United States, and the date specified in Section 17330 1 (b) shall not be later than the earliest date determined by the Franchise Tax Board as the date on which that area may be considered under the control of the country which is at war with the United States.

Basis of corporate assets

17332 Under regulations prescribed by the Franchise Tax Board, a taxpayer who owns 100 percent, excluding qualifying shares, of each class of stock of a corporation may elect to determine the worthlessness of his interest, described in Section 17331, in or with respect to the property of the corporation, without regard to the amount of the property of that corporation which would be excluded under Section 17349 in determining the adjusted basis of all the assets of the corporation for the purposes of Sections 17348, 17349 and 17349.5, but that amount shall be treated under Section 17334 as a recovery by the taxpayer in the taxable year with respect to such interest.

Choice of date

17333 The taxpayer's choice of a date under Sections 17326, 17327, 17328 and 17330 shall be effective only if made within the time and in the manner as may be prescribed by regulations prescribed by the Franchise Tax Board

Destroyed, etc., property

17335. In the case of any property or interest in or with respect to property deemed to be destroyed or seized under this article, the taxpayer may choose to decrease the amount of the loss by all obligations or liabilities of the taxpayer with respect to that property or interest discharged or satisfied out of the property or interest upon its destruction or seizure, if the Franchise Tax Board is satisfied that those obligations or liabilities are so discharged or satisfied in a subsequent taxable year, or that the taxpayer is unable to determine whether or not those obligations or liabilities are in fact discharged or satisfied.

Same Loss

17336. No loss shall be deemed to have been sustained upon the destruction or seizure of the property or interest to the

extent that it is compensated for by the discharge or satisfaction of obligations and liabilities of the taxpayer out of the property or interest in the taxable year in which the destruction or seizure is deemed to have occurred. The taxpayer's choice under this article shall be effective only if made within the time and in the manner as may be prescribed by regulations prescribed by the Franchise Tax Board.

Unadjusted basis of property recovered

17347. Upon application of the taxpayer, the aggregate of the bases, determined under Section 17346, of any properties recovered, in respect of properties considered under Sections 17325 to 17333, inclusive, as destroyed or seized may be allocated among the properties so recovered in such manner as the Franchise Tax Board may determine under regulations prescribed by it, and the amounts so allocated to any property so recovered shall be the unadjusted basis of the property in lieu of the unadjusted basis of the property determined under Section 17346.

Loss on liquidation of corporation

17348. If: (a) A taxpayer owns not less than 50 percent of each class of stock of a corporation; and

(b) That corporation has property described in Sections 17325 to 17329, inclusive, as destroyed or seized; and

(c) The adjusted basis for determining loss of that property is at least 75 percent of the adjusted basis for determining loss of all the property of that corporation; and

(d) That corporation completely liquidates within one year after that property is deemed to be destroyed or seized, or by December 31, 1943, whichever is later; and

(e) The liquidation is accomplished by distributing all the assets which it is able to distribute and all its rights to assets which it is not able to distribute, including the right to the recovery of the property described in Sections 17325 to 17329, inclusive;

Then that part of the loss by the taxpayer on the liquidation which would be attributable to the destruction or seizure of the property, as established to the satisfaction of the Franchise Tax Board, shall be treated for the purposes of this part as a loss by the taxpayer upon the destruction or seizure of the part of the stock or other interest of the taxpayer to which such loss is allocable That part of the stock or other interest of the taxpayer shall be treated for the purposes of Sections 17334 to 17347, inclusive, as property described in Sections 17330, 17331 and 17332.

Determination of allowable deduction

17350. The determination, for the purposes of Section 17348, as to whether and to what extent an allowable deduction on account of the destruction or seizure of property described in Sections 17325 to 17333, inclusive, did or did not result in a reduction of any tax of the taxpayer under this chapter shall be made in accordance with regulations prescribed by the Franchise Tax Board.

No deduction

17351. In computing net income no deduction shall in any case be allowed in respect of:

(a) Personal, living, or family expenses, except extraordinary medical expenses deductible under Sections 17319, 17319.3, and 17319.5.

(b) Any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate, except, in the case of a taxpayer engaged in the business of farming, expenditures incurred for the purpose of soil and water conservation and the prevention of erosion within the meaning of subsection (b) of Section 17301.

(c) Any amount expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made.

(d) Premiums paid on any life insurance policy covering the life of any officer or employee, or of any person financially interested in any trade or business carried on by the taxpayer, when the taxpayer is directly or indirectly a beneficiary under the policy.

(e) Any amount otherwise allowable as a deduction which is allocable to one or more classes of income (whether or not any amount of income of that class or classes is received or accrued) wholly exempt from the taxes imposed by this part.

(f) Any amount paid or accrued on indebtedness incurred or continued to purchase a single premium life insurance or endowment contract. For the purposes of this subsection, if substantially all the premiums on a life insurance or endowment contract are paid within a period of four years from the date of which such contract is purchased, such contract shall be considered a single premium life insurance or endowment contract; or

(g) Amounts paid or accrued for such taxes and carrying charges as, under regulations prescribed by the Franchise Tax Board, are chargeable to capital account with respect to property, if the taxpayer elects, in accordance with such regulations, to treat those taxes or charges as so chargeable.

Nonresident

17381. In the case of a nonresident taxpayer the deductions allowed by Article 1 of this chapter shall unless otherwise provided in this article be allowed only to the extent that they are connected with the income arising from sources within this State and taxable under this part to a nonresident taxpayer. The proper apportionment and allocation of the deductions with respect to sources of income within and without the State shall be determined under rules and regulations prescribed by the Franchise Tax Board.

Inventories

17501. Whenever in the opinion of the Franchise Tax Board the use of inventories is necessary in order clearly to determine the income of any taxpayer, inventories shall be taken by the taxpayer upon such basis as the Franchise Tax Board may prescribe as conforming as nearly as may be to the best accounting practice in the trade or business and as most clearly reflecting the income.

17503. The method described in Section 17502 may be used Same

(a) Only in inventorying goods (required under Section 17501 to be inventoried) specified in an application to use such method filed at such time and in such manner as the Franchise Tax Board may prescribe; and

(b) Only if the taxpayer establishes to the satisfaction of the Franchise Tax Board that the taxpayer has used no procedure other than that specified in subdivisions (b) and (c) of Section 17502 in inventorying to ascertain the income, profit, or loss of the first taxable year for which the method described in Section 17502 is to be used, for the purpose of a report or statement covering the taxable year to shareholders, partners, or other proprietors, or to beneficiaries, or for credit purposes.

17504. The change to, and the use of, the described method shall be in accordance with such regulations as the Franchise Tax Board may prescribe as necessary in order that the use of the method may clearly reflect income. Same

17506. If a taxpayer, having complied with Section 17503, uses the method described in Section 17502 for any taxable year, that method shall be used in all subsequent taxable years unless Same

(a) With the approval of the Franchise Tax Board a change to a different method is authorized; or

(b) The Franchise Tax Board determines that the taxpayer has used for any such subsequent taxable year some procedure other than that specified in subdivision (b) of Section 17502 in inventorying the goods specified in the application to ascertain the income, profit, or loss of such subsequent taxable year for the purpose of a report or statement covering such taxable year to shareholders, partners, or other proprietors, or beneficiaries, or for credit purposes, and requires a change to a method different from that prescribed in Section 17502 beginning with such subsequent taxable year or any taxable year thereafter.

In either of the above cases, the change to, and the use of, the different method shall be in accordance with such regulations as the Franchise Tax Board may prescribe as necessary in order that the use of such method may clearly reflect income.

17508. The net income of the taxpayer otherwise determined for the year of involuntary liquidation shall be adjusted according to the provisions of Sections 17509 and 17510: Involuntary liquidation

(a) If, for any taxable year beginning after December 31, 1942, and prior to the termination of the present war as proclaimed by the President of the United States, the closing inventory of a taxpayer inventorying goods under the method provided in this section reflects a decrease from the opening inventory of goods for this year; and

(b) If, at the time of the filing of the taxpayer's income tax return for such year, the taxpayer elects to have the provisions of this section apply and so notifies the Franchise Tax Board; and

(c) If, at the time of such election, it is established to the satisfaction of the Franchise Tax Board, in accordance with rules and regulations prescribed by the Franchise Tax Board, that such decrease is attributable to the involuntary liquidation of the inventory as defined in Section 17507; and

(d) If the closing inventory of a subsequent taxable year, ending not more than three years after the termination of the present war as proclaimed by the President of the United States, reflects a replacement, in whole or in part, of the goods so previously liquidated.

Adjustment

17514. If, at the time of the mailing of the notice of proposed additional assessment or the filing of the claim for refund, the adjustment is so prevented, then the amount of the adjustment authorized by this article shall be limited to the increase or decrease of the tax imposed by this part previously determined for the taxable year which results solely from the effect of Sections 17508 to 17510, inclusive. The tax previously determined shall be ascertained in accordance with rules and regulations prescribed by the Franchise Tax Board.

Distribution, etc., of gross income or deductions

17521. In any case of two or more persons, organizations, trades, or businesses (whether or not incorporated, whether or not organized in this State, and whether or not affiliated) owned or controlled directly or indirectly by the same interests, the Franchise Tax Board may distribute, apportion, or allocate gross income or deductions between or among such organizations, trades, or businesses, if it determines that such distribution, apportionment, or allocation is necessary (a) in order to prevent evasion of taxes of any taxpayer or (b) clearly to reflect the income of any of such persons, organizations, trades, or businesses where the income of any taxpayer is affected thereby in such manner as to permit evasion of taxes.

Installment plan payments

17531. Under regulations prescribed by the Franchise Tax Board a person who regularly sells or otherwise disposes of personal property on the installment plan may return as income therefrom in any taxable year that proportion of the installment payments actually received in that year which the gross profit realized or to be realized when payment is completed, bears to the total contract price.

Sale etc. of property

17532. In the case (a) of a casual sale or other casual disposition of personal property (other than property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year) for a price exceeding one thousand dollars ($1,000), or (b) of a sale or other disposition of real property, if in either case the initial payments do not exceed 30 percent of the selling price, the income may, under regulations prescribed by the Franchise Tax Board, be returned on the basis and in the manner prescribed by this article.

"Initial payments"

As used in this section, "initial payments" means the payments received in cash or property other than evidences of indebtedness of the purchaser during the taxable period in which the sale or other disposition is made.

Transmission at death

17536. Sections 17534 and 17535 do not apply to the transmission at death of installment obligations if there is filed with the Franchise Tax Board at such time as it may by regulation prescribe, a bond in such amount and with such sureties as it may deem necessary, conditioned upon the return as income, by the person receiving any payment on such obligations, of the same proportion of such payment as would be returnable as income by the decedent if he had lived and had received such payment.

Accounting period

17556 The net income shall be computed upon the basis of the taxpayer's annual accounting period (fiscal year or calendar year, as the case may be) in accordance with the method of accounting regularly employed in keeping the books of the taxpayer. If no such method of accounting has been so employed, or if the method employed does not clearly reflect the income, the computation shall be made in accordance with such method as in the opinion of the Franchise Tax Board does clearly reflect the income.

Change in basis of computation

17558. If a taxpayer, with the approval of the Franchise Tax Board, changes the basis of computing net income from fiscal year to calendar year, a separate return shall be made for the period between the close of the last fiscal year for which a return was made and the following December 31st. If the change is from calendar year to the fiscal year, a separate return shall be made for the period between the close of the last calendar year for which a return was made and the date designated as the close of the fiscal year. If the change is from one fiscal year to another fiscal year, a separate return shall be made for the period between the close of the former fiscal year and the date designated as the close of the new fiscal year

Separate return on change

17559. Where a separate return is made under Section 17558 on account of a change in the accounting period, and in all other cases where a separate return is required or permitted by regulations prescribed by the Franchise Tax Board to be made for a fractional part of a year, the income shall be computed on the basis of the period for which the separate return is made

Claim for credit etc

17560.9. The application, in case the return was filed without regard to Section 17560 3, shall be considered a claim for credit or refund with respect to the amount by which the tax is reduced under Section 17560.3. The Franchise Tax Board shall prescribe such regulations as it may deem necessary.

Refund or credit on change in law

17565 If any tax that has been paid under the law applicable to the first calendar year exceeds the tax imposed by Section 17564, the excess shall be refunded or credited to the taxpayer. Any tax in addition to that paid under the law applicable to the first calendar year made necessary by that section is immediately due and payable upon notice and demand from the Franchise Tax Board.

Effect of election

17569. If any election is made as provided in Section 17568 with respect to any obligation, it shall apply also to all obligations owned by the taxpayer at the beginning of the first

taxable year to which it applies and to all obligations thereafter acquired by him and shall be binding for all subsequent taxable years, unless upon application by the taxpayer, the Franchise Tax Board permits him, subject to such conditions as the Franchise Tax Board deems necessary, to change to a different method. In the case of any obligations owned by the taxpayer at the beginning of the first taxable year to which his election applies, the increase in the redemption price of obligations occurring between the date of acquisition and the first day of the taxable year shall also be treated as income received in the taxable year.

Involuntary conversion of property

17672. No gain shall be recognized, but loss shall be recognized, if property, as a result of its destruction in whole or in part, theft, or seizure, or an exercise of the power of requisition or condemnation, or the threat or imminence thereof, is compulsorily or involuntarily converted into property similar or related in service or use to the property so converted, or into money which is forthwith, in good faith, under regulations prescribed by the Franchise Tax Board, expended in the acquisition of other property similar or related in service or use to the property so converted, or in the acquisition of control of a corporation owning such other property, or in the establishment of a replacement fund.

If any part of the money is not so expended, the gain, if any, shall be recognized to the extent of the money which is not so expended (regardless of whether the money is received in one or more taxable years and regardless of whether or not the money which is not so expended constitutes gain.)

Foreign corporation

17685. In determining the extent to which gains shall be recognized in the case of any of the exchanges (made after June 13, 1935) described in Sections 17676 or 17678, or described in so much of Section 17682 as refers to those sections, or described in Section 17684, a corporation created or organized in a foreign country shall not be considered as a corporation unless, prior to such exchange, it has been established to the satisfaction of the Franchise Tax Board that the exchange is not in pursuance of a plan having as one of its principal purposes the avoidance of income or franchise taxes.

Sale, etc., radio station property

17687. If the sale or exchange of property (including stock in a corporation) is certified by the Federal Communications Commission to be necessary or appropriate to effectuate the policies of the commission with respect to the ownership and control of radio broadcasting stations, such sale or exchange shall, if the taxpayer so elects, be treated as an involuntary conversion of such property within the meaning of Section 17672. For the purposes of Section 17672 as made applicable by the provisions of this section, stock of a corporation operating a radio broadcasting station, whether or not representing control of such corporation, shall be treated as property similar or related in service or use to the property so converted. The part of the gain, if any, upon such sale or exchange to which Section 17672 is not applied shall nevertheless not be recognized, if the

taxpayer so elects, to the extent that it is applied to reduce the basis for determining gain or loss upon sale or exchange of property, of a character subject to the allowance for depreciation under Section 17313, remaining in the hands of the taxpayer immediately after the sale or exchange, or acquired in the same taxable year. The manner and amount of such reduction shall be determined under regulations prescribed by the Franchise Tax Board. Any election made by the taxpayer under this section shall be made by a statement to that effect in his return for the taxable year in which the sale or exchange takes place, and such election shall be binding for the taxable year and all subsequent taxable years.

Timber cutting

17725. If the taxpayer so elects upon his return for a taxable year, the cutting of timber (for sale or for use in the taxpayer's trade or business) during such year by the taxpayer who owns, or has a contract right to cut, such timber (providing he has owned such timber or has held such contract right for a period of more than six months prior to the beginning of such year) shall be considered as a sale or exchange of such timber cut during such year. In case such election has been made, gain or loss to the taxpayer shall be recognized in an amount equal to the difference between the adjusted basis for depletion of such timber in the hands of the taxpayer and the fair market value of such timber. Such fair market value shall be the fair market value as of the first day of the taxable year in which such timber is cut, and shall thereafter be considered as the cost of such cut timber to the taxpayer for all purposes for which such cost is a necessary factor. If a taxpayer makes an election under this section such election shall apply with respect to all timber which is owned by the taxpayer or which the taxpayer has a contract right to cut and shall be binding upon the taxpayer for the taxable year for which the election is made and for all subsequent years, unless the Franchise Tax Board, on showing of undue hardship, permits the taxpayer to revoke his election; such revocation, however, shall preclude any further elections under this section except with the consent of the Franchise Tax Board.

Property acquired by gift Finding of facts

17743.1. If the facts necessary to determine the basis in the hands of the donor or the last preceding owner are unknown to the donee, the Franchise Tax Board shall, if possible, for purposes of Section 17743, obtain such facts from such donor or last preceding owner, or any other person cognizant thereof. If the Franchise Tax Board finds it impossible to obtain such facts, the basis in the hands of such donor or last preceding owner shall be the fair market value of such property as found by the Franchise Tax Board as of the date or approximate date at which, according to the best information that the Franchise Tax Board is able to obtain, such property was acquired by such donor or last preceding owner.

Right to acquire stock

17755. If the property was acquired by a shareholder in a corporation and consists of a right to acquire stock in the cor-

poration acquired by him after February 28, 1913, in a distribution by the corporation, and

(a) The right to acquire such stock was acquired in a taxable year beginning before January 1, 1937 (except as provided in Section 17756), or

(b) The right to acquire such stock was acquired in a taxable year beginning after December 31, 1936, and its distribution did not constitute income to the shareholder within the meaning of the Sixteenth Amendment to the Constitution of the United States, the basis of the stock in respect of which the right was declared and the right to acquire stock, respectively, shall, in the shareholder's hands be determined by allocating between the stock and the right to acquire stock the adjusted basis of the stock. The allocation shall be made under regulations prescribed by the Franchise Tax Board.

Refund report

17981. If any taxes paid to another state or country for which a taxpayer has been allowed a credit under this article are at any time credited or refunded to the taxpayer, the taxpayer shall immediately report that fact to the Franchise Tax Board.

Tax on refund

17982. A tax equal to the credit allowed for the taxes credited or refunded by the other state or country is due and payable from the taxpayer upon notice and demand from the Franchise Tax Board.

Apportionment of trust income

18103. Where the taxability of income under this chapter depends on the residence of the fiduciary and there are two or more fiduciaries for the trust, the income taxable under Section 18102 shall be apportioned according to the number of fiduciaries resident in this State pursuant to rules and regulations prescribed by the Franchise Tax Board

Two or more beneficiaries

18104 Where the taxability of income under this chapter depends on the residence of the beneficiary and there are two or more beneficiaries of the trust, the income taxable under Section 18102 shall be apportioned according to the number and interest of beneficiaries resident in this State pursuant to rules and regulations prescribed by the Franchise Tax Board.

Tax lien

18174. Upon recordation of an abstract of judgment or a copy thereof by the Franchise Tax Board with the county recorder of any county for any taxes due from the grantor of a trust on income of the trust which is taxable to the grantor under this article, and upon its giving notice of the recording to the fiduciary of the trust, or in case there is more than one fiduciary to any one of the fiduciaries, the amount of the taxes constitutes a lien upon all property of the trust in the county owned by the trust or afterwards and before the lien expires acquired by the trust. The lien has the force, effect, and priority of a judgment lien.

Notice

18175 The notice required to be given by Section 18174 may be served upon the fiduciary personally, or by mail; if by mail, service shall be made pursuant to Section 1013 of the Code of Civil Procedure and shall be addressed to the fiduciary at his address as it appears in the records of the Franchise Tax Board.

Certificate of tax payment

18201. If the value of the assets of an estate at the death of the decedent exceeds twenty thousand dollars ($20,000), and if any beneficiary is a nonresident, the final account of the fiduciary shall not be allowed by the probate court unless the fiduciary obtains from the Franchise Tax Board and files with the court a certificate to the effect that all taxes imposed by this part upon the estate or decedent which have become payable have been paid, and that all taxes which may become due are secured by bond, deposit, or otherwise.

Same Issuance

18202. Within 30 days after receiving a request for a certificate, the Franchise Tax Board shall either issue the certificate or notify the person requesting the certificate of the amount of tax that shall be paid or the amount of bond, deposit, or other security that shall be furnished as a condition of issuance of the certificate.

Same Effect

18203. The certificate of the Franchise Tax Board does not relieve the estate for which the fiduciary acts of liability for any taxes which are due and unpaid at the time the certificate is issued or which may become due from the decedent or estate under this part after the issuance of the certificate. It also does not relieve the fiduciary of the liability imposed by Section 18204.

Assessments and court proceedings

18205. In the case of income received or accrued during the lifetime of a decedent, or by his estate during the period of administration, or by a trust, the Franchise Tax Board shall mail notices proposing to assess the tax, and shall commence any proceeding in court without assessment for the collection of the tax, within 18 months after written request therefor (filed after the return is made) by the fiduciary of the estate or trust or by any other person liable for the tax or any portion thereof.

Termination of fiduciary capacity

18206. Any person acting in a fiduciary capacity shall assume the duties and, upon giving notice to the Franchise Tax Board, shall assume the rights and privileges of the taxpayers in respect of any tax imposed by this part (except as otherwise specifically provided), until he gives notice that his fiduciary capacity has terminated. He shall give notice under this section pursuant to rules and regulations prescribed by the Franchise Tax Board.

Returns

18401. Every individual taxable under this part shall make a return to the Franchise Tax Board, stating specifically the items of his gross income and the deductions and credits allowed by this part, if he has for the taxable year—

(a) A net income of two thousand dollars ($2,000) or over, if single;

(b) A net income of three thousand five hundred dollars ($3,500) or over, if married; or

(c) A gross income of five thousand dollars ($5,000) or over, regardless of the amount of net income.

Fiduciary

18405. Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) shall make under oath a return for any of the following taxpayers for whom he acts, stating specifically the

items of gross income of the taxpayer and the deductions and credits allowed under this part:

(a) Every individual having a net income for the taxable year of two thousand dollars ($2,000) or over, if single.

(b) Every individual having a net income for the taxable year of three thousand five hundred dollars ($3,500) or over, if married.

(c) Every individual having a gross income for the taxable year of five thousand dollars ($5,000) or over, regardless of the amount of his net income.

(d) Every estate the net income of which for the taxable year is one thousand dollars ($1,000) or over.

(e) Every trust the net income of which for the taxable year is one hundred dollars ($100) or over.

(f) Every estate or trust the gross income of which for the taxable year is five thousand dollars ($5,000) or over, regardless of the amount of the net income.

(g) Every decedent, for the year in which death occurred, and for prior years, if returns for such years should have been filed but have not been filed by the decedent, under such rules and regulations as the Franchise Tax Board may prescribe.

Joint fiduciaries

18406. Under such rules and regulations as the Franchise Tax Board may prescribe, a return filed by one of two or more joint fiduciaries is sufficient. The fiduciary filing the return, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, shall state (a) that he has sufficient knowledge of the affairs of the taxpayer for whom the return is made to enable him to make the return, and (b) that the return is, to the best of his knowledge and belief, true and correct.

Form

18431. Returns required by Sections 18401 and 18402 shall not be under oath but shall contain, or be verified by, a written declaration that they are made under the penalties of perjury. Such returns, and all other returns required by this part, shall be in such form as the Franchise Tax Board may from time to time prescribe, and shall be filed with the Franchise Tax Board at its main office or at any branch office which it may establish. The Franchise Tax Board shall prepare blank forms for the returns and shall distribute them throughout the State and furnish them upon application. Failure to receive or secure the form does not relieve any taxpayer from making any return required.

Time extension

18433. The Franchise Tax Board, whenever in its judgment good cause exists, and under such rules and regulations as it shall prescribe, may grant a reasonable extension of time for filing the return or for payment of the tax, or any installment thereof, disclosed by the return, due or to become due within the period of the extension. The Franchise Tax Board shall keep a record of every extension. No extension or extensions may aggregate more than six months from the due date provided for the filing of returns.

Members of armed forces

18434. (a) In the case of a taxpayer who is serving as a member of the armed forces of the United States or any auxiliary branch thereof, or the Merchant Marine, beyond the boundaries of the continental United States, the Franchise Tax Board shall automatically grant, without application being made therefor, an extension of time, free from interest and penalties, for filing the return, for payment of the tax, for taking any of the steps required by Sections 18590, 18593, 19053, 19057 and 19058 of the Revenue and Taxation Code, until 180 days after his discharge or release from active service therein or until 180 days after the termination of hostilities in which the United States is now engaged, whichever first occurs.

"Continental United States"

(b) "Continental United States," as used in subsection (a), means the 48 States of the United States and the District of Columbia.

Supplemental return

18451. If the Franchise Tax Board believes that any taxpayer has failed to file a return, or to include in a return filed, either intentionally or through error, items of taxable income, it may require from the taxpayer a return or a supplementary return, under oath, in such form as it shall prescribe, of all the items of income which the taxpayer received during the year for which the return is made, whether or not taxable under this part.

Same

18452. Every taxpayer required by the Federal Government to file a supplementary return shall file a supplementary return with the Franchise Tax Board.

Same
Omitted items

18453. If from a supplementary return or otherwise the Franchise Tax Board finds that any items of taxable income have been omitted from the original return, it may require the items omitted to be disclosed to it, under oath of the taxpayer, and to be added to the original return.

Outside Americas

18470. If an individual is continuously outside the Americas after December 6, 1941, for longer than 90 days, that period of time and the next 90 days thereafter shall be disregarded in determining under this part the amount of any credit or refund (including interest) or in respect of any liability for taxes, interests or penalties of that individual, whether any of the following acts were performed within the time prescribed:

(a) Filing any return of income tax (except income tax withheld at source);

(b) Payment of any income (except income tax withheld at source);

(c) Filing an appeal with the State Board of Equalization;

(d) Allowance of a credit or refund of any tax;

(e) Filing a claim for credit or refund of any tax;

(f) Bringing a suit upon any such claim for credit or refund;

(g) Assessment of any tax;

(h) Giving or making any notice or demand, for the payment of any tax, or with respect to any liability in respect of any tax;

(i) Collection, by the Franchise Tax Board or the collector, by distraint or otherwise, of the amount of any liability in respect of any tax;

(j) Bringing suit by the State of California, or any officer on its behalf, in respect of any liability in respect of any tax; and

Same

(k) Any other act required or permitted under this part.

18471. In any case to which Section 18470 does not apply in which it is determined by the Franchise Tax Board, under regulations prescribed by it, that—

(1) By reason of an individual being outside the Americas, or

(2) By reason of any locality (within or without the Americas) being an area of enemy action or being an area under the control of the enemy, as determined by the Franchise Tax Board; or

(3) By reason of an individual in the military or naval forces of the United States being outside the states of the Union and the District of Columbia, it is impossible or impracticable to perform any one or more of the acts specified in Section 18470; then in determining, under this part whether the act was performed within the time prescribed therefor, in respect of any liability for taxes, interest or penalties affected by the failure to perform the act within such time, and in determining the amount of any credit or refund (including interest) affected by that failure, there shall be disregarded the period after December 6, 1941, as may be prescribed by the regulations.

Same Dates

18472. The period of time disregarded under this article shall not extend beyond whichever of the following dates is the earlier:

(1) December 31, 1949, or such date later than December 31, 1949, as the Franchise Tax Board may fix in any case in which it makes a determination under Section 18471 if such determination is made after the date this section as amended takes effect and is based on the existence prior to January 1, 1950, of one or more of the circumstances specified in Section 18471; or

(2) In the case of an individual with respect to whom a period of time is disregarded under this article, the fifteenth day of the third month following the month in which an executor, administrator, or a conservator of the estate of the individual qualifies.

Collection

18474. In any other case in which the Franchise Tax Board determines that collection of the amount of any assessment would be jeopardized by delay, the provisions of Section 18470 shall not operate to stay collection of that amount by distraint or otherwise as authorized by law. There shall be excluded from any amount assessed or collected pursuant to this section the amount of interest, penalty, additional amount, and addition to

the tax, if any, in respect of the period disregarded under this article.

18475 In any case to which Sections 18473 and 18474 relate, if the Franchise Tax Board is required to give any notice to or make any demand upon any person, that requirement shall be satisfied if the notice or demand is prepared and signed, in any case in which the address of such person last known to the Franchise Tax Board is in an area for which United States post offices under instructions of the Postmaster General are not, by reason of the war, accepting mail for delivery at the time the notice or demand is signed. In that case the notice or demand shall be deemed to have been given or made upon the date it is signed. Notice, etc

18478. (a) The term "Americas" means North, Central and South America (including the West Indies but not Greenland), and the Hawaiian Islands. "Americas"

(b) For the purpose of determining whether any act specified in Section 18470 (g), (h), (i) or (j) was performed within the time prescribed therefor, if any period of time is disregarded under this article by reason of any individual being outside the Americas or within an area of enemy action or control, that individual shall not, if he returns to the Americas or leaves the area after the date of enactment of this article, be deemed to have returned to the Americas or ceased to be within that area before the date upon which the Franchise Tax Board receives from that individual a notice thereof in such form as the Franchise Tax Board shall by regulations prescribe. A similar rule shall be applied in the case of a member of the military or naval forces of the United States with respect to whom a period of time is disregarded under this article by reason of being outside the states of the Union and the District of Columbia. Application

18479. For the purpose of determining whether any act specified in Section 18470 (g), (h), (i) or (j) was performed within the time prescribed therefor, the month in which an executor, administrator, or conservator qualifies, if he qualifies after the date of enactment of this article, shall be deemed to be the month in which the Franchise Tax Board receives from him a notice thereof in such form as the Franchise Tax Board shall by regulations prescribe. Same

18552. On or before the date prescribed for the payment of the tax the taxpayer may elect to pay the tax in three equal installments The first installment shall be paid on the date prescribed for the payment of the tax, the second installment shall be paid on the fifteenth day of the fourth month, and the third installment on the fifteenth day of the eighth month, after that date. Notwithstanding the provisions of this section, if the amount paid on or before the due date of the first installment is less than the tax as corrected in accordance with the provisions of Section 18601, the taxpayer shall be deemed to have elected to pay the tax in three equal installments in the manner provided herein. If any installment is not paid on or before the Installments

date fixed for its payment, the whole amount of tax unpaid shall be paid upon notice and demand from the Franchise Tax Board.

Place of payment

18554. The tax, and any interest and penalties, shall be paid to the Franchise Tax Board at Sacramento or to its authorized representatives at any branch office. Remittances may be in the form of uncertified check, payable to the Franchise Tax Board, during such time and under such regulations as the Franchise Tax Board may prescribe. If the check is not paid by the bank on which it is drawn, the taxpayer tendering the check remains liable for the payment of the tax, and all interest and penalties, as if he had not tendered the check.

Power of board

18581. The Franchise Tax Board may proceed under this article or Article 4 whether or not it requires a return or a supplementary return under Section 18451.

Examination of return

18582. As soon as practicable after the return is filed, the Franchise Tax Board shall examine it and shall determine the correct amount of the tax.

Deficiency

18583. If the Franchise Tax Board determines that the tax disclosed by the original return is less than the tax disclosed by its examination, it shall mail notice or notices to the taxpayer of the deficiency proposed to be assessed.

Same Joint return

18585. In the case of a joint return filed by husband and wife, the notice of deficiency may be a single joint notice, except that if the Franchise Tax Board is notified by either spouse that separate residences have been established, it shall mail to each spouse, in lieu of the single joint notice, duplicate originals of the joint notice.

Same Protest

18590. Within 60 days after the mailing of the notice of a proposed deficiency assessment the taxpayer may file with the Franchise Tax Board a written protest against the proposed assessment, specifying in the protest the grounds upon which it is based.

Same Reconsideration

18592. If a protest is filed, the Franchise Tax Board shall reconsider the assessment of the deficiency and, if the taxpayer has so requested in his protest, shall grant the taxpayer or his authorized representatives an oral hearing.

Appeal

18593. The Franchise Tax Board's action upon the protest is final upon the expiration of 30 days from the date when it mails notice of its action to the taxpayer, unless within that 30-day period the taxpayer appeals in writing from the action of the Franchise Tax Board to the board.

Same

18594. The appeal shall be addressed and mailed to the State Board of Equalization at Sacramento, California, and a copy of the appeal addressed and mailed at the same time to the Franchise Tax Board at Sacramento, California.

Same Notice of determination

18595. The board shall hear and determine the appeal and thereafter shall forthwith notify the taxpayer and the Franchise Tax Board of its determination and the reasons therefor.

Finality of determination

18596. The board's determination becomes final upon the expiration of 30 days from the time of the determination unless within the 30-day period the taxpayer or the Franchise Tax

Board files a petition for rehearing with the board. In that event the determination becomes final upon the expiration of 30 days from the time the board issues its opinion on the petition. Rehearing

18597. When a deficiency is determined and the assessment becomes final, the Franchise Tax Board shall mail notice and demand to the taxpayer for the payment thereof. The deficiency assessed is due and payable at the expiration of 10 days from the date of the notice and demand, unless the taxpayer has elected to pay the tax in installments, in which case the deficiency shall be prorated to the three installments. Notice and demand

18600. A certificate by the Franchise Tax Board or of the board, as the case may be, of the mailing of the notices specified in this article is prima facie evidence of the assessment of the deficiency and of the giving of the notices. Certificate Effect

18641. If the Franchise Tax Board finds that the assessment or the collection of a tax or a deficiency for any year, current or past, will be jeopardized in whole or in part by delay, it may mail or issue notice of its finding to the taxpayer, together with a demand for immediate payment of the tax or the deficiency declared to be in jeopardy, including interest and penalties and additions thereto. Payment demand

18642. In the case of a tax for a current period, the Franchise Tax Board may declare the taxable period of the taxpayer immediately terminated. It shall mail or issue notice of its finding and declaration to the taxpayer, together with a demand for a return and immediate payment of the tax based on the period declared terminated, including therein income accrued and deductions incurred up to the date of termination if not otherwise properly includible or deductible in respect of the period Termination of taxable period

18643. A jeopardy assessment is immediately due and payable, and proceedings for collection may be commenced at once. The taxpayer, however, may stay collection and prevent the jeopardy assessment from becoming final by filing, within 10 days after the date of mailing or issuing the notice of jeopardy assessment, a petition for reassessment, accompanied by a bond or other security in such amount as the Franchise Tax Board may deem necessary, not exceeding double the amount (including interest and penalties and additions thereto) as to which the stay is desired. Jeopardy assessment

18645. If the taxpayer has so requested in his petition, the Franchise Tax Board shall grant him or his authorized representative an oral hearing. Oral hearing

18646. The Franchise Tax Board shall consider the petition for reassessment and notify the taxpayer of its decision thereon. Its decision is final. Reassessment

18647. In any proceeding brought to enforce payment of taxes made due and payable by this article, the finding of the Franchise Tax Board under Section 18641, whether made after notice to the taxpayer or not, is for all purposes presumptive evidence that the assessment or collection of the tax or the deficiency was in jeopardy. A certificate of the Franchise Tax Board of the mailing or issuing of the notices specified in this Finding of the board

article is presumptive evidence that the notices were mailed or issued.

Supplemental return, etc

18648. (a) If any taxpayer fails to file a return, or files a false or fraudulent return with intent to evade the tax, for any taxable year, the Franchise Tax Board, at any time, may require a return or a supplementary return under oath, or may make an estimate of the net income, from any available information, and may propose to assess the amount of tax, interest, and penalties due under this law. All the provisions of this part relative to delinquent taxes shall be applicable to the tax, interest, and penalties due under this law.

Protest

(b) When any assessment is proposed under the preceding paragraph, the taxpayer shall have the right to protest the same and to have an oral hearing thereon if requested, and also to appeal to the board from the Franchise Tax Board's action on the protest; the taxpayer must proceed in the manner and within the time prescribed by Sections 18590 to 18596, inclusive.

Bankruptcy

18649. Upon the adjudication of bankruptcy of any taxpayer in any bankruptcy proceeding or the appointment of a receiver for any taxpayer in any receivership proceeding before any court of the United States or of any state or territory or of the District of Columbia, any deficiency (together with all interest, additional amounts, or additions to the tax provided for by law) determined by the Franchise Tax Board in respect of a tax imposed by this part upon the taxpayer may be immediately assessed.

Same Statute of limitations

18650. The trustee in bankruptcy or receiver shall give notice in writing to the Franchise Tax Board of the adjudication of bankruptcy or the appointment of the receiver. The running of the statute of limitations on the making of assessments shall be suspended for the period from the date of adjudication in bankruptcy or the appointment of the receiver to a date 30 days after the date upon which the notice from the trustee or receiver is received by the Franchise Tax Board; but in no case shall the suspension be for a period in excess of two years.

Same Collection of unpaid amount

18652. Upon notice and demand from the Franchise Tax Board after termination of the bankruptcy or receivership proceeding, the taxpayer shall pay any portion of the claim allowed in the proceeding which is unpaid. The unpaid amount may be collected in the manner provided in this part for the collection of delinquent taxes at any time within six years after termination of the proceeding.

Regulations, etc

18653. The Franchise Tax Board may prescribe rules and regulations necessary properly to carry out the provisions of this article.

Failure to file return

18681. If any taxpayer fails to make and file a return required by this part on or before the due date of the return or the due date as extended by the Franchise Tax Board, then, unless it is shown that the failure is due to reasonable cause and not due to wilful neglect, 5 percent of the tax shall be added to the tax for each 30 days or fraction thereof elapsing between the due date of the return and the date on which filed, but the

total penalty shall not exceed 25 percent of the tax. The penalty so added to the tax shall be due and payable upon notice and demand from the Franchise Tax Board.

Same
Levy of tax

18682. If any taxpayer, upon notice and demand by the Franchise Tax Board, fails or refuses to make and file a return required by this part, the Franchise Tax Board, notwithstanding the provisions of Section 18648, may estimate the net income and compute and levy the amounts of the tax due from any available information. In such case 25 percent of the tax, in addition to the penalty added under Section 18681, shall be added to the tax and shall be due and payable upon notice and demand from the Franchise Tax Board.

Refusal to furnish information

18683. If any taxpayer fails or refuses to furnish any information requested in writing by the Franchise Tax Board, the Franchise Tax Board may add a penalty of 25 percent of the amount of any deficiency tax assessed by the Franchise Tax Board concerning the assessment of which the information was required.

Unpaid tax· Interest

18686. If the tax imposed by this part, whether assessed by the Franchise Tax Board or the taxpayer, or any installment or portion of the tax is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the tax, interest upon the unpaid amount at the rate of 6 percent per year from the date prescribed for its payment until it is paid.

Unpaid deficiency Interest

18689. Where a deficiency, or any interest or penalty imposed in connection therewith under Sections 18681, 18684, 18685, and 18688, or any penalty in case of delinquency provided for in Sections 18681, 18682, and 18683, is not paid in full within 10 days from the date of notice and demand from the Franchise Tax Board, there shall be collected as a part of the tax, interest upon the unpaid amount at the rate of 6 percent a year from the date of the notice and demand until it is paid. If any part of the amount prorated to any unpaid installment is not paid in full on or before the date prescribed for the payment of the installment, there shall be collected as a part of the tax, interest upon the unpaid amount at the rate of 6 percent a year from that date until it is paid.

Overpayment

18690. Where an overpayment is made by any taxpayer for any year, and a deficiency is owing from the husband or wife of the taxpayer for the same year, and both husband and wife notify the Franchise Tax Board in writing prior to the expiration of the time within which credit for the overpayment may be allowed that the overpayment may be credited against the deficiency, no interest shall be assessed on such portion of the deficiency as is extinguished by the credit for the period of time subsequent to the date the overpayment was made.

Same
Deficiency

18691. (a) Where an overpayment is made by any taxpayer for any year, and a deficiency is owing from the same taxpayer for any other year, the overpayment, if the period within which credit for the overpayment may be allowed has not expired, shall be credited on the deficiency, if the period within which assessment of the deficiency may be proposed has not

expired, and the balance, if any, shall be credited or refunded to the taxpayer. No interest shall be assessed on such portion of the deficiency as is extinguished by the credit for the period of time subsequent to the date the overpayment was made.

(b) For the purposes of this section the returns of a decedent and his estate shall be considered returns of the same taxpayer and the returns for the decedent and his estate filed for the year of death shall be considered returns for different taxable years.

(c) This section is not intended, nor shall it be construed, as a limitation on the Franchise Tax Board's right to offset or recoup barred assessments against overpayments.

Erroneous inclusion, etc.

18691.1. (a) When the correction of an erroneous inclusion or deduction of an item or items in the computation of income of a trust, estate, parent or husband for any year results in an overpayment for such year by said trust, estate, parent or husband, and also results in a deficiency for the same year for a grantor of such trust or beneficiary of such estate or trust, or child of such parent, or the wife of said husband, the overpayment, if the period within which credit for the overpayment may be allowed has not expired, shall be credited on the deficiency, if the period within which the deficiency may be proposed has not expired, and the balance, if any, shall be credited or refunded. No interest shall be assessed on such portion of the deficiency as is extinguished by the credit for the period of time subsequent to the date the overpayment was made.

(b) When the correction of an erroneous inclusion or deduction of an item or items in the computation of income of a grantor of a trust, beneficiary of an estate or trust, a child or a wife for any year results in an overpayment for such year by said grantor, beneficiary, child or wife, and also results in a deficiency for the same year for the grantor's or beneficiary's trust, the beneficiary's estate, the child's parent or the wife's husband, the overpayment, if the period within which credit for the overpayment may be allowed has not expired, shall be credited on the deficiency, if the period within which the deficiency may be proposed has not expired, and the balance, if any, shall be credited or refunded. No interest shall be assessed on such portion of the deficiency as is extinguished by the credit for the period of time subsequent to the date the overpayment was made.

(c) Paragraphs (a) and (b) are not intended, nor shall they be construed as a limitation on the Franchise Tax Board's right to offset or recoup barred assessments against overpayments.

Required returns

18802. Every individual, partnership, corporation, joint stock company or association, insurance company, business trust, or so-called Massachusetts trust, being a resident or having a place of business in this State, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, employers, and all officers and employees of this State or any political subdivision of this State, having the control, receipt, custody, disposal, or payment of interest (other

than interest coupons payable to bearer), dividends, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income amounting to one thousand dollars ($1,000) or over, paid or payable during any year to any taxpayer, shall make a complete return thereof under oath to the Franchise Tax Board under such regulations and in such form and manner and to such extent as may be prescribed by it.

Withholding tax

18805. The Franchise Tax Board may, by regulation, require any person, including any officer or department of the State or any political subdivision or agency of the State, to withhold from payments of interest (other than interest coupons payable to bearer), dividends, rent, prizes, winnings, and compensation for personal services, including bonuses, an amount equal to the tax that would be imposed by this part upon such payments if they, together with all similar payments since the beginning of the calendar year, represented net income and the only net income of the payee, and to transmit the amount withheld to the Franchise Tax Board at such time as it may designate.

Failure to withhold

18806. Any person who fails to withhold from any payments and transmit to the Franchise Tax Board any amount required by the Franchise Tax Board pursuant to Section 18805 to be withheld and transmitted is liable for any taxes due from the taxpayer to whom the payments are made for the year in which made to an extent not in excess of the amount required to be withheld, unless it is shown that the failure is due to reasonable cause.

Notice to withhold

18807. The Franchise Tax Board may by notice served personally or by registered mail require any person, including any officer or department of the State or any political subdivision or agency of the State, to withhold from any payments of any nature to any taxpayer the amount of any tax, interest, or penalties due from the taxpayer under this part and to transmit the amount withheld to the Franchise Tax Board at such times as it may designate.

Failure to withhold

18808. Any person failing to withhold the amount due from any taxpayer and to transmit it to the Franchise Tax Board as required by the Franchise Tax Board pursuant to Section 18807 is liable for the amount due.

Compliance

18809. Any person required to withhold and transmit any amount pursuant to this article shall comply with the requirement without resort to any legal or equitable action in a court of law or equity Any person paying to the Franchise Tax Board any amount required by it to be withheld is not liable therefor to the person from whom withheld unless *the amount withheld is refunded to the withholding agent.*

Remedies

18810. Any taxpayer from whom a tax is collected by withholding under this article is entitled to the remedies set forth in Articles 1 and 2 of Chapter 13 of this part. But a refund of the tax under Article 1 of Chapter 13 shall be made to the withholding agent instead of directly to the taxpayer, if

requested in writing by the withholding agent at the time the amounts refundable were transmitted to the Franchise Tax Board.

Action for tax

18831. The Franchise Tax Board may at any time bring an action in a court of competent jurisdiction in the name of the people of the State of California to recover the amount of any taxes, penalties, and interest due and unpaid under this part.

Prosecution, etc

18832. The Attorney General or the counsel for the Franchise Tax Board shall prosecute the action. The action shall be tried in the County of Sacramento unless the court with the consent of the prosecutor orders a change of place of trial.

Delinquency certificate

18834. In the action a certificate by the Franchise Tax Board showing the delinquency shall be prima facie evidence of the levy of the tax, of the delinquency, and of the compliance by the Franchise Tax Board and the board with all the provisions of this part in relation to the computation and levy of the tax.

Form of action, etc

18835. The Franchise Tax Board may bring an appropriate action, whether in the form of a common law action of debt or indebitatus assumpsit or a code or other action, in any court of competent jurisdiction in the United States or in a foreign country, in the name of the people of the State of California, to recover the amount of any taxes and interest due under this part. The Attorney General or the counsel for the Franchise Tax Board shall prosecute the action.

Tax certificate

18861. If any tax, interest, or penalty imposed under this part is not paid when due, the Franchise Tax Board may file in the Office of the County Clerk of Sacramento County, or any other county, a certificate specifying the amount of the tax, penalty, and interest due, the name and last known address of the taxpayer liable for the amount due, and the fact that the Franchise Tax Board has complied with all provisions of this part in the computation and levy of the tax, and a request that judgment be entered against the taxpayer in the amount of the tax, penalty, and interest set forth in the certificate.

Execution

18865. Execution shall issue upon the judgment upon request of the Franchise Tax Board in the same manner as execution may issue upon other judgments, and sales shall be held under such execution as prescribed in the Code of Civil Procedure.

Tax certificate

18881. If any tax, interest, or penalty imposed under this part is not paid when due, the Franchise Tax Board may file in the office of any county recorder a certificate specifying the amount of the tax, interest, and penalty due, the name and last known address of the taxpayer liable for the amount, and the fact that the Franchise Tax Board has complied with all provisions of this part in the computation and levy of the tax.

Release or subordination of lien

18884. The Franchise Tax Board may, at any time, release all or any portion of the property subject to any lien provided for in this part from the lien or subordinate the lien to other liens if he determines that the taxes are suf-

ficiently secured by a lien on other property of the taxpayer or that the release or subordination of the lien will not endanger or jeopardize the collection of the taxes.

Same: Certificate

18885. A certificate by the Franchise Tax Board to the effect that any property has been released from a lien or that the lien has been subordinated to other liens shall be conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate.

Warrant

18906. The Franchise Tax Board or its authorized representative may issue a warrant for the collection of any tax, interest, or penalty and for the enforcement of any lien.

Payment of sheriff, etc

18908. The Franchise Tax Board shall pay the sheriff, constable, or marshal upon the completion of his services pursuant to the warrant the same fees, commissions, and expenses as are provided by law for similar services pursuant to a writ of execution. The Franchise Tax Board, and not the court, shall approve the fees for publication in a newspaper.

Remedies cumulative

18931. The remedies of the State provided for in this chapter are cumulative, and no action taken by the Franchise Tax Board constitutes an election by the State to pursue any remedy to the exclusion of any other remedy for which provision is made in this part.

Proceedings

18932. In all proceedings under this chapter the Franchise Tax Board may act on behalf of the people of the State of California.

Overpayment

19051. If the Franchise Tax Board or the board, as the case may be, believes that there has been an overpayment of tax, penalty, or interest by a taxpayer for any year for any reason, the amount of the overpayment shall be credited against any taxes then due from the taxpayer under this part and the balance refunded to the taxpayer.

Limitation

19053. No credit or refund shall be allowed or made after four years from the last day prescribed for filing the return or after one year from the date of the overpayment, whichever period expires the later, unless before the expiration of the period a claim therefor is filed by the taxpayer, or unless before the expiration of the period the Franchise Tax Board certifies the overpayment to the State Board of Control for approval of the refunding or the crediting thereof.

Same

19053.3. The period within which a claim for credit or refund may be filed, or credit or refund allowed or made if no claim is filed, shall be the period within which the Franchise Tax Board may make an assessment under the same circumstances, if:

(a) The taxpayer has, within the period prescribed in the preceding sentence, agreed in writing, under the provisions of Article 2 of Chapter 11, to extend the time within which the Franchise Tax Board may propose an additional assessment, or

(b) The taxpayer has agreed with the United States Commissioner of Internal Revenue for an extension (or renewals thereof) of the period for proposing and assessing deficiencies in federal income tax for any year.

Notification of disallowance

19056. If the Franchise Tax Board disallows any claim for refund, he shall notify the taxpayer accordingly.

Finality of board's action

19057 At the expiration of 90 days from the mailing of the notice, the Franchise Tax Board's action upon the claim is final unless within the 90-day period the taxpayer appeals in writing from the action of the Franchise Tax Board to the board.

Failure to mail notice

19058 If the Franchise Tax Board fails to mail notice of action on any refund claim within six months after the claim is filed, the taxpayer may prior to mailing of notice of action on the refund claim consider the claim disallowed and appeal to the board

Appeals

19059. Appeals shall be addressed and mailed to the State Board of Equalization at Sacramento, California, and a copy of the appeal addressed and mailed at the same time to the Franchise Tax Board at Sacramento, California.

Hearing

19060. The board shall hear and determine the appeal and thereafter shall forthwith notify the taxpayer and the Franchise Tax Board of its determination.

Rehearing

19061. The determination is final upon the expiration of 30 days from the date of the determination unless within the 30-day period, the taxpayer or Franchise Tax Board files a petition for rehearing with the board. In that event the determination becomes final upon the expiration of 30 days from the date the board issues its opinion on the petition.

Payment of protested tax

19061.1. If, with or after the filing of a protest or an appeal to the State Board of Equalization pursuant to Article 2 of Chapter 11, a taxpayer pays the tax protested, before the Franchise Tax Board acts upon the protest, or the board upon the appeal, the Franchise Tax Board or board shall treat the protest or the appeal as a claim for refund or an appeal from the denial of a claim for refund filed under this section.

Interest on overpayment

19062. Interest shall be allowed and paid on any overpayment in respect of any tax, at the rate of 6 percent per annum as follows:

(a) In the case of a credit, from the date of the overpayment to the date of the allowance of the credit. Any interest allowed on any credit shall first be credited on any taxes due from the taxpayer under this part.

(b) In the case of a refund, from the date of the overpayment to a date preceding the date of the refund warrant by not more than 30 days, the date to be determined by the Franchise Tax Board.

Same Notification of disallowance

19062.1. If the Franchise Tax Board disallows interest on any claim for refund, it shall notify the taxpayer accordingly.

Finality of action

19062.2. At the expiration of 90 days from the mailing of such notice, the Franchise Tax Board's action upon the disallowance of such interest shall be final unless within such 90-day period, the taxpayer appeals in writing from the action of the Franchise Tax Board to the board.

Appeals

19062.3. Appeals must be addressed and mailed to the State Board of Equalization at Sacramento, California, and a

copy of the appeal addressed and mailed at the same time to the Franchise Tax Board at Sacramento, California.

Determination

19062.4. The board shall hear and determine the same and thereafter shall forthwith notify the taxpayer and the Franchise Tax Board of its determination.

Same Finality

19062.5. The determination is final upon the expiration of 30 days from the date of the determination unless within the 30-day period, the taxpayer or Franchise Tax Board files a petition for rehearing with the board In that event the determination becomes final upon the expiration of 30 days from the date the board issues its opinion upon the petition.

Action to recover interest

19062.6. Within 90 days after the mailing of the notice of the Franchise Tax Board's action disallowing interest upon any refund claim, or, in the case of an appeal to the board from the disallowance of interest on any refund claim, within the 90 days after the mailing of the notice of the board's determination of the appeal, the taxpayer may bring an action against the Franchise Tax Board on the grounds set forth for interest in such claim for the recovery of the interest.

Same

19062.7. If the Franchise Tax Board fails to mail notice of action of disallowance of interest on any refund claim within six months after the interest was claimed, the taxpayer may, prior to mailing notice of action of disallowance of interest on the refund claim, consider the interest disallowed and bring an action against the Franchise Tax Board on the grounds set forth for interest in such claim for the recovery of the interest.

Refund of overpayment

19071. If the Franchise Tax Board or the board, as the case may be, believes that there has been an overpayment of tax, penalties, or interest by a taxpayer for any year because of failure to claim the deduction permitted by Article 2.5 of Chapter 8 of this part, the amount of the overpayment shall be refunded to the following:

(a) If the executor or administrator of the estate involved has not been discharged, to the estate for distribution pursuant to Section 18148 as if the deduction had been claimed.

(b) If the executor or administrator of the estate involved has been discharged, to each person or estate who or which would have been benefited if the deduction permitted by Article 2.5 of Chapter 8 of this part had been claimed and in the respective amount each would have been benefited.

Action to recover void tax

19082. Any taxpayer claiming that the tax assessed against him pursuant to Articles 2 and 4 of Chapter 11 of this part is void in whole or in part may bring an action against the Franchise Tax Board for the recovery of the whole or any part of the amount paid.

Same Filing

19083. The action shall be filed within four years from the last date prescribed for filing the return or within one year from the date the tax was paid, whichever period expires the later. No action may be filed for the recovery of a deficiency assessment unless the taxpayer has filed a protest with the Franchise Tax Board against the assessment pursuant to Section 18590,

or unless the taxpayer has filed a claim for refund for the tax in question under Article 1 of Chapter 13.

Action to recover overpayment

19084. Within 90 days after the mailing of the notice of the Franchise Tax Board's action upon any refund claim or, in case of an appeal to the board from the disallowance of any refund claim, within 90 days after the mailing of the notice of the board's determination of the appeal, the taxpayer may bring an action against the Franchise Tax Board on the grounds set forth in the claim for the recovery of the whole or any part of the amount claimed as an overpayment.

Same Failure to send notice

19085. If the Franchise Tax Board fails to mail notice of action on any refund claim within six months after the claim was filed, the taxpayer may, prior to mailing of notice of action on the refund claim, consider the claim disallowed and bring an action against the Franchise Tax Board on the grounds set forth in the claim for the recovery of the whole or any part of the amount claimed as an overpayment.

Substitution of board

19086. In all actions pending on July 25, 1939, against the State Treasurer under this part, the Franchise Tax Board shall be substituted for the State Treasurer by the court in which the action is pending. This substitution shall not in any way affect the rights of the plaintiff in the action.

Service of complaint

19087. Whenever an action is commenced against the Franchise Tax Board under this article, a copy of the complaint and the summons shall be served upon the Franchise Tax Board or the executive officer. A second copy of the complaint and the summons shall be furnished to the Franchise Tax Board, but this requirement is not jurisdictional.

Place of trial

19088. At the time the Franchise Tax Board demurs or answers, it may demand that the action be tried in the Superior Court of the County of Sacramento, which demand shall be granted.

Defense

19089. The Attorney General or the counsel for the Franchise Tax Board of California shall defend the action.

Interest on overpayment

19091. In any judgment of any court rendered for any overpayment, interest shall be allowed at the rate of 6 percent per annum upon the amount of the overpayment, from the date of the payment or collection thereof to the date of allowance of credit on account of such judgment or to a date preceding the date of the refund warrant by not more than 30 days, the date to be determined by the Franchise Tax Board.

Effect of judgment

19092. If judgment is rendered against the Franchise Tax Board, the amount thereof shall first be credited against any taxes and interest due from the taxpayer under this part and the remander refunded to the taxpayer by the State Treasurer on warrants drawn by the Controller.

Refund, etc

19111. The Franchise Tax Board may recover any refund or credit or any portion thereof which is erroneously made or allowed, together with interest at the rate of 6 percent per annum from the date the refund was made or the credit allowed, in an action brought in a court of competent jurisdiction in the

County of Sacramento in the name of the people of the State of California.

Prosecution

19113. The Attorney General or the counsel for the Franchise Tax Board shall prosecute the action, and the provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials, and appeals are applicable to the proceedings.

Illegally levied tax

19131. If a tax has been illegally levied against a taxpayer, the Franchise Tax Board shall set forth on its records the reasons therefor and thereafter shall authorize the cancellation of the tax.

Agreements

19132. The Franchise Tax Board or any person authorized in writing by the Franchise Tax Board is authorized to enter into an agreement in writing with any person (or of the person or estate for whom he acts) in respect of any tax levied under Part 10 of this code for any taxable period.

If such agreement is approved by the State Board of Control, within such time as may be stated in the agreement, or later agreed to, such agreement shall be final and conclusive, and except upon a showing of fraud or malfeasance, or misrepresentation of a material fact

(1) The case shall not be reopened as to the matters agreed upon or the agreement modified, by any officer, employee, or agent of the State, and

(2) In any suit, action, or proceeding, such agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance therewith, shall not be annulled, modified, set aside, or disregarded.

District offices

19251. The Franchise Tax Board shall administer and enforce this part. For this purpose it may divide the State into a reasonable number of districts, in each of which a branch office or offices may be maintained during all or such part of the time as may be necessary.

Same Considerations

19252. In the establishment of the districts and offices the Franchise Tax Board shall give due consideration to the matter of economy of administration and service to the taxpayers.

Rules, etc

19253. The Franchise Tax Board shall prescribe all rules and regulations necessary for the enforcement of this part and may prescribe the extent to which any ruling or regulation shall be applied without retroactive effect.

Examination of books, etc

19254. For the purpose of ascertaining the correctness of any return or making an estimate of the taxable income of any taxpayer, the Franchise Tax Board may examine any books, papers, records, or memoranda, bearing upon the matters required to be included in the return. The Franchise Tax Board may require the attendance of the taxpayer or of any other person having knowledge in the premises and may take testimony and require proof material for his information. It may also administer an oath to such persons.

Appointment, etc., of officers, etc

19255. The Franchise Tax Board may appoint and remove, in the manner provided by law, such officers, agents,

branch office income tax deputies, and other employees as it deems necessary. They shall have such duties and powers as the Franchise Tax Board from time to time prescribes.

Appointment of deputies, etc

19256. The Franchise Tax Board may appoint one or more deputies or assistants to conduct hearings, prescribe regulations, or perform any other duty imposed by this part or other laws of the State upon the Franchise Tax Board.

Salaries

19258. The salaries of the personnel required by the Franchise Tax Board shall be such as it may prescribe, in the manner provided by law, and the Franchise Tax Board and its personnel shall be allowed reasonable and necessary traveling and other expenses incurred in the performance of their duties.

Bond

19259. The Franchise Tax Board may require officers, agents, deputies, and other employees designated by it to give bond for the faithful performance of their duties in such sum and with such sureties as it may determine. It shall pay all premiums on the bonds out of moneys appropriated for the administration of this part.

Oaths

19260. The Franchise Tax Board and officers and employees designated by it may administer an oath to any person or take the acknowledgment of any person in respect of any return or report required by this part or the rules and regulations of the Franchise Tax Board.

Preservation of reports, etc

19281. The Franchise Tax Board shall preserve reports and returns for four years and thereafter until it orders them to be destroyed.

Penalty

19282. Except as otherwise provided in this article, it is a misdemeanor for the Franchise Tax Board, any deputy, agent, clerk, or other officer or employee, to disclose in any manner information as to the amount of income or any particulars set forth or disclosed in any report or return required under this part.

Inspection, etc

19286. The Franchise Tax Board may permit the Commissioner of Internal Revenue of the United States, or other tax officials of this State, or the proper officer of any state imposing an income tax or a tax measured by income, or the authorized representative of any such officer, to inspect the income tax returns of any individual, estate, trust, or partnership, or may furnish to the officer or his authorized representative an abstract of the return of income of any taxpayer or supply him with information concerning any item of income contained in any return or disclosed by the report of any investigation of the income or return of income of any taxpayer. Permission shall be granted or information furnished to the officer or his representative only if the statutes of the United States or of the other state, as the case may be, grant substantially similar privileges to the Franchise Tax Board of this State.

Same Cost of services

19288. Whenever under this part or any act heretofore or hereafter enacted, the Franchise Tax Board is required or permitted to disclose information, to furnish abstracts, or to permit access to its records, to or by any official, department,

bureau, or agency of this State (including its political subdivisions), or any other state, or the United States, it may charge the official, department, bureau, or agency for the reasonable cost of its services.

Transmittal of money, etc

19351. The Franchise Tax Board shall transmit promptly to the State Treasurer all moneys and remittances received by it under this part. It shall at the same time furnish copies of the schedules covering the transmittals to the Controller.

Civil penalty

19401. Any person who, with or without intent to evade any requirement of this part or any lawful requirement of the Franchise Tax Board under this part, fails to file any return or to supply any information required under this part, or who, with or without such intent, makes, renders, signs, or verifies any false or fraudulent return or statement, or supplies any false or fraudulent information, is liable to a penalty of not more than one thousand dollars ($1,000). The penalty shall be recovered by the Attorney General or the counsel for the Franchise Tax Board in the name of the people by action in any court of competent jurisdiction.

Criminal penalty

The person is also guilty of a misdemeanor and shall upon conviction be fined not to exceed one thousand dollars ($1,000) or be imprisoned not to exceed one year, or both, at the discretion of the court.

Compromise of penalty

19402. The prosecutor may, with the consent of the Franchise Tax Board, compromise any penalty for which he may bring action under this chapter. The penalties provided by this chapter are additional to all other penalties provided in this part.

Certificate as prima facie evidence

19403. The certificate of the Franchise Tax Board to the effect that a return has not been filed or that information has not been supplied as required by this part is prima facie evidence that the return has not been filed or that the information has not been supplied.

Determination of issues

19451. In the determination of any issue of law or fact under this part, neither the Franchise Tax Board nor any other officer or department having any administrative duties under this part nor any court is bound by the determination of any other officer or department of the State.

CHAPTER 71

An act to amend Sections 23004, 23031, 23035, 23114, 23185, 23185b, 23186a, 23225, 23226, 23301, 23302, 23305, 23305a, 23334, 23363, 23364, 23562, 23562a, 23562b, 23881d, 23881e, 24121d, 24121f, 24121h, 24121i, 24121k, 24121o, 24123, 24124, 24151a, 24151b, 24151d, 24151e, 24151f, 24181c, 24181e, 24181f, 24201d, 24301, 24303, 24303a 24303b, 24304, 25031f-(1), 25035, 25038, 25042, 25071b, 25071(i), 25071m, 25101c, 25201, 25202, 25203, 25203a, 25203c, 25203c-(1), 25203d, 25203e, 25231, 25232a, 25232b, 25232d, 25261, 25261d, 25291, 25292, 25295, 25401, 25402, 25403,

25404, 25431, 25552a, 25553, 25555, 25555a, 25661, 25662, 25663a, 25664, 25666, 25667, 25668, 25669, 25672, 25702, 25731, 25731a, 25732, 25761, 25761a, 25761b, 25781, 25801, 25901, 25901c, 25902, 25931, 25932, 25933, 25961, 26071, 26073, 26073a, 26075, 26076, 26077, 26078, 26080, 26102, 26103, 26103a, 26104, 26105, 26106, 26107, 26131, 26131a, 26132, 26133, 26134, 26161, 26162, 26191, 26221, 26222, 26251, 26252, 26253, 26281, 26282, 26311, 26422, 26423, 26424, 26425, 26451, 26453c, 26454, 26481, and 26481a of the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations.

In effect September 22, 1951

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Sections 23004, 23031, 23035, 23114, 23185, 23185b, 23186a, 23225, 23226, 23301, 23302, 23305, 23305a, 23334, 23363, 23364, 23562, 23562a, 23562b, 23881d, 23881e, 24121d, 24121f, 24121h, 24121i, 24121k, 24121o, 24123, 24124, 24151a, 24151b, 24151d, 24151e, 24151f, 24181c, 24181e, 24181f, 24201d, 24301, 24303, 24303a, 24303b, 24304, 25031f-(1), 25035, 25038, 25042, 25071b, 25071(i), 25071m, 25101c, 25201, 25202, 25203, 25203a, 25203c, 25203c-(1), 25203d, 25203e, 25231, 25232a, 25232b, 25232d, 25261, 25261d, 25291, 25292, 25295, 25401, 25402, 25403, 25404, 25431, 25552a, 25553, 25555, 25555a, 25661, 25662, 25663a, 25664, 25666, 25667, 25668, 25669, 25672, 25702, 25731, 25731a, 25732, 25761, 25761a, 25761b, 25781, 25801, 25901, 25901c, 25902, 25931, 25932, 25933, 25961, 26071, 26073, 26073a, 26075, 26076, 26077, 26078, 26080, 26102, 26103, 26103a, 26104, 26105, 26106, 26107, 26131, 26131a, 26132, 26133, 26134, 26161, 26162, 26191, 26221, 26222, 26251, 26252, 26253, 26281, 26282, 26311, 26422, 26423, 26424, 26425, 26451, 26453c, 26454, 26481, and 26481a are amended to read as follows:

"Regulations of the Franchise Tax Board"

23004. Whenever this part refers to "regulations of the Franchise Tax Board," the "Franchise Tax Board's regulations" or makes similar reference, the reference authorizes the Franchise Tax Board to make rules and regulations as to the subject matter concerning which the reference is made.

"Franchise Tax Board"

23031. "Franchise Tax Board" means the Franchise Tax Board.

"Counsel for the Franchise Tax Board"

23035. "Counsel for the Franchise Tax Board" means attorney or attorneys appointed or employed by the Franchise Tax Board and acting subject to the approval and under the supervision of the Attorney General.

Illegal tax

23114. If any tax imposed under this chapter is finally adjudged illegal in whole or in part, it shall be the duty of the Franchise Tax Board, and it shall have the power, to cause the tax to be recomputed for and as of the taxable year for which the illegal tax was computed; and the provisions of this part relating to original computations shall apply to the tax as recomputed.

Evidence of offset claims

23185. At the time of payment of the first installment of tax under the provisions of Article 3 of Chapter 10, each taxpayer claiming an offset against the tax, pursuant to Section 23184, shall submit to the Franchise Tax Board evidence in such form as it shall prescribe in support of said claims.

Refunds

23185b. If taxes are at any time refunded to any taxpayer under this chapter and said taxpayer has been allowed an offset under Section 23184 for such taxes against any tax imposed under this chapter, said taxpayer shall pay a tax not subject to offset in an amount equivalent to any offset which has been allowed against any tax at any time imposed under this chapter on account of such refunded taxes. Said taxpayer shall report such taxes in its return for the income year in which the same are refunded. The tax herein provided for shall be due and payable in one amount on or before the due date, or the due date as extended by the Franchise Tax Board, for filing the return. The provisions of this part relating to delinquent first installment taxes shall be applicable to such tax if it is not paid on or before its due date.

Determination of average percentage

23186a. The Franchise Tax Board, after public hearing and opportunity given to examine the data on which its determination is based, shall determine not later than the thirty-first day of December of each year the average percentage of net income above specified, and, within 30 days after its determination, shall mail notice of its determination and the amount of tax payable on the basis of such determination to all banks and financial corporations affected thereby, which are then classified on its records as banks or financial corporations, but such determination shall not be considered a deficiency assessment within the meaning of Article 1 of Chapter 11. The data gathered by the Franchise Tax Board in determining the rate, referred to herein, shall be made available to the taxpayers affected by such determination at the time and in the manner prescribed by regulations adopted by the Franchise Tax Board.

Due date

23225. The adjusted tax, as provided in Sections 23222 to 23224, inclusive, for any taxable year in excess of the prepayment for that year, shall be due and payable in one amount on or before the fifteenth day of the third month following the close of that taxable year, or on or before the expiration of the period of extension where an extension has been granted by the Franchise Tax Board under Article 1 of Chapter 10, and, if not so paid, interest shall be added thereto in the manner and at the rate or rates provided in Article 1 of Chapter 12.

Distribution, etc. of income or deductions

23226. In the case of a taxpayer taxable in the manner provided in Sections 23222 to 23224, inclusive, reporting income from any source on a deferred basis, the Franchise Tax Board is authorized to distribute or apportion such income, or deductions applicable thereto, if it determines that such distribution or apportionment is necessary in order to prevent avoidance of taxes or clearly to reflect the income of the taxpayer.

Suspension and forfeiture of corporate powers, etc.

23301. Except for the purpose of amending the articles of incorporation to set forth a new name, the corporate powers,

rights and privileges of a domestic taxpayer shall be suspended and the corporate powers, rights and privileges of a foreign taxpayer, shall be forfeited and shall be incapable of being exercised for any purpose or in any manner, if any of the following conditions occur:

1. If any tax, penalty or interest, or any portion thereof, which is due and payable either at the time the return is required to be filed or on or before the fifteenth day of the ninth month following the close of the income year, is not paid on or before 6 o'clock p m. on the last day of the twelfth month after the close of the income year.

2. If any tax, penalty or interest, or any portion thereof, other than jeopardy or fraud assessments, due and payable upon notice and demand from the Franchise Tax Board, is not paid on or before 6 o'clock p m on the last day of the eleventh month following the due date of said tax.

3. If any jeopardy or fraud assessment, or any interest or penalty thereon, is not paid within 40 days from the date such tax, penalty and interest are due and payable upon notice and demand from the Franchise Tax Board, unless the bond required by Section 25761a is filed to stay the collection of said tax, penalty and interest, and said tax, interest and penalty are paid within 60 days after notice by the Franchise Tax Board on the taxpayer's petition for reassessment.

Same: Certificate

23302. The Franchise Tax Board shall transmit the name of such delinquent taxpayer to the Secretary of State, and the suspension or forfeiture herein provided for shall thereupon become effective and the certificate of the Secretary of State shall be prima facie evidence of such suspension or forfeiture.

Relief from suspension, etc

23305. Any taxpayer which has suffered the suspension or forfeiture provided for in Section 23301 may be relieved therefrom upon making application therefore in writing to the Franchise Tax Board and upon payment of the tax and the interest and penalties for nonpayment of which the suspension or forfeiture occurred, together with all other taxes, deficiencies, interest and penalties due under this part, and upon the issuance by the Franchise Tax Board of a certificate of revivor. Application for such certificate on behalf of any domestic bank or corporation which has suffered such suspension may be made by any stockholder or creditor or by a majority of the surviving trustees or directors thereof; application for such certificate may be made by any foreign bank or corporation which has suffered such forfeiture or by any stockholder or creditor thereof.

Certificate of revivor

Endorsement from Secretary of State

23305a. Before such certificate of revivor is issued by the Franchise Tax Board, it shall obtain from the Secretary of State an endorsement upon such application of the fact that the name of the taxpayer is not one which is likely to mislead the public or which is the same as, or resembles so closely as to tend to deceive, the name of a foreign or domestic bank or corporation which is authorized to transact business in this State or a name which is under reservation. If the name of the

taxpayer is one which is likely to mislead the public or is the same as, or resembles so closely as to tend to deceive, the name of a foreign or domestic bank or corporation which is authorized to transact business in this State, or a name which is under reservation, the Secretary of State shall not endorse such statement upon such application until the taxpayer therein named, if it be a domestic bank or corporation, files in his office amended articles of incorporation changing its name, or, if it be a foreign taxpayer, files in his office a copy of such document changing its name as may be required by the law of the State or other jurisdiction under which it was incorporated, which copy shall be certified in the manner prescribed by Section 6400 of the Corporations Code. Upon the issuance of such certificate by the Franchise Tax Board the taxpayer therein named shall become reinstated but such reinstatement shall be without prejudice to any action, defense or right which has accrued by reason of the original suspension or forfeiture. The certificate of revivor shall be prima facie evidence of such reinstatement and such certificate may be recorded in the office of the county recorder of any county of this State.

Decree of dissolution Certificate

23334. No decree of dissolution shall be made and entered by any court, nor shall the county clerk of any county or the Secretary of State file any such decree, or file any other document by which the term of existence of any taxpayer shall be reduced or terminated, nor shall the Secretary of State file any certificate of the surrender by a foreign corporation of its right to do intrastate business in this State unless the taxpayer obtains from the Franchise Tax Board and files with said court, county clerk or Secretary of State as the case may be, a certificate to the effect the Franchise Tax Board is satisfied from the available evidence that all taxes imposed by this chapter have been paid or are secured by bond, deposit or otherwise. Within 30 days after receiving a request for a certificate, the Franchise Tax Board shall either issue the certificate or notify the person requesting the certificate of the amount of tax that must be paid or the amount of bond, deposit or other security that must be furnished as a condition of issuing the certificate. The issuance of the certificate shall not relieve the taxpayer or any individual, bank, or corporation from liability for any taxes, penalties, or interest imposed by this chapter.

Regulations

23363. The Franchise Tax Board shall prescribe such regulations as it may deem necessary in order that the tax liability of any affiliated group of corporations making a consolidated return and of each corporation in the group, both during and after the period of affiliation, may be determined, computed, assessed, collected, and adjusted in such manner as clearly to reflect the income and to prevent evasion of just tax liability.

Consolidated return

23364. If a consolidated return is made subject to the provisions of this article, the tax imposed under this chapter shall be computed as a unit upon the consolidated net income of the group except as hereinafter provided. The parent corpo-

ration and each subsidiary, a member of the group during any part of a consolidated period, shall be severally liable for the tax, including any deficiency in respect thereof, computed upon the consolidated net income of the group. If a subsidiary by reason of a bona fide sale of stock for fair value has ceased to be a member of the affiliated group, its liability shall remain unchanged, except that if such cessation occurred prior to the date upon which any such deficiency is assessed, such deficiency, in the case of such former subsidiary, shall be reduced to an amount equal to such part as may be allocable to it upon the basis of the consolidated net income properly assignable to it. In no case, however, shall any demand for the payment of any deficiency be made, or any proceeding in court for the collection thereof be begun against such former subsidiary prior to the determination by the Franchise Tax Board that the amount of the deficiency cannot be collected from the parent corporation and the corporations, if any, remaining members of the affiliated group.

Suspension, etc., of corporate powers

23562. The corporate powers, rights and privileges of a taxpayer shall be suspended and incapable of being exercised in any manner which is within the power of this State to prohibit, if any of the following conditions occur:

1. If any tax, penalty or interest, or any portion thereof, which is due and payable either at the time the return is required to be filed or on or before the fifteenth day of the ninth month following the close of the income year is not paid on or before 6 o'clock p.m. of the last day of the twelfth month after the close of the income year.

2. If any tax, penalty or interest, or any portion thereof, other than jeopardy or fraud assessments, due and payable upon notice and demand from the Franchise Tax Board is not paid on or before 6 o'clock p.m. on the last day of the eleventh month following the due date of said tax.

3. If any jeopardy or fraud assessment, or any interest or penalty thereon, is not paid within 40 days from the date such tax, penalty and interest are due and payable upon notice and demand from the Franchise Tax Board, unless the bond required by Section 25761a is filed to stay the collection of said tax, penalty and interest, and said tax, interest and penalty are paid within 60 days after notice by the Franchise Tax Board on the taxpayer's petition for reassessment.

Continuation of action

23562a. In any action or suit at law or in equity in which such suspended taxpayer shall seek to prosecute or shall be named as defendant, if such taxpayer has not been notified by the Franchise Tax Board of its liability for tax, such action shall be continued on motion of the suspended taxpayer for a period of 90 days, or until such time as the tax determined by the Franchise Tax Board to be due shall be paid, whichever expires or occurs the earlier.

Certificate as prima facie evidence

23562b. The certificate of the Franchise Tax Board setting forth that the suspended taxpayer has been notified of its liability for tax under this chapter and that such tax has not

been paid, shall constitute prima facie evidence of such facts. The suspension shall be terminated on payment of the tax, and the certificate of the Franchise Tax Board that the tax has been paid shall be evidence of the termination of the suspension.

23881d. Income attributable to the recovery during the income year of a bad debt, prior tax, or delinquency amount, to the extent of the amount of the recovery exclusion with respect to such debt, tax, or amount. For the purposes of this section:

Definitions

(1) "Bad debt" means a debt on account of worthlessness or partial worthlessness of which a deduction was allowed for a prior income year.

(2) "Prior tax" means a tax on account of which a deduction or credit was allowed for a prior income year.

(3) "Delinquency amount" means an amount paid or accrued on account of which a deduction or credit was allowed for a prior income year and which is attributable to failure to file return with respect to a tax, or pay a tax, within the time required by the law under which the tax is imposed, or failure to file return with respect to a tax or pay a tax.

(4) "Recovery exclusion," with respect to a bad debt, prior tax, or delinquency amount, means the amount, determined in accordance with regulations prescribed by the Franchise Tax Board, of the deductions or credits allowed, on account of such bad debt, prior tax, or delinquency amount, which did not result in a reduction of the taxpayer's tax under this part, reduced by the amount excludible in previous income years with respect to such debt, tax, or amount under this section.

Income due to discharge of indebtedness

23881e. The amount of any income of a taxpayer attributable to the discharge, within the income year, of any indebtedness of the taxpayer, or for which the taxpayer is liable, evidenced by a security, as hereinafter defined, if the taxpayer makes and files at the time of filing the return, in such manner as the Franchise Tax Board by regulation prescribes, its consent to the regulations prescribed under Section 25101c. In such case the amount of any income of the taxpayer attributable to any unamortized premium, computed as of the first day of the income year in which such discharge occurred, with respect to such indebtedness shall not be included in gross income and the amount of the deduction attributable to any unamortized discount, computed as of the first day of the income year in which such discharge occurred, with respect to such indebtedness shall not be allowed as a deduction. "Security" means any bond, debenture, note, or certificate, or other evidence of indebtedness, issued by any corporation.

"Security"

Losses

24121d. Losses sustained during the income year and not compensated for by insurance or otherwise, except that such losses may, with the consent of the Franchise Tax Board, be accounted for as of a different period.

Worthless debts

24121f. Debts which become worthless within the income year, or, in the discretion of the Franchise Tax Board, the taxpayer may make a reasonable addition to a reserve for bad debts.

When satisfied that a debt is recoverable in part only the Franchise Tax Board may allow such debt, in an amount not in excess of the part charged off within the income year, as a deduction; provided, however, that if a debt was actually worthless prior to January 1, 1943, but was not ascertained to be worthless and charged off prior to said date, a deduction may be taken therefor during the first income year ending after December 31, 1942; and, provided, that if a portion of a debt is claimed and allowed as a deduction in any year no deduction shall be allowed in any subsequent year for any portion of the debt which in any prior year was charged off, regardless of whether claimed as a deduction in such prior year.

Amortization of emergency facilities

24121h. A taxpayer may elect to claim a deduction for amortization of emergency facilities, as defined by Section 124 of the Internal Revenue Code as amended, under regulations prescribed by the Franchise Tax Board.

Depletion

24121i. In the case of mines, oil and gas wells, other natural deposits and timber, a reasonable allowance for depletion and for depreciation of improvements according to the peculiar conditions in each case, such reasonable allowance in all cases to be made under rules and regulations to be prescribed by the Franchise Tax Board. In any case in which it is ascertained as a result of operations or of development work that the recoverable units are greater or less than the prior estimate thereof, then such prior estimate (but not the basis for depletion) shall be revised and the allowance under this subsection for subsequent taxable years shall be based upon such revised estimate. In the case of leases the deductions shall be equitably apportioned between the lessor and the lessee.

Contributions or gifts

24121k. In the case of a taxpayer, contributions or gifts payment of which is made within the income year to or for the use of:

(1) The United States, any state, territory, or any political subdivision thereof or the District of Columbia, or any possession of the United States, for exclusively public purposes; or

(2) A corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any possession thereof or under the law of the United States, or of any state or territory, or of the District of Columbia, or of any possession of the United States, organized and operated exclusively for religious, charitable, scientific, veteran rehabilitation service, literary, or educational purposes or for the prevention of cruelty to children (but in the case of contributions or gifts to a trust, chest, fund, or foundation, payment of which is made within an income year beginning after the date of the cessation of hostilities in the present war, as proclaimed by the President, only if such contributions or gifts are to be used within the United States or any of its possessions exclusively for such purposes), no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation; or

(3) Posts or organizations of war veterans, or auxiliary units of, or trusts or foundations for, any such posts or organizations, if such posts, organizations, units, trusts, or foundations are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or

(4) A corporation or organization which is organized in the United States or any of its possessions by or for members of the armed forces of the United States for the purpose of aiding or assisting members of such forces or their relatives if no part of the net earnings of such corporation or organization inures to the benefit of any private shareholder or individual; to an amount which does not exceed 5 percent of the taxpayer's net income as computed without the benefits of this subdivision.

Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the Franchise Tax Board.

Amortizable bond premium

24121o. In the case of a bondholder, who makes the election in the method and under the conditions prescribed in subdivision (4) of this section, the deduction for amortizable bond premium provided in this section.

(1) In the case of any bond, as defined in subdivision (3), the following rules shall apply to the amortizable bond premium (determined under subdivision (2)) on the bond for any income year beginning after December 31, 1942.

(A) In the case of a bond, the amount of the amortizable bond premium for the income year shall be allowed as a deduction, except where the interest received from said bonds is excluded from "gross income" under Chapter 3.

(2)(A) For the purposes of paragraph (B), the amount of bond premium, in the case of the holder of any bond, shall be determined with reference to the amount of the basis (for determining loss on sale or exchange) of such bond, and with reference to the amount payable on maturity or on earlier call date, with adjustments proper to reflect unamortized bond premium with respect to the bond, for the period prior to the date as of which subdivision (1) becomes applicable with respect to the taxpayer with respect to such bond.

(B) The amortizable bond premium of the income year shall be the amount of the bond premium attributable to such year.

(C) The determinations required under paragraphs (A) and (B) shall be made—

(i) In accordance with the method of amortizing bond premium regularly employed by the holder of the bond, if such method is reasonable;

(ii) In all other cases, in accordance with regulations prescribing reasonable methods of amortizing bond premium, prescribed by the Franchise Tax Board.

(3) As used in this section, "bond" means any bond, debenture, note, or certificate or other evidence of indebtedness, issued by any corporation and bearing interest (including

any like obligation issued by a government or political subdivision thereof), with interest coupons or in registered form, but does not include any such obligation which constitutes stock in trade of the taxpayer or any such obligation of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the income year, or any such obligation held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

(4) The amount of the amortizable bond premium for the income year shall be allowed as a deduction only if a taxpayer has elected to claim such deduction. Such election shall be made in accordance with such regulations as the Franchise Tax Board shall prescribe. If such election is made with respect to any bond, it shall also apply to all such bonds held by the taxpayer at the beginning of the first income year to which the election applies and to all such bonds thereafter acquired by it, and shall be binding for all subsequent income years with respect to all such bonds of the taxpayer, unless, upon application by the taxpayer, the Franchise Tax Board permits him, subject to such conditions as the Franchise Tax Board deems necessary, to revoke such election.

Interest as deduction

24123. There shall also be allowed as a deduction, under Chapter 2 of this part, in the case of a mutual savings bank, the entire amount of interest paid to depositors possessing no proprietary interest in the institution or in its surplus, and interest on their deposits to members possessing a proprietary interest in the institution or in its surplus at a rate determined by the State Superintendent of Banks to be the going rate of interest upon savings deposits in the State during the calendar year preceding the taxable year, such rate to be certified by him to the Franchise Tax Board on or before the first day of March of each year.

Discriminatory or invalid deductions

24124. For the purposes of the tax imposed under Chapter 2, if any deduction provided for in this article is finally adjudged discriminatory against a national banking association contrary to Section 5219 of the Revised Statutes of the United States, or is for any reason finally adjudged invalid, in that event the tax of the favored taxpayer shall be recomputed by the Franchise Tax Board for the taxable year in question, as of the time of allowance of the deduction, by disallowing the deduction, and any difference between the amount of the tax as recomputed and the amount of the tax as originally computed shall be subject to the provisions hereof relating to original computations.

Property destroyed or seized

24151a. (1) Property destroyed or seized on or after December 7, 1941, in the course of military or naval operations by the United States or any other country engaged in the present war shall be deemed to have been destroyed or seized on a date chosen by the taxpayer in the manner provided in subdivision (4), which falls between—

(A) The latest date, as established to the satisfaction of the Franchise Tax Board, on which such property may be considered as not destroyed or seized, and Same

(B) The earliest date, as established to the satisfaction of the Franchise Tax Board, on which such property may be considered as having already been destroyed or seized.

For the purposes of this subdivision property within an area which comes under the control of a country at war with the United States after the date war with such country is declared by the United States shall be deemed to have been destroyed or seized in the course of military or naval operations by such country, and the date specified in paragraph (A) shall not be later than the latest date determined by the Franchise Tax Board as the date on which such area was under the control of the United States or a country not at war with the United States, and the date specified in paragraph (B) shall not be later than the earliest date determined by the Franchise Tax Board as the date on which such area may be considered under the control of the country which is at war with the United States.

(2) Property within any country at war with the United States, or within an area under the control of any such country on the date war with such country was declared by the United States, shall be deemed to have been destroyed or seized on the date war with such country was declared by the United States.

(3) Any interest in, or with respect to, property described in subdivision (1) or (2) (including any interest represented by a security) which becomes worthless shall be considered to have been destroyed or seized (and the loss therefrom shall be considered a loss from the destruction or seizure) on the date chosen by the taxpayer which falls between the dates specified in subdivision (1), or on the date prescribed in subdivision (2), as the case may be, when the last property (described in the applicable subdivision) to which the interest relates would be deemed destroyed or seized under the applicable subdivision. This subdivision shall apply only if the interest would have become worthless if the property had been destroyed. For the purposes of this subdivision, an interest shall be deemed to have become worthless notwithstanding the fact that such interest has a value if such value is attributable solely to the possibility of recovery of the property, compensation (other than insurance or similar indemnity) on account of its destruction or seizure, or both. Under regulations prescribed by the Franchise Tax Board, a taxpayer which owns 100 percent (excluding qualifying shares) of each class of stock of a corporation may elect to determine the worthlessness of its interest, described in this paragraph, in or with respect to the property of the corporation, without regard to the amount of the property of such corporation which would be excluded under Section 24151e in determining the adjusted basis of all the assets of the corporation for the purposes of Section 24151e, but such amount shall be treated under Section 24151b as a recovery by the taxpayer in the income year with respect to such interest.

(4) Taxpayer's choice of a date under subdivision (1) or (3) shall be effective only if made within such time and in such manner as may be prescribed by regulations prescribed by the Franchise Tax Board.

Same

24151b. In the case of any property or interest in or with respect to property deemed to be destroyed or seized under Section 24151a—

(1) The amount of the loss on account of such property or interest shall be determined with regard to any recoveries with respect thereto in the income year but without regard to any possibility of recovering such property or interest, or of receiving any compensation (other than insurance or similar indemnity) on account of such property or interest in the income year or in any future income year.

(2) The taxpayer may choose to decrease the amount of the loss by all obligations or liabilities of the taxpayer with respect to such property or interest discharged or satisfied out of the property or interest upon its destruction or seizure, if the Franchise Tax Board is satisfied that such obligations or liabilities are so discharged or satisfied in a subsequent income year, or that the taxpayer is unable to determine whether or not such obligations or liabilities are in fact discharged or satisfied.

No loss shall be deemed to have been sustained upon the destruction or seizure of such property or interest to the extent that it is compensated for by the discharge or satisfaction of obligations and liabilities of the taxpayer out of such property or interest in the income year in which such destruction or seizure is deemed to have occurred. The taxpayer's choice under this subdivision shall be effective only if made within such time and in such manner as may be prescribed by regulations prescribed by the Franchise Tax Board.

Same
Unadjusted basis of recovered property

24151d. The unadjusted basis of property recovered in respect of property considered destroyed or seized under Section 24151a shall be determined under this section Such basis shall be an amount equal to the fair market value of such property, determined as of the date of the recovery, reduced by an amount equal to the excess of the aggregate of such fair market value and the amounts of previous recoveries of money or property in respect of property considered under Section 24151a as destroyed or seized over the aggregate of the allowable deductions in prior income years on account of the destruction or seizure of property described in Section 24151a, and increased by that portion of the amount of the recovery which under Section 24151c is treated as a recognized gain from the involuntary conversion of property. Upon application of the taxpayer, the aggregate of the bases (determined under the preceding sentence) of any properties recovered in respect of properties considered under Section 24151a as destroyed or seized may be allocated among the properties so recovered in such manner as the Franchise Tax Board may determine under regulations prescribed by it, and the amount so allocated to

any such property so recovered shall be the unadjusted basis of such property in lieu of the unadjusted basis of such property determined under the preceding sentence

Same Corporate stock

24151e. (1) If a taxpayer owns not less than 50 percent of each class of stock of a corporation, if such corporation has property described in Section 24151a (1) or (2) deemed to be destroyed or seized, the adjusted basis for determining loss of which is at least 75 percent of the adjusted basis for determining loss of all such corporation's property, and if such corporation completely liquidates by distributing all the assets which it is able to distribute and all its rights to assets which it is not able to distribute, including the right to the recovery of the property described in Section 24151a (1) and (2), within one year after such property is deemed to be destroyed or seized, or by December 31, 1943, whichever is the later, then that part of the loss by the taxpayer on such liquidation which would be attributable to the destruction or seizure of such property, as established to the satisfaction of the Franchise Tax Board, shall be treated for the purposes of this part as a loss by the taxpayer upon the destruction or seizure of the part of the stock or other interest of the taxpayer to which such loss is allocable. Such part of the stock or other interest of the taxpayer shall be treated for the purposes of Section 24151b, c, and d as property described in Section 24151a (3).

(2) For the purposes of subdivision (1)—

(A) In determining the adjusted basis of all the property of the corporation, there shall be excluded money in the United States, bank deposits, the right to receive money from any person not situated in a country at war with the United Sates or in a territory under the control of such a country, and obligations issued or guaranteed as to principal or interest by the United States, except that there shall not be excluded any such property which is destroyed or seized as described in Section 24151a within or before the taxable period.

(B) The adjusted basis of property of such corporation shall be determined as of the date immediately preceding the first date on which any property was destroyed or seized, as described in Section 24151a, or as of any later date falling within or before the taxable period, on the basis of which such determination will produce a greater amount.

Same Determination of allowable deduction

24151f The determination as to whether and to what extent an allowable deduction on account of the destruction or seizure of property described in Section 24151a did or did not result in a reduction of any tax of the taxpayer under this part shall be made in accordance with regulations prescribed by the Franchise Tax Board.

Limitation

24181e. The foregoing provisions of this article shall not apply in respect of any contract if the taxpayer shows to the satisfaction of the Franchise Tax Board that a different method of accounting for the amount of the payment, repayment, or disallowance clearly reflects income, and in such

case the payment, repayment, or disallowance shall be accounted for with respect to the income year provided for under such method.

Claims in abatement

24181e. If prior to the payment of the last installment of tax for the taxable year the taxpayer becomes entitled to the exclusions or deductions provided in this article for its income year, the taxpayer may, under regulations prescribed by the Franchise Tax Board, file a claim in abatement of any unpaid tax or portion thereof, but not in excess of the reduction in tax resulting from the application of this article.

Same: Reduction of tax

24181f. In any case in which a claim in abatement is filed pursuant to Section 24181f and the Franchise Tax Board makes such abatement, the tax disclosed by the original return shall, for the purpose of Article 1 of Chapter 11, be deemed to be reduced by the amount of the tax so abated.

Nondeductible items

24201d. Any amount otherwise allowable as a deduction which is allocable to one or more classes of income not included in the measure of the tax imposed by this part, regardless of whether such income was received or accrued during the income year.

(1) Any amount paid or accrued on indebtedness incurred or continued to purchase a single premium life insurance or endowment contract. If substantially all the premiums on a life insurance or endowment contract are paid within a period of four years from the date on which such contract is purchased, such contract shall be considered a single premium life insurance or endowment contract;

(2) Amounts paid or accrued for such taxes and carrying charges as, under regulations prescribed by the Franchise Tax Board, are chargeable to capital account with respect to property, if the taxpayer elects, in accordance with such regulations, to treat such taxes or charges as so chargeable.

Provision for allocation

24301. When the income of a taxpayer subject to the tax imposed by Chapter 2 is derived from or attributable to sources both within and without the State, the tax shall be measured by the net income derived from or attributable to sources within this State. Such income shall be determined by an allocation upon the basis of sales, purchases, expenses of manufacture, pay roll, value and situs of tangible property or by reference to any of these or other factors or by such other method of allocation as is fairly calculated to determine the net income derived from or attributable to sources within this State. Income from business carried on partly within and partly without this State shall be allocated in such a manner as is fairly calculated to apportion such income among the states or countries in which such business is conducted. Income attributable to isolated or occasional transactions in states or countries in which the taxpayer is not doing business shall be allocated to the state in which the taxpayer has its principal place of business or commercial domicile. Income derived from or attributable to sources within this State includes income from tangible or intangible property located or having a situs in this State and income from

any activities carried on in this State, regardless of whether carried on in intrastate, interstate or foreign commerce.

If the Franchise Tax Board reallocates net income upon its examination of any return, it shall, upon the written request of the taxpayer, disclose to him the basis upon which its reallocation has been made.

Combined report

24303. In the case of two or more taxpayers owned or controlled directly or indirectly by the same interests, the Franchise Tax Board may permit or require the filing of a combined report and such other information as it deems necessary and is authorized to impose the tax due under this part as though the combined entire net income was that of one corporation, or to distribute, apportion, or allocate the gross income or deductions between or among such taxpayers if it determines that such consolidation, distribution, apportionment, or allocation is necessary in order to prevent evasion of taxes or clearly to reflect the income of any such taxpayers.

Required reports

24303a. In the case of a corporation doing business within the meaning of this part, whether under agreement or otherwise, in such manner as either directly or indirectly to benefit the members or stockholders of the corporation, or any of them, or any person or persons, directly or indirectly interested in such business, by rendering services of any nature whatsoever, or acquiring or disposing of its products or the goods or commodities in which it deals, at less than a fair price therefore, the Franchise Tax Board, in order to prevent evasion of taxes or clearly to reflect the income of such corporation, may require a report of such facts as it deems necessary, and may determine the amount which shall be deemed to be the entire net income allocable to this State of the business of such corporation for the calendar or fiscal year, and compute the tax upon such net income. In determining the entire net income the Franchise Tax Board shall have regard to the fair profits which, but for any agreement, arrangement, or understanding, might be or could have been obtained from dealing in such products, goods or commodities.

Consolidated report

24303b. In the case of a corporation liable to report under this part owning or controlling, either directly or indirectly, another corporation, or other corporations, and in the case of a corporation liable to report under this part and owned or controlled, either directly or indirectly, by another corporation, the Franchise Tax Board may require a consolidated report showing the combined net income or such other facts as it deems necessary. The Franchise Tax Board is authorized and empowered, in such manner as it may determine, to assess the tax against either of the corporations whose net income is involved in the report upon the basis of the combined entire net income and such other information as it may possess, or it may adjust the tax in such other manner as it shall determine to be equitable if it determines it to be necessary in order to prevent evasion of taxes or to clearly reflect the net income earned by said corporation or corporations from business done in this State.

Acquisition of control of a corporation

24304. (a) If (1) any person or persons acquire, on or after October 8, 1940, directly or indirectly, control of a corporation, or (2) any corporation acquires, on or after October 8, 1940, directly or indirectly, property of another corporation, not controlled, directly or indirectly, immediately prior to such acquisition, by such acquiring corporation or its stockholders, the basis of which property, in the hands of the acquiring corporation, is determined by reference to the basis in the hands of the transferor corporation, and the principal purpose for which such acquisition was made is evasion or avoidance of tax under this part by securing the benefit of a deduction or other allowance which such person or corporation would not otherwise enjoy, then such deduction or other allowance shall not be allowed. For the purposes of clauses (1) and (2) of this subdivision, control means the ownership of stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote or at least 50 percent of the total value of shares of all classes of stock of the corporation.

(b) In any case to which subdivision (a) is applicable the Franchise Tax Board is authorized—

(1) To allow as a deduction or allowance any part of any amount disallowed by such subdivision, if it determines that such allowance will not result in the evasion or avoidance of tax for which the acquisition was made; or

(2) To distribute, apportion, or allocate gross income, and distribute, apportion, or allocate the deductions or allowances the benefit of which was sought to be secured, between or among the corporations, or properties, or parts thereof, involved, and to allow such deductions or allowances so distributed, apportioned, or allocated, but to give effect to such allowance only to such extent as it determines will not result in the evasion or avoidance of tax for which the acquisition was made; or

(3) To exercise its powers in part under paragraph (1) and in part under paragraph (2) of this subdivision.

Bond or waiver of statute of limitations

25031f-(1). If the transfer provided in Section 25031f of all the property does not occur within the income year, the Franchise Tax Board may require of the taxpayer such bond, or waiver of the statute of limitations on assessment and collection, or both, as it may deem necessary to insure, if the transfer of the property is not completed within such three-year period, or if the taxpayer does not continue qualified under paragraph (A) of Section 25031f until the completion of such transfer, the assessment and collection of all taxes imposed by this part then due or to become due, to the extent attributable to property so received. A distribution otherwise constituting a distribution in complete liquidation within the meaning of Section 25031f shall not be considered as not constituting such a distribution merely because it does not constitute a distribution or liquidation within the meaning of the corporate law under which the distribution is made; and for the purposes of Section 25031f a transfer of property of such other corporation to the taxpayer shall not be

considered as not constituting a distribution (or one of a series of distributions) in complete cancellation or redemption of all the stock of such other corporation, merely because the carrying out of the plan involves (i) the transfer under the plan to the taxpayer by such other corporation of property, not attributable to shares owned by the taxpayer, upon an exchange described in Section 25031d, and (ii) the complete cancellation or redemption under the plan, as a result of exchanges described in Section 25031c, of the shares not owned by the taxpayer.

Involuntary exchanges

25035. If property (as a result of its destruction in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation, or the threat or imminence thereof) is compulsorily or involuntarily converted into property similar or related in service or use to the property so converted, or into money which is forthwith in good faith, under regulations prescribed by the Franchise Tax Board, expended in the acquisition of other property similar or related in service or use to the property so converted, or in the acquisition of control of a corporation owning such other property, or in the establishment of a replacement fund, no gain shall be recognized, but loss shall be recognized. If any part of the money is not so expended, the gain, if any, shall be recognized to the extent of the money which is not so expended (regardless of whether such money is received in one or more income years and regardless of whether or not the money which is not so expended constitutes gain).

Exchanges involving foreign corporations

25038. In determining the extent to which gain shall be recognized in the case of any of the exchanges (made after January 1, 1928, for the purpose of the tax imposed under Chapter 2, or January 1, 1937, for the purpose of the tax imposed under Chapter 3) described in Sections 25031c to 25031f-(1), inclusive, or described in so much of Section 25032 as refers to Section 25031c or 25031e, or described in Section 25033, a corporation created or organized in a foreign country shall not be considered as a corporation unless, prior to such exchange, it has been established to the satisfaction of the Franchise Tax Board that such exchange is not in pursuance of a plan having as one of its principal purposes the avoidance of income taxes or franchise taxes imposed by this State.

Sale, etc., necessary to effectuate FCC policies

25042. If the sale or exchange of property (including stock in a corporation) is certified by the Federal Communications Commission to be necessary or appropriate to effectuate the policies of the commission with respect to the ownership and control of radio broadcasting stations, such sale or exchange shall, if the taxpayer so elects, be treated as an involuntary conversion of such property within the meaning of Section 25035. For the purposes of Section 25035 as made applicable by the provisions of this section, stock of a corporation operating a radio broadcasting station, whether or not representing control of such corporation, shall be treated as property similar or related in service or use to the property so converted. The part of the gain, if any, upon such sale or exchange to which Section 25035 is not applied shall nevertheless not be recognized, if the

taxpayer so elects, to the extent that it is applied to reduce the basis for determining gain or loss upon sale or exchange of property, of a character subject to the allowance for depreciation under Sections 24121g and 24121h, remaining in the hands of the taxpayer immediately after the sale or exchange, or acquired in the same taxable year. The manner and amount of such reduction shall be determined under regulations prescribed by the Franchise Tax Board. Any election made by the taxpayer under this section shall be made by a statement to that effect in the return for the income year in which the sale or exchange takes place and such election shall be binding for the income year and all subsequent income years.

Property acquired by gift

25071b. If the property was acquired by gift after December 31, 1920, the basis shall be the same as it would be in the hands of the donor or the last preceding owner by whom it was not acquired by gift, except that if such basis (adjusted for the period prior to the date of the gift as provided in Sections 25101 to 25101c, inclusive) is greater than the fair market value of the property at the time of the gift, then for the purpose of determining loss the basis shall be such fair market value. If the facts necessary to determine the basis in the hands of the donor or the last preceding owner are unknown to the donee, the Franchise Tax Board shall, if possible, obtain such facts from such donor or last preceding owner, or any other person cognizant thereof. If the Franchise Tax Board finds it impossible to obtain such facts, the basis in the hands of such donor or last preceding owner shall be the fair market value of such property as found by the Franchise Tax Board as of the date or approximate date at which, according to the best information that the Franchise Tax Board is able to obtain, such property was acquired by such donor or last preceding owner.

Property acquired during period of affiliation

25071(i). In the case of property acquired by a corporation, during a period of affiliation, from a corporation with which it was affiliated, the basis of such property, after such period of affiliation, shall be determined, in accordance with regulations prescribed by the Franchise Tax Board without regard to intercompany transactions in respect of which gain or loss was not recognized. The basis in case of property acquired by a corporation during any period, in the taxable year 1929 or any subsequent taxable year, in respect of which a consolidated return is made by such corporation under Article 9 of Chapter 2 or Section 141 of the Federal Revenue Act of 1928 or the Federal Revenue Act of 1932 or the Federal Revenue Act of 1934 or the Federal Revenue Act of 1936, or, in the case of a corporation subject to the tax imposed by Chapter 3, the Federal Revenue Act of 1938, shall be determined in accordance with regulations prescribed under Article 9 of Chapter 2 or Section 141 of the Federal Revenue Act of 1928 or the Federal Revenue Act of 1932 or the Federal Revenue Act of 1934 or the Federal Revenue Act of 1936, or in the case of a corporation subject to the tax imposed by Chapter 3, the Federal Revenue Act of 1938. The basis in the case of property held by a corporation

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during any period, in the taxable year 1929 or any subsequent taxable year, in respect of which a consolidated return is made by such corporation under Article 9 of Chapter 2 or Section 141 of the Federal Revenue Act of 1928 or the Federal Revenue Act of 1932 or the Federal Revenue Act of 1934 or the Federal Revenue Act of 1936, or, in the case of a corporation subject to the tax imposed by Chapter 3, or the Federal Revenue Act of 1938, shall be adjusted in respect of any items relating to such period, in accordance with regulations prescribed under Article 9 of Chapter 2 or Section 141 of the Federal Revenue Act of 1928 or the Federal Revenue Act of 1932 or the Federal Revenue Act of 1934 or the Federal Revenue Act of 1936, or in the case of a corporation subject to the tax imposed by Chapter 3, or the Federal Revenue Act of 1938, applicable to such period.

Stock rights

25071m. (a) If the property was acquired by a shareholder in a corporation and consists of rights to acquire stock in such corporation acquired by him after February 28, 1913, in a distribution by such corporation, and (1) the right to acquire such stock was acquired in an income year beginning before January 1, 1937, (except as provided in paragraph (b)), or (2) the right to acquire such stock was acquired in an income year beginning after December 31, 1936, and its distribution did not constitute income to the shareholder within the meaning of the Sixteenth Amendment to the Constitution of the United States, then the basis of the stock in respect of which the rights were declared and the right to acquire stock, respectively, shall, in the shareholder's hands be determined by allocating between the stock and the right to acquire stock the adjusted basis of the stock, such allocation to be made under regulations which shall be prescribed by the Franchise Tax Board.

(b) If a stock right was acquired prior to January 1, 1928, for the purpose of the tax as imposed by Chapter 2, or prior to January, 1937, for the purpose of the tax imposed by Chapter 3 and it constituted income within the purview of the Sixteenth Amendment to the Constitution of the United States, the basis of the stock in respect of which the rights were declared shall not be affected and the basis of the right shall be its fair market value as of the date of its acquisition.

(c) Where the shareholder acquired the right to acquire such stock in an income year beginning before January 1, 1943, and sold the same, and there was included in the gross income for such year of sale the entire amount of the proceeds of such sale, then if before May 7, 1943, the taxpayer has not asserted (by claim for a refund or credit or otherwise) that any part of the proceeds of the sale of such rights should be excluded from gross income for the year of its sale, the basis of the stock shall be determined without regard to paragraphs (a) and (b), and no part of the proceeds of the sale of such rights shall ever be excluded from the gross income for the year of such sale.

Reduction of basis due to discharge of indebtedness

25101c. Where in the case of a taxpayer any amount is excluded from gross income under Section 23881e on account of

the discharge of indebtedness the whole or a part of the amount so excluded from gross income shall be applied in a reduction of the basis of any property held (whether before or after the time of the discharge) by the taxpayer during any portion of the income year in which such discharge occurred. The amount to be so applied (not in excess of the amount so excluded from gross income, reduced by the amount of any deduction disallowed under Section 23881e) and the particular properties to which the reduction shall be allocated, shall be determined under regulations (prescribed by the Franchise Tax Board) in effect at the time of the filing of the consent by the taxpayer referred to in Section 23881e. The reduction shall be made as of the first day of the income year in which the discharge occurred except in the case of property not held by the taxpayer on such first day, in which case it shall take effect as of the time the holding of the taxpayer began.

Accounting method

25201. The net income shall be computed upon the basis of the taxpayer's annual accounting period, fiscal year or calendar year as the case may be, in accordance with the method of accounting regularly employed in keeping the books of such taxpayer; but if no such method of accounting has been so employed, or if the method employed does not clearly reflect the income, the computation shall be made in accordance with such method as in the opinion of said Franchise Tax Board does clearly reflect the income. If the taxpayer's annual accounting period is other than a fiscal year, or if the taxpayer has no annual accounting period or does not keep books, the net income shall be computed on the basis of the calendar year.

Noninterest-bearing obligations

25202. If, in the case of a taxpayer owning any non-interest-bearing obligation issued at a discount and redeemable for fixed amounts increasing at stated intervals, the increase in the redemption price of such obligation occurring in the income year does not (under the method of accounting used in computing its net income) constitute income to taxpayer in such year, such taxpayer may, at its election made in its return for any income year beginning after December 31, 1942, treat such increase as income received in such income year. If any such election is made with respect to any such obligation, it shall apply also to all such obligations owned by the taxpayer at the beginning of the first income year to which it applies and to all such obligations thereafter acquired by taxpayer and shall be binding for all subsequent income years, unless upon application by the taxpayer the Franchise Tax Board permits taxpayer, subject to such conditions as the Franchise Tax Board deems necessary, to change to a different method. In the case of any such obligations owned by the taxpayer at the beginning of the first income year to which its election applies, the increase in the redemption price of such obligations occurring between the date of acquisition and the first day of such income year shall also be treated as income received in such income year.

Accounting period change

25203. If the taxpayer changes its accounting period from fiscal year to calendar year, from calendar year to fiscal year, or from one fiscal year to another, the net income shall, with the approval of the Franchise Tax Board, be computed on the basis of such new accounting period subject to the provisions of Sections 25203a to 25203e, inclusive.

Same Separate return

25203a. If a taxpayer, with the approval of the Franchise Tax Board, changes the basis of computing net income from fiscal year to calendar year, a separate return shall be made for the period between the close of the last fiscal year for which return was made and the following December 31st. If the change is from calendar year to fiscal year, a separate return shall be made for the period between the close of the last calendar year for which return was made and the date designated as the beginning of the fiscal year. If the change is from one fiscal year to another fiscal year a separate return shall be made for the period between the close of the former fiscal year and the date designated as the beginning of the new fiscal year.

Same Annual basis of net income

25203c. If a separate return is made by a taxpayer subject to the tax imposed by Chapter 2, under Section 25203a on account of a change in the accounting period, the net income, computed on the basis of the period for which separate return is made, referred to in this section as "the short period," shall be placed on an annual basis by multiplying the amount thereof by 12, and dividing by the number of months in the short period. The Franchise Tax Board shall compute the amount of a tax on the income placed on such annual basis, and shall allow the offset provided for in Sections 23185 to 23185b, inclusive, from such tax. The tax due under this section, which shall not be subject to offset, shall be such part of the tax, less the offset allowed, computed on such annual basis as the number of months in the short period is of 12 months.

Same Reduction of tax for short period

25203c-(1). If a taxpayer subject to the tax imposed by Chapter 2 establishes the amount of its net income for the period of 12 months beginning with the first day of the short period, computed as if such 12-month period were an income year, under the law applicable to such year, then the tax for the short period shall be reduced to an amount which is such part of the tax computed on the net income for such 12-month period as the net income computed on the basis of the short period is of the net income for the 12-month period. The taxpayer (other than a taxpayer to which the next sentence applies) shall compute the tax and file its return without the application of this section If the taxpayer has disposed of substantially all its assets prior to the end of such 12-month period, then in lieu of the net income for such 12-month period there shall be used for the purposes of this section the net income for the 12-month period ending with the last day of the short period. The tax computed under this section shall in no case be less than the tax computed on the net income for the short period without placing such net income on an annual basis. The benefits of this section shall not be allowed unless the taxpayer, at such time

as regulations prescribed hereunder require (but not after the time prescribed for the filing of the return for the first income year which ends on or after 12 months after the beginning of the short period), makes application therefor in accordance with such regulations. Such application, in case the return was filed without regard to this section, shall be considered a claim for credit or refund with respect to the amount by which the tax is reduced under this section. The Franchise Tax Board shall prescribe such regulations as it may deem necessary for the application of this section.

Same Different applicable law

25203d. Where there is a change in accounting periods the tax on any taxpayer for a period beginning in one calendar year (called "first calendar year") and ending in the following calendar year (called "second calendar year") where the law applicable to the computation of taxes for calendar year taxpayers for the second calendar year is different from the law applicable to computation of taxes for calendar year taxpayers for the first calendar year, shall, except as otherwise provided, be the sum of:

(a) The same proportion of a tax for the entire period, determined under the law and rates applicable to the first calendar year which the portion of the period falling within the first year is of the entire period; and

(b) The same proportion of a tax for the entire period, determined under the law and rates applicable to the second calendar year which the portion of the period falling within the second calendar year is of the entire period.

Any tax that has been paid under the law applicable to the first calendar year if in excess of the tax imposed by this section shall be refunded or credited to the taxpayer as provided in Chapter 13. Any tax in addition to that paid under the law applicable to the first calendar year made necessary by this article shall be immediately due and payable upon notice and demand from the Franchise Tax Board.

Contract performance

25203e. Where a corporation subject to the tax imposed by Chapter 2 is engaged in the performance of a contract in this State which will require more than a year to complete, the Franchise Tax Board may require that the income from the contract be reported on the basis of percentage of completion unless the corporation furnishes bond or other security guaranteeing the payment of a tax measured by the income received on the completion of the contract, even though the corporation is not doing business in this State in the year subsequent to the year of completion.

Inventory

25231. Whenever, in the opinion of the Franchise Tax Board, the use of inventories is necessary clearly to determine the income of any taxpayer, inventory shall be taken by such taxpayer upon such basis as the Franchise Tax Board may prescribe, conforming as nearly as may be to the best accounting practice and most clearly reflecting the income

Limitations

25232a. The method described in Section 25232 may be used (1) only in inventorying goods (required under Section

25231 to be inventoried) specified in an application to use such method filed at such time and in such manner as the Franchise Tax Board may prescribe; and (2) only if the taxpayer establishes to the satisfaction of the Franchise Tax Board that the taxpayer has used no procedure other than that specified in paragraphs (2) and (3) of Section 25232 in inventorying such goods to ascertain the income, profit, or loss of the first income year for which the method described in Section 25232 is to be used, for the purpose of a report or statement covering such income year (i) to shareholders, partners, or other proprietors, or to beneficiaries, or (ii) for credit purposes.

Regulations

25232b. The change to, and the use of, such method shall be in accordance with such regulations as the Franchise Tax Board may prescribe as necessary in order that the use of such method may clearly reflect income.

Change of method

25232d. If a taxpayer, having complied with Section 25232a, uses the method described in Section 25232 for any income year, then such method shall be used in all subsequent income years unless with the approval of the Franchise Tax Board a change to a different method is authorized; or the Franchise Tax Board determines that the taxpayer has used for any such subsequent income year some procedure other than that specified in subdivision (b) of Section 25232 in inventorying the goods specified in the application to ascertain the income, profit, or loss of such subsequent income year for the purpose of a report or statement covering such income year (i) to shareholders, partners, or other proprietors, or beneficiaries, or (ii) for credit purposes; and requires a change to a method different from that prescribed in Section 25231 beginning with such subsequent income year or any income year thereafter.

In either of the above cases, the change to, and the use of, the different method shall be in accordance with such regulations as the Franchise Tax Board may prescribe as necessary in order that the use of such method may clearly reflect income.

Adjustment due to involuntary liquidation

25261. If, for any income year beginning after December 31, 1942, and prior to the termination of the present war as proclaimed by the President of the United States, the closing inventory of a taxpayer inventorying goods under the method provided in this article or Article 2 reflects a decrease from the opening inventory of such goods for such year, and if, at the time of the filing of the taxpayer's return for such year, the taxpayer elects to have the provisions of this section apply and so notifies the Franchise Tax Board, and if, at the time of such election, it is established to the satisfaction of the Franchise Tax Board, in accordance with such regulations as the Franchise Tax Board may prescribe, that such decrease is attributable to the involuntary liquidation of such inventory as defined in Section 25261a, and if the closing inventory of a subsequent income year, ending not more than three years after the termination of the present war as proclaimed by the President, reflects a replacement, in whole or in part, of the goods so previously liquidated, the net income of the taxpayer otherwise determined for

the year of such involuntary liquidation shall be adjusted as follows:

(a) Increased by an amount equal to the excess, if any, of the aggregate cost of such goods reflected in the opening inventory of the year of involuntary liquidation over the aggregate replacement cost; or

(b) Decreased by an amount equal to the excess, if any, of the aggregate replacement cost of such goods over the aggregate cost thereof reflected in the opening inventory of the year of the involuntary liquidation.

The taxes imposed by this part for the year of such liquidation and for all income years intervening between such year and the year of replacement shall be redetermined, giving effect to such adjustments. Any increase in such taxes resulting from such adjustments shall be assessed and collected as a deficiency but without interest, and any overpayment so resulting shall be credited or refunded to the taxpayer without interest.

Notice of deficiency

25261d. If the adjustments specified in Section 25261 are, with respect to any income year, prevented, on the date of the filing of the return of the taxpayer for the year of the replacement, or within three years from such date, by any provision or rule of law (other than this section), such adjustments shall nevertheless be made if, in respect of the income year for which the adjustment is sought, a notice of deficiency is mailed or a claim for refund is filed, as the case may be, within three years after the date of the filing of the return for the year of replacement. If, at the time of the mailing of such notice of deficiency or the filing of such claim for refund, the adjustment is so prevented, then the amount of the adjustment authorized by this article shall be limited to the increase or decrease of the tax imposed by this part previously determined for such income year which results solely from the effect of Section 25261, and such amount shall be assessed and collected, or credited or refunded, in the same manner as if it were a deficiency or an overpayment, as the case may be, for such income year and as if, on the date of the filing of the return for the year of the replacement, three years remain before the expiration of the periods of limitation upon assessment or the filing of claim for refund for the income year. The tax previously determined shall be ascertained in accordance with rules and regulations prescribed by the Franchise Tax Board. The amount to be assessed and collected under this paragraph in the same manner as if it were a deficiency, or to be credited or refunded in the same manner as if it were an overpayment, shall not be diminished by any credit or set-off based upon any item, inclusion, deduction, credit, exemption, gain, or loss, other than one resulting from the effect of Section 25261. Such amount, if paid, shall not be recovered by a claim or suit for refund, or suit for erroneous refund based upon any item, inclusion, deduction, credit, exemption, gain, or loss, other than one resulting from the effect of Section 25261.

Installment plan

25291. Under regulations prescribed by the Franchise Tax Board a taxpayer which regularly sells or otherwise disposes of personal property on the installment plan may return as income therefrom in any income year that proportion of the installment payments actually received in that year which the gross profit realized or to be realized when payment is completed, bears to the total contract price.

Casual sales or disposition of property

25292. In the case (a) of a casual sale or other casual disposition of personal property (other than property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the income year), for a price exceeding one thousand dollars ($1,000) or (b) of a sale or other disposition of real property, if in either case the initial payments do not exceed 30 percent of the selling price, (or, if the taxpayer is subject to the tax imposed by Chapter 3, in case the sale or other disposition was in a taxable year beginning prior to January 1, 1934, the percentage of the selling price prescribed in the law applicable to such year) the income may, under regulations prescribed by the Franchise Tax Board be returned on the basis and in the manner prescribed by this article. As used in this article the term "initial payments" means the payments received in cash or property other than evidences of indebtedness of the purchaser during the income year in which the sale or other disposition is made.

"Initial payments"

Transfer of installment obligation

25295. (a) Where a taxpayer subject to the tax imposed by Chapter 2, elects to report income from the sale or other disposition of property as provided in this article and the entire income therefrom has not been reported prior to the year of dissolution or withdrawal of the taxpayer, or cessation of business by the corporation, the remainder of the income therefrom shall be included in the computation of the measure of the tax for the last year in which the bank was located or the corporation did business in this State. Abatement shall not be allowed under the provisions of Sections 23331 to 23333, inclusive, for any tax measured by such income. This section shall not be applicable where the installment obligation is transferred pursuant to a reorganization as defined in Article 2 of Chapter 8 to another bank or corporation a party to the reorganization if the transferee is located or doing business in this State at the time of the transfer or immediately thereafter. The determination of any deficiency resulting from this section shall be made under the provisions of Chapter 11, Article 1, but the period of limitation under that article, and the accrual of interest under Chapter 12, Article 1 shall commence on the date of dissolution or withdrawal of the taxpayer or on the last day of the year of cessation of business by the corporation.

(b) If the Franchise Tax Board determines that the reporting of income from the sale or other disposition of property in the manner provided in this article may jeopardize the collection of a tax measured by such income, then, unless the taxpayer posts bond or other security in a form and amount

satisfactory to the Franchise Tax Board to guarantee the payment of any tax that may become due measured by such income, the Franchise Tax Board may require that any of such income not previously reported shall be included in the computation of the measure of the tax for the current year, or in case of a corporation, if the corporation has not done business in this State since the beginning of the current year, then in the computation of the measure of the tax for the last year during which the corporation did business in this State.

"Cessation of business"

(c) "Cessation of business" as herein used means the failure to do business during an entire taxable year.

Transmission of return

25401. Every taxpayer subject to the tax imposed by this part shall, within two months and 15 days after the close of its income year, transmit to the Franchise Tax Board a return in a form prescribed by it, specifying for the income year, all such facts as it may by rule, or otherwise, require in order to carry out the provisions of this part.

Time extension

25402. A reasonable extension of time for filing the return may be granted by the Franchise Tax Board whenever in its judgment good cause exists. Requests for extensions must be made on or before the due date for filing the return. The Franchise Tax Board is hereby required to keep a record of each extension and the reason therefor. No such extension or extensions shall aggregate more than six months from the due date for filing the return.

Verification

25403. Every return required by this part to be filed with the Franchise Tax Board shall be verified by an executive officer of the taxpayer.

Return forms

25404. Blank forms of returns shall be furnished by the Franchise Tax Board on application, but failure to secure such a form shall not release any taxpayer from the obligation of making a return hereunder.

Supplemental return

25431. (a) If the Franchise Tax Board believes that any taxpayer has failed to file a return, or to include in a return filed, either intentionally or through error, items of taxable income, it may require from the taxpayer a return or a supplementary return, under oath, in such form as it shall prescribe, of all the items of income which the taxpayer received during the year for which the return is made, whether or not taxable under this part.

(b) Every taxpayer required by the Federal Government to file a supplementary return shall file a supplementary return with the Franchise Tax Board.

(c) If from a supplementary return or otherwise the Franchise Tax Board finds that any items of taxable income have been omitted from the original return, it may require the items omitted to be disclosed to it, under oath of the taxpayer, and to be added to the original return.

(d) The supplementary return and the correction of the original return do not relieve the taxpayer from any penalty to which he may be liable under this part.

Percentage payable

25552a. In the case of taxpayers subject to the tax imposed by Article 3 of Chapter 2, there shall be due and payable from each such taxpayer on or before the fifteenth day following the mailing of notice by the Franchise Tax Board as provided in Section 23186a, or on or before the fifteenth day of the ninth month following the close of the income year whichever is later, a percentage of its net income as disclosed by its return which is equal to the percentage of the net income of corporations subject to the tax imposed by Article 2 of Chapter 2, other than public utilities as defined in the Public Utilities Act, required to be paid to the State or its political subdivisions as personal property taxes as determined by the Franchise Tax Board.

Time extension

25553. Where an extension of time for filing returns has been granted by the Franchise Tax Board, the first installment of the tax provided for in Sections 25551 or 25552 shall be paid prior to the expiration of such extension.

Form of payment

25555. In the case of taxpayers subject to the tax imposed by Chapter 2, all taxes and interest imposed under this part must be paid to the Franchise Tax Board in the form of remittances payable to the Franchise Tax Board, and it shall transmit such payments daily to the State Treasurer.

Same

25555a. In the case of taxpayers subject to the tax imposed by Chapter 3, the tax, and any additions thereto, imposed by this part, shall be paid to the Franchise Tax Board at Sacramento, or to its authorized representatives at any branch office. Remittances may be in the form of uncertified check, payable to the Franchise Tax Board, during such time and under such regulations as the Franchise Tax Board may prescribe, but if a check so received is not paid by the bank on which it is drawn, the taxpayer by whom such check is tendered shall remain liable for the payment of the tax, and all additions thereto, the same as if such check had not been tendered.

Examination of return

25661. As soon as practicable after the return is filed, the Franchise Tax Board shall examine it and shall determine the correct amount of the tax.

Additional tax

25662. If the Franchise Tax Board determines that the tax disclosed by the original return is less than the tax disclosed by its examination it shall mail notice or notices to the taxpayer at its post-office address, which must appear on its return, of the additional tax proposed to be assessed. Each notice shall set forth the details of the proposed additional assessment and of computing said tax

Notice

25663a. If any taxpayer agrees with the United States Commissioner of Internal Revenue for an extension, or renewals thereof, of the period for proposing and assessing deficiencies in federal income tax for any year, the period for mailing notices of proposed deficiency tax for such year shall, unless otherwise agreed between the Franchise Tax Board and the taxpayer, be four years after the return was filed or six months after the date of the expiration of the agreed period for assessing deficiencies in federal income tax, whichever period expires the later.

Protest

25664. Within 60 days after the mailing of the notice of additional tax proposed to be assessed the taxpayer may file with the Franchise Tax Board a written protest against the levy of the proposed additional tax, specifying in the protest the grounds upon which it is based.

Reconsideration

25666. If a protest is filed the Franchise Tax Board shall reconsider the computation and levy of the tax complained of, and if the taxpayer has so requested in its protest, shall grant the taxpayer, or its authorized representatives an oral hearing. After consideration of the protest and the evidence adduced in the event of such oral hearing, the Franchise Tax Board's action upon the protest is final upon the expiration of 30 days from the date when it mails notice of its action to the taxpayer unless within the 30-day period the taxpayer appeals in writing from the action of the Franchise Tax Board to the board.

Appeal

25667. The appeal shall be addressed and mailed to the State Board of Equalization at Sacramento, California, and a copy of the appeal addressed and mailed at the same time to the Franchise Tax Board at Sacramento, California. The board shall hear and determine the appeal and shall forthwith notify the taxpayer and the Franchise Tax Board of its determination and the reasons therefor. Such determination shall be final upon the expiration of 30 days from the time of such determination unless within such 30-day period the taxpayer or the Franchise Tax Board files a petition for rehearing with said board. In that event the board's determination shall not become final until the expiration of 30 days from the time the board issues its opinion on the petition.

Same
Rehearing

Deficiency

25668. When a deficiency is determined and the tax becomes final, the Franchise Tax Board shall mail notice and demand to the taxpayer for the payment thereof, and such tax shall be due and payable at the expiration of 10 days from the date of such notice and demand.

Certificate as prima facie evidence

25669. A certificate by the Franchise Tax Board or of the board, as the case may be, of the mailing of the notices specified in this article shall be prima facie evidence of the computation and levy of the deficiency in tax and of the giving of the notices.

Bankruptcy

25672. Upon the adjudication of bankruptcy of any taxpayer in any bankruptcy proceeding or the appointment of a receiver for any taxpayer in any receivership proceeding before any court of the United States or of any state or territory or of the District of Columbia, any deficiency (together with all interest, additional amounts, or additions to the tax provided for by law) determined by the Franchise Tax Board in respect of a tax imposed by this act upon such taxpayer may be immediately assessed. In such cases the trustee in bankruptcy or receiver shall give notice in writing to the Franchise Tax Board of the adjudication of bankruptcy or the appointment of the receiver, and the running of the statute of limitations on the making of assessments shall be suspended for the period from the date of adjudication in bankruptcy or the appointment of the receiver

to a date 30 days after the date upon which the notice from the trustee or receiver is received by the Franchise Tax Board; but the suspension under this sentence shall in no case be for a period in excess of two years. Claims for the deficiency and such interest, additional amounts and additions to the tax may be presented, for adjudication in accordance with law, to the court before which the bankruptcy or receivership proceeding is pending, despite the pendency of proceedings for the redetermination of the deficiency in pursuance of a petition to the board but no petition for any such redetermination shall be filed with said board after the adjudication of bankruptcy or the appointment of the receiver.

Any portion of the claim allowed in such bankruptcy or receivership proceeding which is unpaid shall be paid by the taxpayer upon notice and demand from the Franchise Tax Board after determination of such proceeding and may be collected in the manner provided in this part for the collection of delinquent taxes at any time within six years after termination of such proceeding.

All of the provisions of this section applying to a trustee in bankruptcy or a receiver shall apply to an assignee for the benefit of the creditors of a corporation.

Period of limitation

25702. The period of limitation for assessment of the liability of any bank, corporation or person other than the taxpayer who is a transferee or fiduciary of the taxpayer shall be as follows:

(1) In the case of the liability of an initial transferee of the property of the taxpayer, within one year after the expiration of the period of limitation for assessment against the taxpayer;

(2) In the case of the liability of a transferee of a transferee of the property of the taxpayer, within one year after the expiration of the period of limitation for assessment against the preceding transferee, but only if within three years after the expiration of the period of limitation for assessment against the taxpayer; except that if before the expiration of the period of limitation for the assessment of the liability of the transferee, a court proceeding for the collection of the tax or liability in respect thereof has been begun against the taxpayer or last preceding transferee, respectively, then the period of limitation for assessment of the liability of the transferee shall expire one year after the return of execution in the court proceeding.

(3) In the case of the liability of a fiduciary, not later than one year after the liability arises or not later than the expiration of the period for collection of the tax in respect of which such liability arises, whichever is the later;

(4) Where before the expiration of the time prescribed in paragraph (1), (2), or (3) for the assessment of the liability, both the Franchise Tax Board and the transferee or fiduciary have consented in writing to its assessment after such time, the liability may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be

extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

Fraudulent, etc., return

25731. If any taxpayer files a false or fraudulent return, or fails or neglects to file a return, with intent to evade tax, the Franchise Tax Board, at any time, may require a return, or a supplementary return, under oath, or may make an estimate of the net income from any available information, and may propose to assess the amount of tax, interest and penalties due. All the provisions of this part relative to delinquent taxes shall be applicable to the tax, interest and penalties computed hereunder.

Protest

25731a. When any assessment is proposed under Section 25731 the taxpayer shall have the right to protest the same and to have an oral hearing thereon if requested; also to appeal to the board from the Franchise Tax Board's action on the protest; the taxpayer must proceed under this paragraph in the manner and within the time prescribed by Article 1.

Failure to make return

25732. If, in the case of a taxpayer subject to the tax imposed by Chapter 2, any return required by this part is not made, the Franchise Tax Board, at any time, may require a return, under oath, or may make an estimate of the net income, from any available information, and may compute and levy the amount of tax, interest and penalties due under this part. All the provisions of this part, not in conflict herewith, relative to delinquent taxes shall be applicable to the tax, interest and penalties computed and levied hereunder A proceeding in court for the collection of the tax, interest and penalties provided for in this section may be begun without assessment at any time.

Jeopardy assessments

25761. If the Franchise Tax Board finds that the assessment or collection of a tax or deficiency for any year, current or past, will be jeopardized in whole or in part by delay, it may mail or issue notice of its finding to the taxpayer, together with a demand for immediate payment of the tax or deficiency declared to be in jeopardy, including interest and penalties and additions thereto.

In the case of a tax for a current period, the Franchise Tax Board may declare the income period of the taxpayer immediately terminated and shall mail or issue notice of its findings and declaration to the taxpayer, together with a demand for a return and immediate payment of the tax based on the period declared terminated, including therein income accrued and deductions incurred up to the date of termination if not otherwise properly includible or deductible in respect of such period, and such tax shall be immediately due and payable whether or not the time otherwise allowed by law for filing the return and paying the tax has expired.

Same Stay of collection

25761a. The jeopardy assessments provided for in this article shall be immediately due and payable and proceedings for collection may be commenced at once. The taxpayer may stay collection and prevent the jeopardy assessment from becoming final by filing, within 10 days after the date of mailing or issuing the notice of jeopardy assessment, a petition for reassessment, accompanied by a bond or other security in such amount

as the Franchise Tax Board may deem necessary, not exceeding double the amount, including interest, penalties, and additions thereto, as to which the stay is desired. The Franchise Tax Board shall consider such petition for reassessment, and notify the taxpayer of its decision thereon, which decision shall be final.

If the taxpayer requests in its petition, the Franchise Tax Board shall grant an oral hearing to the taxpayer, or its authorized representative.

If a petition for reassessment, accompanied by bond or other security, is not filed within the 10-day period, the assessment shall become final.

Findings of board

25761b. In any proceedings brought to enforce payment of taxes made due and payable under this article, the findings of the Franchise Tax Board, whether or not made after notice to the taxpayer, shall be for all purposes presumptive evidence that the assessment or collection of the tax or the deficiency was in jeopardy. A certificate of the Franchise Tax Board of the mailing or issuing the notices specified in this article shall be presumptive evidence that the notices were mailed or issued.

Agreement with board

25781. The Franchise Tax Board, or any person authorized in writing by the Franchise Tax Board, is authorized to enter into an agreement in writing with any corporation in respect of any tax levied under this part for any taxable period.

Illegal levy

25801. In the event that a tax has been illegally levied against a taxpayer, the Franchise Tax Board shall set forth on its records the reasons therefor and thereafter shall authorize the cancellation of such tax.

Interest

25901. If the tax imposed by this part, whether determined by the Franchise Tax Board or the taxpayer, or any installment or portion of the tax is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the tax, interest upon such unpaid amount at the rate of 6 percent per year from the date prescribed for its payment until it is paid.

Failure to make timely payment

25901c. Where a deficiency, or any interest or additional amounts assessed in connection therewith, or any addition to the tax in case of delinquency provided for in Sections 25931 to 25933, inclusive, is not paid in full within 10 days from the date of notice and demand from the Franchise Tax Board, there shall be collected as a part of the tax, interest upon the unpaid amount at the rate of 6 percent a year from the date of such notice and demand until it is paid.

Erroneous inclusion, etc

25902. When the correction of an erroneous inclusion or deduction of an item in the computation of income of any year results in an overpayment for one year and a deficiency for another year, the overpayment, if the period within which credit for the overpayment may be allowed has not expired, shall be credited on the deficiency, if the period within which the deficiency may be proposed has not expired, and the balance, if any, shall be credited or refunded as provided in Chapter 13. No interest shall be assessed on such portion of the deficiency as is extinguished by the credit for the period of time subsequent to the date the overpayment was made.

Notwithstanding Chapter 13, Article 1, no interest shall in any case be allowed on any overpayment to the extent credited on deficiencies pursuant to this article.

This section does not limit the Franchise Tax Board's right to offset or recoup barred assessments against overpayments.

Failure to file return

25931. If any taxpayer fails to make and file a return required by this part on or before the due date of the return or the due date as extended by the Franchise Tax Board, then, unless it is shown that the failure is due to reasonable cause and not due to wilful neglect, 5 percent of the tax shall be added to the tax for each 30 days or fraction thereof elapsing between the due date of the return and the date on which filed, but the total addition shall not exceed 25 percent of the tax. The amount so added to the tax shall be due and payable upon notice and demand from the Franchise Tax Board.

Same
Levy of tax

25932. If any taxpayer, upon notice and demand by the Franchise Tax Board, fails or refuses to make and file a return required by this part, the Franchise Tax Board is authorized to make an estimate of the net income and to compute and levy the amount of the tax due from any available information. In such case 25 percent of the tax, in addition to the amounts added under Section 25931, shall be added to the tax and shall be due and payable upon notice and demand from the Franchise Tax Board.

Penalty

25933. If any taxpayer fails or refuses to furnish any information requested in writing by the Franchise Tax Board, the Franchise Tax Board may add a penalty of 25 percent of the amount of any additional tax assessed by it concerning the determination of which such information was required.

Penalty

25961. Any taxpayer failing or refusing to furnish any return required to be made under this part or failing or refusing to furnish a supplemental return or other data required by the Franchise Tax Board, or rendering a false or fraudulent return, shall be guilty of a misdemeanor and subject to a fine of not exceeding five thousand dollars ($5,000) for each offense.

Any person required to make, render, sign, or verify any report, as aforesaid, who makes any false or fraudulent return, with intent to defeat or evade the assessment required by law to be made, shall be guilty of a misdemeanor, and shall for each such offense be fined not less than three hundred dollars ($300) and not more than five thousand dollars ($5,000), or be imprisoned not exceeding one year in the county jail of the county where said return was verified, or be subject to both said fine and imprisonment, in the discretion of the court. The district attorney of the county in which the violation occurred, must prosecute such offense.

Overpayment

26071. If the Franchise Tax Board or the board finds that there has been an overpayment of tax, penalty or interest by a taxpayer for any year for any reason, the amount of the overpayment shall be credited against any taxes then due from the taxpayer and the balance refunded to the taxpayer or its successor through reorganization, merger, or consolidation, or to its shareholders upon dissolution.

26073. No such credit or refund shall be allowed or made after four years from the last day prescribed for filing the return or after one year from the date of the overpayment, whichever period expires the later, unless before the expiration of such period a claim therefor is filed by the taxpayer, or unless before the expiration of such period the Franchise Tax Board has certified the overpayment to the State Board of Control for approval of the refunding or the crediting thereof. Time limitation

26073a. If (a), the taxpayer has, within the period prescribed in, agreed in writing, under the provisions of Chapter 11, Article 1, to extend the time within which the Franchise Tax Board may propose an additional assessment, or, (b) the taxpayer has agreed with the United States Commissioner of Internal Revenue for an extension, or renewals thereof, of the period for proposing and assessing deficiencies in federal income tax for any year, the period within which a claim for credit or refund may be filed, or credit or refund allowed or made if no claim is filed, shall be the period within which the Franchise Tax Board may make an assessment under such circumstances. The provisions of this section shall apply to any claim filed, or credit or refund allowed or made, before the execution of such agreements. Time extension

26075. If the Franchise Tax Board disallows any claim for refund, it shall notify the taxpayer accordingly. At the expiration of 90 days from the mailing of the notice, the Franchise Tax Board's action upon the claim shall be final unless within the 90 days the taxpayer appeals in writing from the action of the Franchise Tax Board to the board. Notice

26076. If the Franchise Tax Board fails to mail notice of action on any refund claim within six months after the claim is filed, the taxpayer may, prior to mailing of notice of action on the refund claim, consider the claim disallowed and appeal to the board. Failure to mail notice

26077. Appeals must be addressed and mailed to the State Board of Equalization at Sacramento, California, and a copy addressed and mailed at the same time to the Franchise Tax Board at Sacramento, California. The board shall hear and determine the same and thereafter shall forthwith notify the taxpayer and the Franchise Tax Board of its determination. The board's determination is final upon the expiration of 30 days from determination unless the taxpayer or the Franchise Tax Board files a petition for rehearing with the board within said 30 days. In that event the board's determination is not final until the expiration of 30 days from the date the board issues its opinion on the petition. Appeal

26078. If, after filing a protest or an appeal to the board, a taxpayer pays the tax protested before the Franchise Tax Board acts upon the protest or the board on the appeal, the protest or appeal shall be treated as a claim for refund or an appeal from the denial of a claim for refund filed under this article. Payment before action by the board

26080. Interest shall be allowed and paid upon any overpayment of any tax, if the overpayment was made because of an Interest

error or mistake on the part of the Franchise Tax Board, at the rate of 6 percent per annum, as follows:

(a) In the case of a credit, from the date of the overpayment to the date of the allowance of the credit. Any interest allowed on any credit shall first be credited on any taxes due from the taxpayer under this part.

(b) In the case of a refund, from the date of the overpayment to a date preceding the date of the refund warrant by not more than 30 days, such date to be determined by the Franchise Tax Board.

Void tax claim

26102. Any taxpayer claiming that the tax computed and levied against it pursuant to Articles 1 and 4 of Chapter 11 of this part is void in whole or in part may bring an action against the Franchise Tax Board for the recovery of the whole or any part of the amount paid.

Time limitation, etc

26103. The action provided by Section 26102 shall be filed within four years from the last date prescribed for filing the return or within one year from the date the tax was paid, whichever period expires the later. No action shall be filed for the recovery of a deficiency assessment unless the taxpayer has filed a protest of the assessment with the Franchise Tax Board, or unless the taxpayer has filed a claim for refund of the tax in question.

Action to recover deficiency assessment

26103a. Within 90 days after the mailing of the notice of the Franchise Tax Board's action upon any refund claim, or of the notice of the board's determination of an appeal, the taxpayer may bring an action against the Franchise Tax Board on the grounds set forth in the claim for the recovery of the whole or any part of the amount claimed as an overpayment.

If the Franchise Tax Board fails to mail notice of action on any refund claim within six months after the claim was filed, the taxpayer may, prior to mailing of notice of action on the refund claim, consider the claim disallowed and bring an action against the Franchise Tax Board on the grounds set forth in the claim for the recovery of the whole or any part of the amount claimed as an overpayment.

Service of summons

26104. Whenever an action is commenced against the Franchise Tax Board under the provisions of this article, a copy of the complaint and the summons shall be served upon the Franchise Tax Board or the executive officer. A second copy of the complaint and summons shall be furnished to the Franchise Tax Board, but this requirement is not jurisdictional. At the time the Franchise Tax Board demurs or answers, it may demand that the action be tried in the Superior Court of the County of Sacramento, which demand shall be granted. The Attorney General or the counsel for the Franchise Tax Board shall defend the action. In any such action the court may render judgment for plaintiff for any part of the tax, interest, penalties or costs found to be void.

Substitution of the board

26105. In all actions pending on July 25, 1939, against the State Treasurer under this part, the Franchise Tax Board shall be substituted for the State Treasurer by the court in

which the action is pending. This substitution shall not in any way affect the rights of the plaintiff in the action.

Amount of judgment credited

26106. The amount of any judgment rendered against the Franchise Tax Board shall first be credited against any taxes and interest due from the taxpayer under this part and the remainder refunded to the taxpayer or its successor by the State Treasurer on warrants drawn by the Controller.

Interest

26107. In any judgment of any court rendered for any overpayment of tax imposed by this part, interest shall be allowed at the rate of 6 percent per annum upon the amount of the overpayment, from the date of the payment or collection thereof to the date of allowance of credit on account of the judgment or to a date determined by the Franchise Tax Board preceding the date of the refund warrant by not more than 30 days.

Withholding tax

26131. In the case of a taxpayer subject to the tax imposed by Chapter 2, the Franchise Tax Board may, by regulation, require any bank, corporation or person, or any officer or department of the State or any political subdivision or agency of the State, to withhold from payments of interest, other than interest coupons payable to bearer, dividends, rent, prizes, winnings, and compensation for personal services, including bonuses, a percentage equal to the rate of tax measured by income imposed by this part on the payee and to transmit the amounts withheld to the Franchise Tax Board at such time as it may designate. Any bank, corporation or person failing to withhold from any payments and transmit to the Franchise Tax Board any amounts required by such regulation to be withheld and transmitted is liable for any taxes due from the taxpayer to which the payments are made for the year in which made to an extent not in excess of the amounts required to be withheld, unless it is shown that the failure is due to reasonable cause.

Same

26131a. In the case of taxpayers subject to the tax imposed by Chapter 3, the Franchise Tax Board may, by regulation, require any bank, corporation or person, or any officer or department of the State, or any political subdivision or agency of the State, to withhold from payments of interest, other than interest coupons payable to bearer, dividends, rent, prizes, winnings, and fees, commissions, compensation for personal services, including bonuses, an amount equal to the tax that would be imposed by this part upon such payments if they, together with all similar payments since the beginning of the calendar year, represented net income of the payee and to transmit the amounts withheld to the Franchise Tax Board at such time as it may designate. Any bank, corporation or person failing to withhold from any payments and transmit to the Franchise Tax Board any amounts required by such regulation to be withheld and transmitted shall be liable for any taxes due from the taxpayer to which such payments are made for the year in which made to an extent not in excess of the amounts required to be withheld, unless it is shown that the failure is due to reasonable cause.

Same

26132. The Franchise Tax Board may by notice, served personally or by registered mail, require any bank, corporation or person, and any officer or department of the State or any political subdivision or agency of the State, to withhold from any payments of any nature to any taxpayer the amount of any tax, interest or penalties due from the taxpayer and to transmit the amount withheld to the Franchise Tax Board at such times as it may designate. Any bank, corporation or person failing to withhold the tax due from any taxpayer and transmit the tax to the Franchise Tax Board after service of such a notice shall be liable for such tax.

Same Legal action

26133. Any bank, corporation or person required to withhold and transmit any amount to the Franchise Tax Board under this article shall comply with the requirement without resort to any legal or equitable action and any bank, corporation or person paying to the Franchise Tax Board any amount required by it to be withheld is not liable therefor to the taxpayer from which withheld unless the amount withheld is refunded to the withholding agent. A bank, corporation or person required under this article to withhold payments from a taxpayer may file an action in interpleader when a bona fide dispute has arisen as to priority of lien between the tax levied under this part and that of a federal taxing agency.

Remedies

26134. Any taxpayer from which a tax is collected by withholding under this section shall be entitled to the remedies set forth in Chapter 13. Any refund of such tax under Chapter 13 shall be made to the withholding agent instead of directly to the taxpayer, if requested in writing by the withholding agent at the time the amounts refundable were transmitted to the Franchise Tax Board.

Lien

26161. If any tax, interest or penalty imposed by this part is not paid when due, the Franchise Tax Board may within three years after the amount of the tax, interest and penalty is due, file for record in the office of any county recorder a certificate specifying the amount of the tax, interest and penalty due, the name and last known address of the taxpayer liable for the amount, and the fact that the Franchise Tax Board has complied with all provisions of this part in the determination of the amount required to be paid. From the time of the filing for record, the amount of the tax, interest and penalty set forth constitutes a lien upon all property of the taxpayer in the county, owned by the taxpayer or afterward and before the lien expires acquired by it. The lien has the force, effect and priority of a judgment lien and shall continue for five years from the time of the filing for record of the certificate unless sooner released or otherwise discharged. The lien, may, within five years from the date of the filing for record of the certificate or within five years from the date of the last extension of the lien in the manner herein provided, be extended by filing for record a new certificate in the office of the county recorder of any county and from the time of such filing the lien shall be extended to the

real property in such county for five years unless sooner released or otherwise discharged.

Same
Release

26162. The Franchise Tax Board may, at any time, release all or any portion of the property subject to the lien from the lien or subordinate the lien to other liens if it determines that the taxes are sufficiently secured by a lien on other property of the taxpayer or that the release or subordination of the lien will not endanger or jeopardize the collection of such taxes. A certificate by the Franchise Tax Board to the effect that any property has been released from the lien or that such lien has been subordinated to other liens shall be conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate.

Warrant

26191 A warrant may be issued by the Franchise Tax Board for the collection of any tax, interest or penalty and for the enforcement of any lien, directed to any sheriff, constable or marshal. The warrant shall have the same force and effect as a writ of execution. It may and shall be levied and sale made pursuant to it in the same manner and with the same force and effect as a levy of and sale pursuant to a writ of execution. The sheriff, constable or marshal shall receive upon the completion of his services pursuant to said warrant, and the Franchise Tax Board is authorized to pay to said sheriff, constable or marshal, the same fees, commissions and expenses in connection with services pursuant to said warrant as are provided by law for similar services pursuant to a writ of execution; provided, that fees for publication in a newspaper shall be subject to approval by the Franchise Tax Board rather than by the court. Such fees, commissions and expenses shall be an obligation of the taxpayer and may be collected from the taxpayer by virtue of the warrant or in any other manner provided in this part for the collection of a tax.

Collection
by seizure
and sale

26221. At any time within which an action can be brought to collect any delinquent amounts as provided in Article 5, the Franchise Tax Board may collect the tax, together with penalties and interest, in the following manner: The Franchise Tax Board shall seize any personal property owned by the taxpayer against whom the tax is assessed, and thereafter sell at public auction such property so seized, or a sufficient portion thereof, to pay the tax due hereunder, together with any interest, and any penalty or penalties imposed hereby for such delinquency, and any and all costs that may have been incurred on account of such seizure and sale. Notice of such intended sale and the time and place thereof, shall be given to such delinquent taxpayer and to all persons appearing of record to have an interest in such property, in writing at least 10 days before the date set for such sale by enclosing such notice in an envelope addressed to said taxpayer at its last known place of business in this State if any, and, in the case of any person appearing of record to have an interest in such property, addressed to such person at the last known place of residence, if any, and depositing the same in the United States mail, postage prepaid, and

by publication for at least 10 days before the date set for such sale in a newspaper of general circulation published in the county in which the property seized is to be sold; provided, however, that if there be no newspaper of general circulation in such county then by the posting of such notice in three public places in such county for said 10-day period. The said notice shall contain a description of the property to be sold, together with a statement of the amount of the taxes, interest, penalties and costs, the name of the taxpayer, and the further statement that, unless such taxes, interest, penalties and costs are paid on or before the time fixed in said notice for such sale, said property, or so much thereof as may be necessary, will be sold in accordance with law and said notice.

Same Procedure

26222. At any such sale, the property shall be sold by said Franchise Tax Board or its duly authorized agent in accordance with law and said notice, and the Franchise Tax Board shall deliver to the purchaser a bill of sale for the property so sold and such bill of sale shall vest title in the purchaser. The unsold portion of any property so seized may be left at the place of sale at the risk of said taxpayer. If, upon any such sale, the moneys so received shall exceed the amount of all taxes, interest, penalties and costs due the State from such taxpayer, any such excess shall be returned to the taxpayer and a receipt therefor obtained; provided, however, that if any person having an interest in or lien upon the property has filed with the Franchise Tax Board prior to any such sale notice of such interest or lien the Franchise Tax Board shall withhold any such excess pending a determination of the rights of the respective parties thereto by a court of competent jurisdiction.

If, for any reason, the receipt of such taxpayer shall not be available, the Franchise Tax Board shall deposit such excess moneys with the State Treasurer, as trustee for such owner, subject to the order of such taxpayer or its successor through reorganization, merger, or consolidation, or its stockholders upon dissolution.

Prosecution of action

26251. At any time within three years after the determination of liability for any tax, penalties, and interest, or any installment thereof, the Franchise Tax Board may bring an action in a court of competent jurisdiction in the County of Sacramento in the name of the people of the State of California to collect the amount due, together with penalties, and interest. The Attorney General or counsel for the Franchise Tax Board shall prosecute the action. The action shall be tried in the County of Sacramento unless the court, with the consent of the Attorney General or the counsel for the Franchise Tax Board, orders a change of place of trial. In such action a writ of attachment may be issued, and no bond or affidavit previous to the issuing of said attachment is required.

Certificate prima facie evidence

26252. In such action a certificate by the Franchise Tax Board showing the amount due shall be prima facie evidence of the levy of the tax, penalties, and interest, of the delinquency and of compliance by the Franchise Tax Board and the board

with all the provisions of this part in relation to the computation and levy of the tax.

Legal action by the board

26253. The Franchise Tax Board may bring an appropriate action in any court of competent jurisdiction in the United States or in a foreign country, in the name of the people of the State of California, to recover the amount of any taxes and interest due under this act. The Attorney General of this State, or the counsel for the Franchise Tax Board shall prosecute such action.

Erroneous refund, etc

26281. Any refund or any portion thereof which is erroneously made, and any credit or any portion thereof which is erroneously allowed, may be recovered, together with interest at the rate of 6 percent per annum from the date the refund was made or the credit allowed, in an action brought by the Franchise Tax Board in a court of competent jurisdiction in the County of Sacramento in the name of the people of the State of California.

Prosecution

26282. The Attorney General or the counsel for the Franchise Tax Board shall prosecute the action and such actions shall be tried in the County of Sacramento, unless the court, with the consent of the Attorney General or the counsel for the Franchise Tax Board, orders a change of place of trial.

Remedies of the State

26311. The remedies of the State provided in this chapter are cumulative and no action taken by the Franchise Tax Board constitutes an election by the State to pursue any remedy to the exclusion of any other remedy for which provision is made in this part.

Powers of the board

26422. The Franchise Tax Board shall have power and it shall be its duty to administer this part. It shall prescribe all such rules and regulations as are necessary and reasonable to carry out its provisions and may prescribe the extent, if any, to which any ruling or regulation shall be applied without retroactive effect.

Same

26423. The Franchise Tax Board and the board, for the purposes of administering their duties under this part, each shall have the powers conferred upon said board by Section 3669e of the Political Code of this State.

Determination of issues

26424. In the determination of any issue of law or fact under this part, neither the Franchise Tax Board, nor any other officer or department having any administrative duties under this part nor any court shall be bound by the determination of any other officer or department of the State In the determination of any case arising under this part, the rule of res adjudicata is applicable only if the liability involved is for the same year as was involved in another case previously determined.

Preservation of reports, etc

26425. Reports and returns shall be preserved for four years and thereafter until the Franchise Tax Board orders them to be destroyed.

Penalty

26451. Except as otherwise provided in this article, it is a misdemeanor for the Franchise Tax Board, any deputy, agent, clerk or other officer or employee, to divulge or make known in any manner the amount of income or any particulars relating

to the business affairs of the taxpayer set forth or disclosed in any report or return required under this part.

Inspection of returns, etc.

26453c. The Franchise Tax Board may permit the Commissioner of Internal Revenue of the United States, or other tax officials of this State, or the proper officer of any state imposing an income tax or tax measured by income, or the authorized representative of any such officer, to inspect the returns of any taxpayer, or may furnish to such officer or his authorized representative an abstract of the return of income of any taxpayer or supply him with information concerning any item of income contained in any return, or disclosed by the report of any investigation of the income or return of income of any taxpayer. Permission shall be granted or such information furnished to such officer or his representative, only if the statutes of the United States or of such other state grant substantially similar privileges to the Franchise Tax Board. The information furnished or secured pursuant to this section shall be used solely for the purposes of administering the tax acts administered by the person or agency obtaining it. Any unwarranted disclosure or use of such information by such person or agency, or the employees or officers thereof, is a misdemeanor.

Charge for services

26454. Whenever under this part, or any act heretofore or hereafter enacted, the Franchise Tax Board is permitted or required to disclose information, or furnish abstracts, or permit access to its records to, or by any official, department, bureau, or agency of this State, including its political subdivisions, or any other state, or the United States, it may charge such official, department, bureau or agency for the reasonable cost of such services.

Special fund

26481. All moneys received by the State Treasurer from the Franchise Tax Board and representing taxes or interest imposed on taxpayers subject to the tax imposed by Chapter 2 of this part shall be deposited by him in a special fund in the State Treasury, to be designated the Bank and Corporation Franchise Tax Fund, and moneys in said fund shall, upon the order of the Controller, be transferred into the General Fund of the State, or drawn therefrom for the purpose of refunding to taxpayers hereunder.

Transmittals to State Treasurer

26481a. All moneys and remittances received by the Franchise Tax Board in pursuance of the provisions of this part, from taxpayers subject to the tax imposed by Chapter 3, shall be transmitted promptly to the State Treasurer, and copies of the schedules covering such transmittals shall be furnished at the same time to the Controller.

All moneys and remittances so received and so transmitted shall be deposited, after clearance of remittances, in the State Treasury and credited to the "Bank and Corporation Franchise Tax Fund." The moneys in said fund shall, upon order of the Controller, be drawn therefrom for the purpose of making refunds under this part to taxpayers taxable under the provisions of Chapter 3 or be transferred to the General Fund of the State.

CHAPTER 72

An act to amend Sections 23102, 23112, 23186, 23222, 23251, 24121a, 24121k, 24121n, 24121p-1, 24121p-3, 24121p-4, 24121p-5, 24124, 24201b, 25101a, 25121a, 25121c, 25431, 25662, 25701, 25761, 25781, 25932, and 26080 of, and to amend and renumber Sections 25203 and 25203d of, and to add Sections 25663, 25701a, 26080.1, 26080.2, and 26080.3 to, Part 11, Division 2 of the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations, and providing that this act shall take effect immediately.

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 23102 of the Revenue and Taxation Code is hereby amended to read:

23102. Any corporation holding or organized to hold stock or bonds of any other corporation or corporations, and not trading in stock or bonds or other securities held, and engaging in no activities other than the receipt and disbursement of dividends from stock or interest from bonds, is not a corporation doing business in this State for the purposes of this chapter. Corporations not doing business

SEC. 2. Section 23112 of the Revenue and Taxation Code is hereby amended to read:

23112. Taxes imposed under this chapter accrue on the first day of the "taxable year." Accrual of taxes

SEC. 3. Section 23186 of the Revenue and Taxation Code is hereby amended to read:

23186. The rate of tax on banks and financial corporations shall be a percentage equal to the percentage of the total amount of net income, allocable to this State, of every corporation taxable under Section 23151, other than public utilities as defined in the Public Utilities Act, for the next preceding calendar year or fiscal years ended during such calendar year, required to be paid to this State as franchise taxes according to or measured by such net income, and required to be paid to this State or its political subdivisions by such corporations as personal property taxes during the preceding calendar year or fiscal years ended in such calendar year; provided, however, that said rate of tax shall not exceed 8 percent. The percentage of the net income of every corporation taxable under Section 23151, other than public utilities as defined in the Public Utilities Act, required to be paid to this State or its political subdivisions in personal property taxes shall be determined by ascertaining the ratio which the total amount of such personal property taxes, less 4 percent thereof, bears to the total amount of net income of such corporation, allocable to California, increased by the amount of such personal property taxes; provided, however, that if any such corporation sustains Tax rate

a net loss allocable to California the personal property taxes required to be paid by such corporation to this State or its political subdivisions during the preceding calendar year or fiscal years ended during such calendar year shall be considered for the purpose of determining such ratio only to the extent which such personal property taxes exceed such net loss allocable to California.

SEC. 4. Section 23222 of the Revenue and Taxation Code is hereby amended to read:

Adjustment of first year's taxes

23222. If a taxpayer commences to do business in this State during its first taxable year its tax for that year shall be adjusted upon the basis of the net income received during that taxable year, at the rate applicable to that year, a credit being allowed for the prepayment of the minimum tax. The return for the first taxable year, which shall be filed within two months and 15 days after the close of that year, shall also be the basis for the tax of said taxpayer for its second taxable year, if its first taxable year is a period of 12 months. In every case in which the first taxable year of a taxpayer constitutes a period of less than 12 months, or in which a taxpayer does business for a period of less than 12 months during its first taxable year, said taxpayer shall pay as a prepayment of the tax for its second taxable year a tax based on the income for the first taxable year computed under the law and at the rate applicable to the second taxable year, the same to be due and payable at the same times and in the same manner as if that amount were the entire amount of its tax for that year; and upon the filing of its tax return within two months and 15 days after the close of the second taxable year it shall pay a tax for said year, at the rate applicable to that year, based upon its net income received during that year, allowing a credit for the prepayment; but in no event, except as provided in Section 23332, shall the tax for the second taxable year be less than the amount of the prepayment for that year, and said return for its second taxable year shall also be the basis for the tax of said taxpayer for its third taxable year.

SEC. 5. Section 23251 of the Revenue and Taxation Code is hereby amended to read:

"Reorganization"

23251. The term "reorganization" as used in this article means (a) a transfer by a bank or corporation of all or a substantial portion of its business or property to another bank or corporation if immediately after the transfer the transferor or its stockholders or both are in control of the bank or corporation to which the assets are transferred; or (b) a mere change in identity, form or place of organization however effected; or (c) a merger or consolidation; or (d) a distribution in liquidation by a bank or corporation of all or a substantial portion of its business or property to a bank or corporation stockholder, and the bank or corporation stockholder continues all or a substantial portion of the business of the liquidated bank or corporation. As used in this section the term "control" means the ownership of at least 80 percent of the voting

stock and at least 80 percent of the total number of shares of all other classes of stock of the bank or corporation.

SEC. 6. Section 24121a of the Revenue and Taxation Code is hereby amended to read:

Business expenses

24121a. (1) All the ordinary and necessary expenses paid or incurred during the income year in carrying on business, including a reasonable allowance for salaries or other compensation for personal services actually rendered, and rentals or other payments required to be made as a condition to the continued use or possession for business purposes of property to which the taxpayer has not taken or is not taking title or in which it has no equity.

(2) No deduction shall be allowable under paragraph (1) of this section, or Section 24122, to a taxpayer for any contribution or gift which would be allowable as a deduction under Section 24121k were it not for the 5 percent limitation therein contained and for the requirement therein that payment must be made within the income year.

(3) In the case of a taxpayer engaged in the business of farming, expenditures made for the purpose of soil and water conservation and the prevention of erosion of land used in farming shall be allowed as deductions under subsection (1). For the purposes of this subsection, the term "expenditures made for the purpose of soil and water conservation and the prevention of erosion" means expenditures for the treatment, moving, or cultivation of earth, including (but not limited to) leveling, grading and terracing, contour furrowing, the construction of diversion channels and drainage ditches, the control and protection of watercourses, outlets, and ponds, the planting and cultivation of cover and protective crops or windbreaks, the control of weeds and brush and other special or emergency cultivation and tillage; but such term does not include the purchase, construction, installation, or improvement of structures, appliances, and facilities made of masonry, concrete, tile, metal, or wood, such as tanks, reservoirs, pipes, conduits, canals, dams, wells, and pumps, which are subject to the allowance for depreciation provided in Section 24121g. For the purpose of this subsection, the term "land used in farming" means land used (prior to the expenditure for conservation made by the taxpayer) by the taxpayer or his tenant or the predecessor owner or his tenant for the production of crops, fruits, and similar agricultural products or for the sustenance of livestock.

SEC. 7. Section 24121k of the Revenue and Taxation Code is hereby amended to read:

Contributions, etc

24121k. In the case of a taxpayer, contributions or gifts payment of which is made within the income year to or for the use of:

(1) The United States, any state, territory, or any political subdivision thereof or the District of Columbia, or any possession of the United States, for exclusively public purposes; or

(2) A corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any

possession thereof or under the law of the United States, or of any state or territory, or of the District of Columbia, or of any possession of the United States, organized and operated exclusively for religious, charitable, scientific, veteran rehabilitation service, literary, or educational purposes or for the prevention of cruelty to children (but in the case of contributions or gifts to a trust, chest, fund, or foundation, payment of which is made within an income year beginning after the date of the cessation of hostilities in the present war, as proclaimed by the President, only if such contributions or gifts are to be used within the United States or any of its possessions exclusively for such purposes), no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation; or

(3) Posts or organizations of war veterans, or auxiliary units of, or trusts or foundations for, any such posts or organizations, if such posts, organizations, units, trusts, or foundations are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or

(4) A corporation or organization which is organized in the United States or any of its possessions by or for members of the armed forces of the United States for the purpose of aiding or assisting members of such forces or their relatives if no part of the net earnings of such corporation or organization inures to the benefit of any private shareholder or individual.

(5) The amount of aggregate deductions allowable under subsections (1), (2), (3), and (4) of this section is limited to the extent it does not exceed 5 percent of the taxpayer's net income as computed without the benefits of this subsection. Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the Franchise Tax Board.

SEC. 8. Section 24121n of the Revenue and Taxation Code is hereby amended to read:

Nonprofit business

24121n. In the case of other associations organized and operated in whole or in part on a cooperative or a mutual basis, all income resulting from or arising out of business activities for or with their members carried on by them or their agents; or when done on a nonprofit basis for or with nonmembers.

SEC. 9. Section 24121p-1 of the Revenue and Taxation Code is hereby amended to read:

Employer contributions

24121p-1. If contributions are paid by an employer to or under a stock bonus, pension, profit-sharing, or annuity plan, or if compensation is paid or accrued on account of any employee under a plan deferring the receipt of such compensation, such contributions or compensation shall not be deductible under Section 24121a but shall be deductible, if deductible under Section 24121a without regard to this section, to the extent provided in Sections 24121p-1 to 24121p-5, inclusive.

(A) In the income year when paid, if the contributions are paid into a pension trust, and if such income year ends within or with an income year of the trust for which the trust is exempt under Article 3 of Chapter 8, Part 10, Division 2, in an amount determined as follows: Same: Pension trust

(i) An amount not in excess of 5 percent of the compensation otherwise paid or accrued during the income year to all the employees under the trust, but such amount may be reduced for future years if found by the Franchise Tax Board upon periodical examinations at not less than five-year intervals to be more than the amount reasonably necessary to provide the remaining unfunded cost of past and current service credits of all employees under the plan, plus

(ii) Any excess over the amount allowable under clause (i) necessary to provide with respect to all of the employees under the trust the remaining unfunded cost of their past and current service credits distributed as a level amount, or a level percentage of compensation, over the remaining future service of each such employee, as determined under regulations prescribed by the Franchise Tax Board, but if such remaining unfunded cost with respect to any three individuals is more than 50 percent of such remaining unfunded cost, the amount of such unfunded cost attributable to such individuals shall be distributed over a period of at least five income years, or

(iii) In lieu of the amounts allowable under (i) and (ii) above, an amount equal to the normal cost of the plan, as determined under regulations prescribed by the Franchise Tax Board, plus, if past service or other supplementary pension or annuity credits are provided by the plan, an amount not in excess of 10 percent of the cost which would be required to completely fund or purchase such pension or annuity credits as of the date when they are included in the plan, as determined under regulations prescribed by the Franchise Tax Board, except that in no case shall a deduction be allowed for any amount (other than the normal cost) paid in after such pension or annuity credits are completely funded or purchased.

(iv) Any amount paid in an income year in excess of the amount deductible in such year under the foregoing limitations shall be deductible in the succeeding income years in order of time to the extent of the difference between the amount paid and deductible in each such succeeding year and the maximum amount deductible for such year in accordance with the foregoing limitations.

(B) In the income year when paid, in an amount determined in accordance with subdivision (A) of this section, if the contributions are paid toward the purchase of retirement annuities and such purchase is a part of a plan which meets the requirements of Article 3 of Chapter 8, Part 10, Division 2, and if refunds of premiums, if any, are applied within the current income year or next succeeding income year toward the purchase of such retirement annuities. Same: Retirement annuities

Same: Stock bonus, etc

(C) In the income year when paid, if the contributions are paid into a stock bonus or profit-sharing trust, and if such income year ends within or with an income year of the trust with respect to which the trust is exempt under Article 3 of Chapter 8, Part 10, Division 2, in an amount not in excess of 15 percent of the compensation otherwise paid or accrued during the income year to all employees under the stock bonus or profit-sharing plan. If in any income year beginning after December 31, 1942, there is paid into the trust, or a similar trust then in effect, amounts less than the amounts deductible under the preceding sentence, the excess, or if no amount is paid, the amounts deductible, shall be carried forward and be deductible when paid in the succeeding income years in order of time, but the amount so deductible under this sentence in any such succeeding income year shall not exceed 15 percent of the compensation otherwise paid or accrued during such succeeding income year to the beneficiaries under the plan. In addition any amount paid into the trust in an income year beginning after December 31, 1942, in excess of the amount allowable with respect to such year under the preceding provisions of this subdivision shall be deductible in the succeeding income years in order of time, but the amount so deductible under this sentence in any one such succeeding income year together with the amount allowable under the first sentence of this subdivision shall not exceed 15 percent of the compensation otherwise paid or accrued during such income year to the beneficiaries under the plan. "Stock bonus or profit-sharing trust," shall not include any trust designed to provide benefits upon retirement and covering a period of years, if under the plan the amounts to be contributed by the employer can be determined actuarially as provided in subdivision (A). If the contributions are made to two or more stock bonus or profit-sharing trusts, such trusts shall be considered a single trust for the purposes of applying the limitations in this subdivision.

Same: Other plans

(D) In the income year when paid, if the plan is not one included in subdivisions (A), (B), or (C), if the employees' rights to or derived from such employer's contribution or such compensation are nonforfeitable at the time the contribution or compensation is paid.

Accrual basis

(E) For the purposes of subdivisions (A), (B), and (C), a taxpayer on the accrual basis shall be deemed to have made a payment on the last day of the year of accrual if the payment is on account of such income year and is made within sixty days after the close of the income year of accrual.

Maximum deduction

(F) If amounts are deductible under subdivisions (A) and (C), or (B) and (C), or (A), (B), and (C), in connection with two or more trusts, or one or more trusts and an annuity plan, the total amount deductible in an income year under such trusts and plans shall not exceed 25 percent of the compensation otherwise paid or accrued during the income year to the persons who are the beneficiaries of the trusts or plans. In addition, any

amount paid into such trust or under such annuity plans in an income year beginning after December 31, 1942, in excess of the amount allowable with respect to such year under the preceding provisions of this subdivision shall be deductible in the succeeding income years in order of time, but the amount so deductible under this sentence in any one such succeeding income year together with the amount allowable under the first sentence of this subdivision shall not exceed 30 percent of the compensation otherwise paid or accrued during such income years to the beneficiaries under the trusts or plans. This subdivision shall not have the effect of reducing the amount otherwise deductible under subdivisions (A), (B), and (C), if no employee is a beneficiary under more than one trust, or a trust and an annuity plan. If there is no plan, but a method of employer contributions or compensation has the effect of a stock bonus, pension, profit-sharing, or annuity plan, or similar plan deferring the receipt of compensation, this section shall apply as if there were such a plan.

SEC. 10. Section 24121p-3 of the Revenue and Taxation Code is hereby amended to read:

Stock bonus, etc., plans. Prior to September 1, 1943

24121p-3. In the case of a stock bonus, pension, profit-sharing or annuity plan in effect on or before September 1, 1943:

(A) Such a plan shall not become subject to the requirements of Article 3 of Chapter 8, Part 10, Division 2 until the beginning of the first income year beginning after December 31, 1943.

(B) Such a plan shall be considered as satisfying the requirements of Article 3 of Chapter 8, Part 10, Division 2 for the period beginning with the beginning of the first income year following December 31, 1943, and ending on December 31, 1945, if the provisions of the plan satisfy such requirements by December 31, 1945, and if by that time all provisions of such plan which are necessary to satisfy such requirements are in effect and have been made effective for all purposes with respect to the portion of such period after December 31, 1943.

(C) If the contribution of an employer to such a plan in the employer's income year beginning in 1943 exceeds the maximum amount deductible for such year under Section 24121p-1, the amount deductible in such year shall not be less than the sum of:

(i) The amount paid in such income year prior to September 1, 1943, and deductible under Section 24121a; and

(ii) With respect to the amount paid in such income year on or after September 1, 1943, that proportion of the amount deductible for the taxable year under Section 24121p-1 which the number of months after August 31, 1943, in the income year bears to 12.

SEC. 11. Section 24121p-4 of the Revenue and Taxation Code is hereby amended to read:

Same After September 1, 1943

24121p-4. In the case of a stock bonus, pension, profit-sharing or annuity plan put into effect after September 1, 1943, such a plan shall be considered as satisfying the requirements of Article 3 of Chapter 8, Part 10, Division 2 for the period beginning with the date on which such plan was put into effect and ending December 31, 1945, if all provisions of the plan which are necessary to satisfy such requirements are in effect by the end of such period and have been made effective for all purposes with respect to the portion of such period after December 31, 1943.

SEC. 12. Section 24121p-5 of the Revenue and Taxation Code is hereby amended to read:

Same After December 31, 1944

24121p-5. In the case of a stock bonus, pension, profit-sharing or annuity plan put into effect after December 31, 1944, the plan will be considered as satisfying the requirements of Article 3 of Chapter 8, Part 10, Division 2 for the period beginning with the date on which it was put into effect and ending with the fifteenth day of the third month following the close of the income year of the employer in which the plan was put into effect if all provisions of the plan which are necessary to satisfy such requirements are in effect by the end of such period and have been made effective for all purposes with respect to the whole of such period.

SEC. 13. Section 24124 of the Revenue and Taxation Code is hereby amended to read:

Discriminatory, etc., deduction

24124. For the purposes of the tax imposed under Chapter 2, if any deduction provided for in this article is finally adjudged discriminatory against a national banking association contrary to Title 12, Section 548, United States Code, or is for any reason finally adjudged invalid, in that event the tax of the favored taxpayer shall be recomputed by the Franchise Tax Board for the taxable year in question, as of the time of allowance of the deduction, by disallowing the deduction, and any difference between the amount of the tax as recomputed and the amount of the tax as originally computed shall be subject to the provisions hereof relating to original computations.

SEC. 14. Section 24201b of the Revenue and Taxation Code is hereby amended to read:

Property restoration

24201b. Any amount expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made except, in the case of a taxpayer engaged in the business of farming, expenditures incurred for the purpose of soil and water conservation and the prevention of erosion within the meaning of subsection 24121a(3).

SEC. 15. Section 25101a of the Revenue and Taxation Code is hereby amended to read:

Adjustments

25101a. Proper adjustment in respect of the property shall in all cases be made—

(1) For expenditures, receipts, losses, or other items properly chargeable to capital account, but no such adjustment shall be made for taxes or other carrying charges, or for expend-

itures described in subsection 24121a (3), for which deductions have been taken by the taxpayer in determining net income for the income year or prior income years;

(2) For exhaustion, wear and tear, obsolescence, amortization, and depletion,

(A) In the case of taxpayers subject to the tax imposed by Chapter 2, to the extent sustained prior to January 1, 1928, and to the extent allowed (but not less than the amount allowable) under this part, except that no deduction shall be made for (i) amounts in excess of the amount which would have been allowable had depreciation not been computed on the basis of January 1, 1928, value; (ii) amounts in excess of the adjustments required by Section 113 (b) (1) (B) of the Federal Revenue Act of 1938 for depletion prior to January 1, 1932.

(B) In the case of a taxpayer subject to the tax imposed by Chapter 3, to the extent sustained prior to January 1, 1937 and for periods thereafter to the extent allowed (but not less than the amount allowable) under the provisions of this part.

(C) If a taxpayer has not claimed an amortization deduction for an emergency facility, the adjustment under paragraphs (i) and (ii) shall be made only to the extent ordinarily provided under Sections 24121g and 24121h.

(3) In the case of stock (to the extent not provided for in the foregoing subsections) for the amount of distributions previously made which, under the law applicable to the year in which the distribution was made, either were tax-free or were applicable in reduction of basis (not including distributions made by a corporation, which was classified as a personal service corporation under the provisions of the Federal Revenue Act of 1918 or 1921, out of its earnings or profits which were taxable in accordance with the provisions of Section 218 of the Federal Revenue Act of 1918 or 1921).

(4) (A) In the case of taxpayers subject to the tax imposed by Chapter 2, in the case of any bond (as defined in Section 24121o (3)) to the extent of the deductions allowable pursuant to Section 24121o (1) (A) with respect thereto. (B) In the case of taxpayers subject to the tax imposed by Chapter 3, in the case of any bond (as defined in Section 24121o (3)) the interest on which is wholly exempt from the tax imposed by this part, to the extent of the amortizable bond premium disallowable as a deduction pursuant to Section 24121o (1) (A), and in the case of any other bond (as defined in such section) to the extent of the deductions allowable pursuant to Section 24121o (1) (A) with respect thereto.

SEC. 16. Section 25121a of the Revenue and Taxation Code is hereby amended to read:

25121a. In the case of mines (other than metal, bauxite, coal, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc, (including pyrophyllite), lepidolite, spodumene, barite, potash, ball, sagger, and china clay, phosphate rock, rock

Mines Basis of depletion

asphalt, trona, bentonite, gilsonite, thenardite, or sulphur mines) discovered by the taxpayer after February 28, 1913, the basis for depletion shall be the fair market value of the property at the date of discovery or within 30 days thereafter, if such mines were not acquired as the result of purchase of a proven tract or lease, and if the fair market value of the property is materially disproportionate to the cost. The depletion allowance under Section 24121i based on discovery value provided in this section shall not exceed 50 percent of the net income of the taxpayer (computed without allowance for depletion) from the property upon which the discovery was made, except that in no case shall the depletion allowance under Section 24121i be less than it would be if computed without reference to discovery value. Discoveries shall include minerals in commercial quantities contained within a vein or deposit discovered in an existing mine or mining tract by the taxpayer after February 28, 1913, if the vein or deposit thus discovered was not merely the uninterrupted extension of a continuing commercial vein or deposit already known to exist, and if the discovered minerals are of sufficient value and quantity that they could be separately mined and marketed at a profit.

SEC. 17. Section 25121c of the Revenue and Taxation Code is hereby amended to read:

Allowance for depletion

25121c. The allowance for depletion under Section 24121i shall be, in the case of coal mines, 5 percent, in the case of metal mines, bauxite, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc, (including pyrophyllite) lepidolite, spodumene, barite, ball, sagger, and china clay, phosphate rock, or rock asphalt mines, trona, bentonite, gilsonite, thenardite (from brines or mixtures of brines), and potash mines or deposits, 15 percent, and, in the case of sulphur mines or deposits, 23 percent, of the gross income from the property during the income year, excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property. Such allowance shall not exceed 50 percent of the net income of the taxpayer (computed without allowance for depletion) from the property except that in no case shall the depletion allowance under Section 24121i be less than it would be if computed without reference to this section.

SEC. 18. Section 25203 of the Revenue and Taxation Code is hereby amended and renumbered to read:

Change of accounting period

25201b. If the taxpayer changes its accounting period from fiscal year to calendar year, from calendar year to fiscal year, or from one fiscal year to another, the net income shall, with the approval of the Franchise Tax Board, be computed on the basis of such new accounting period subject to the provisions of Sections 25201b.1 to 25201b.3, inclusive.

SEC. 19. Section 25203d of the Revenue and Taxation Code is hereby amended and renumbered to read:

Difference in applicable law

25201c. The tax on any taxpayer for a period beginning in one calendar year (called "first calendar year") and ending in

the following calendar year (called "second calendar year") where the law applicable to the computation of taxes for calendar year taxpayers for the second calendar year is different from the law applicable to computation of taxes for calendar year taxpayers for the first calendar year, shall, except as otherwise provided, be the sum of:

(1) The same proportion of a tax for the entire period, determined under the law and rates applicable to the first calendar year which the portion of the period falling within the first year is of the entire period; and

(2) The same proportion of a tax for the entire period, determined under the law and rates applicable to the second calendar year which the portion of the period falling within the second calendar year is of the entire period.

Any tax that has been paid under the law applicable to the first calendar year if in excess of the tax imposed by this section shall be refunded or credited to the taxpayer as provided in Chapter 13. Any tax in addition to that paid under the law applicable to the first calendar year made necessary by this article shall be immediately due and payable upon notice and demand from the Franchise Tax Board.

SEC. 20. Section 25431 of the Revenue and Taxation Code is hereby amended to read:

Supplementary returns

25431. (a) If the Franchise Tax Board believes that any taxpayer has failed to file a return, or to include in a return filed, either intentionally or through error, items of taxable income, it may require from the taxpayer a return or a supplementary return, under oath, in such form as it shall prescribe, of all the items of income which the taxpayer received during the year for which the return is made, whether or not taxable under this part.

(b) Every taxpayer required by the Federal Government to file a supplementary return shall file a supplementary return with the Franchise Tax Board.

(c) If from a supplementary return or otherwise the Franchise Tax Board finds that any items of taxable income have been omitted from the original return, it may require the items omitted to be disclosed to it, under oath of the taxpayer, and to be added to the original return.

(d) The supplementary return and the correction of the original return do not relieve the taxpayer from any penalty to which he may be liable under this part.

"Taxpayer"

(e) The term "taxpayer" as used in this chapter includes a trustee in bankruptcy, a receiver in any receivership proceeding, an assignee for the benefit of creditors, or any other person or persons having control of the assets or business of a corporation.

SEC. 21. Section 25662 of the Revenue and Taxation Code is hereby amended to read:

Notice

25662. If the Franchise Tax Board determines that the tax disclosed by the original return is less than the tax disclosed

by its examination, it shall mail notice or notices to the taxpayer of the additional tax proposed to be assessed. Each notice shall set forth the details of the proposed additional assessment and of computing said tax.

SEC. 22. Section 25663 is hereby added to the Revenue and Taxation Code, to read:

Omission from gross income

25663. If the taxpayer omits from gross income an amount properly includible therein which is in excess of 25 percent of the amount of gross income stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time within six years after the return was filed.

SEC. 23. Section 25701 of the Revenue and Taxation Code is hereby amended to read:

Taxes for which another is liable

25701. The taxes imposed by this part upon any taxpayer, other than a transferee, for which any bank, corporation or person other than the taxpayer is liable, at law or in equity, may be assessed against such bank, corporation or person in the same manner as is provided in Article 1 for the assessment of deficiencies and may be assessed at any time within which deficiency assessments may be made against the taxpayer. The provisions of this section and other provisions of this part respecting the collection of taxes shall apply to the collection of such taxes from such bank, corporation or person to the same extent and with the same force and effect as though such bank, corporation or person were the taxpayer.

SEC. 24. Section 25701a is hereby added to the Revenue and Taxation Code, to read:

Manner of assessment, etc.

25701a. The amounts of the following liabilities, except as hereinafter provided in this section and Section 25702, shall be assessed, collected, and paid in the same manner and subject to the same provisions and limitations as in the case of a deficiency in a tax imposed by this part (including the provisions in the case of a delinquency in payment after notice and demand, the provisions authorizing proceedings in court for collection, and the provisions prohibiting claims and suits for refunds):

(1) The liability, at law or in equity, of a transferee of property of a taxpayer, in respect of the tax (including interest, additional amounts, and additions to the tax provided by law) imposed upon the taxpayer by this act.

(2) The liability of a fiduciary under Part 10 of this division in respect of the payment of any such tax from the estate of the taxpayer.

Any such liability may be either as to the amount of tax shown on the return or as to any deficiency in tax.

SEC. 25. Section 25761 of the Revenue and Taxation Code is hereby amended to read:

Demand for immediate payment

25761. If the Franchise Tax Board finds that the assessment or collection of a tax or deficiency for any year, current or past, will be jeopardized in whole or in part by delay, it may mail or issue notice of its finding to the taxpayer, or its trans-

feree or transferees, liable for the tax imposed under this part, together with a demand for immediate payment of the tax or deficiency declared to be in jeopardy, including interest and penalties and additions thereto.

In the case of a tax for a current period, the Franchise Tax Board may declare the income period of the taxpayer immediately terminated and shall mail or issue notice of its findings and declaration to the taxpayer, together with a demand for a return and immediate payment of the tax based on the period declared terminated, including therein income accrued and deductions incurred up to the date of termination if not otherwise properly includible or deductible in respect of such period, and such tax shall be immediately due and payable whether or not the time otherwise allowed by law for filing the return and paying the tax has expired.

SEC. 26. Section 25781 of the Revenue and Taxation Code is hereby amended to read:

25781. The Franchise Tax Board, or any person authorized in writing by the Franchise Tax Board, is authorized to enter into an agreement in writing with any bank or corporation in respect of any tax levied under this part for any taxable period. Agreement with the board

SEC. 27. Section 25932 of the Revenue and Taxation Code is hereby amended to read:

25932. If any taxpayer, upon notice and demand by the Franchise Tax Board, fails or refuses to make and file a return required by this part, then, unless it is shown that such failure is due to reasonable cause and not due to wilful neglect, the Franchise Tax Board is authorized to make an estimate of the net income and to compute and levy the amount of the tax due from any available information. In such case 25 percent of the tax, in addition to the amounts added under Section 25931, shall be added to the tax and shall be due and payable upon notice and demand from the Franchise Tax Board. Failure to file return, etc.

SEC. 28. Section 26080 of the Revenue and Taxation Code is hereby amended to read:

26080. Interest shall be allowed and paid upon any overpayment in respect of any tax, at the rate of 6 percent per annum, as provided in Sections 26080.1 to 26080.3, inclusive, and as follows: Interest

(a) In the case of a credit, from the date of the overpayment to the date of the allowance of the credit. Any interest allowed on any credit shall first be credited on any taxes due from the taxpayer under this part.

(b) In the case of a refund, from the date of the overpayment to a date preceding the date of the refund warrant by not more than 30 days, such date to be determined by the Franchise Tax Board.

SEC. 29. Section 26080.1 is hereby added to the Revenue and Taxation Code, to read:

26080.1. (A) If the Franchise Tax Board disallows interest on any claim for refund, it shall notify the taxpayer accordingly. Notice of disallowance of interest

At the expiration of 90 days from the mailing of such notice, the Franchise Tax Board's action upon the disallowance of such interest shall be final unless within such 90-day period, the taxpayer appeals in writing from the action of the Franchise Tax Board to the State Board of Equalization. Appeals must be addressed and mailed to the State Board of Equalization at Sacramento, and a copy of the appeal addressed and mailed at the same time to the Franchise Tax Board at Sacramento. Said board shall hear and determine the same and thereafter shall forthwith notify the taxpayer and the Franchise Tax Board of its determination. Such determination shall be final upon the expiration of 30 days from the time of such determination unless within such 30-day period the taxpayer or the Franchise Tax Board files a petition for rehearing with said board, in which event the board's determination shall not become final until the expiration of 30 days from the time the board issues its opinion on said petition.

(B) Within 90 days after the mailing of the notice of the Franchise Tax Board's action disallowing interest upon any refund claim, or in the case of an appeal to the State Board of Equalization from the disallowance of interest on any refund claim, within 90 days after the mailing of the notice of the board's determination of the appeal, the taxpayer may bring an action against the Franchise Tax Board on the grounds set forth for interest in such claim for the recovery of the interest.

If the Franchise Tax Board fails to mail notice of action of disallowance of interest on any refund claim within six months after the interest was claimed, the taxpayer may, prior to mailing of notice of action of disallowance of interest on the refund claim, consider the interest disallowed and bring an action against the Franchise Tax Board on the grounds set forth for interest in such claim for the recovery of the interest.

SEC. 30. Section 26080.2 is hereby added to the Revenue and Taxation Code, to read:

Overpayments

26080.2. A payment not made incident to a bona fide and orderly discharge of an actual liability or one reasonably assumed to be imposed by law, is not an overpayment for the purposes of Section 26080 and interest is not payable thereon.

SEC. 31. Section 26080 3 is hereby added to the Revenue and Taxation Code, to read:

Same

26080.3. If a credit or refund of any part of an overpayment would be barred under Section 26071, except for the seven-year limitation therein relating to bad debts, no interest shall be allowed or paid with respect to such part of the overpayment for any period beginning after the expiration of the period of limitation provided in Section 26071, other than the seven-year limitation therein relating to bad debts, for filing claim for credit or refund of such part of the overpayment and ending at the expiration of six months after the date on which the claim was filed or, in case no claim was filed and the overpayment was found by the board ending at the time the appeal was filed with the board.

SEC. 32. This act inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately. Current expenses

SEC. 33. This act shall become operative upon the taking effect of the Bank and Corporation Tax Law, enacted by Chapter 557, Statutes of 1949, as amended, or upon the effective date of this act, whichever is later. Stats 1949, p 961

SEC. 34. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes, for the purpose of the taxes imposed under Chapter 2, of Part 11, Division 2 of the Revenue and Taxation Code, measured by income for income years beginning after December 31, 1950, and for the purpose of the tax imposed under Chapter 3, of Part 11, Division 2 of the Revenue and Taxation Code, for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions, and credits Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended Application of the act

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CHAPTER 73

An act to amend Sections 23185b, 23911e, 24121f, 24181, 25031f, 25031f-(1), 25031h, 25031i, 25032, 25033, 25071e, 25071f, 25071(i), 25071l, 25071m, 25071n, 25071q, 25071r-(1), 25101b, 25201, 25232a, 25261a, 25261d, 25667, 25668, 25670, 25672, 25781, 25901, 25934, 26073a, 26073b, and 26451 of, and to amend and renumber Sections 25202, 25203a, 25203c-(1), and 25203e of, and to repeal Sections 23152 and 23502 of, the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations.

[Approved by Governor April 10, 1951 Filed with Secretary of State April 10, 1951] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 23152 of the Revenue and Taxation Code is hereby repealed.

SEC. 2. Section 23185b of the Revenue and Taxation Code is hereby amended to read:

23185b. If the taxes described in Section 23184 are at any time refunded to any taxpayer, and said taxpayer has been allowed an offset under Section 23184 for such taxes against any tax imposed under this chapter, said taxpayer shall pay a tax not subject to offset in an amount equivalent to any Refunds

offset which has been allowed against any tax at any time imposed under this chapter on account of such refunded taxes. Said taxpayer shall report such taxes in its return for the income year in which the same are refunded. The tax herein provided for shall be due and payable in one amount on or before the due date, or the due date as extended by the Franchise Tax Board, for filing the return. The provisions of this part relating to delinquent first installment taxes shall be applicable to such tax if it is not paid on or before its due date.

SEC. 3. Section 23502 of the Revenue and Taxation Code is hereby repealed.

SEC. 4. Section 23911e of the Revenue and Taxation Code is hereby amended to read:

Corporate distributions

23911e. (1) A distribution made by a corporation to its shareholders in its shares or in rights to acquire its shares shall be treated as a dividend to the extent that it constitutes income to the shareholder within the meaning of the Sixteenth Amendment to the Constitution of the United States.

(2) Whenever a distribution by a corporation is, at the election of any of the shareholders (whether exercised before or after the declaration thereof), payable either (A) in its shares or in rights to acquire its shares, of a class which if distributed without election would not be included in gross income under paragraph (1) of this section, or (B) in money or any other property (including its shares or rights to acquire its shares, of a class which if distributed without election would be included in gross income under paragraph (1) of this section), then the distribution shall constitute a taxable dividend in the hands of all shareholders, regardless of the medium in which paid.

SEC. 5. Section 24121f of the Revenue and Taxation Code is hereby amended to read:

Worthless debts

24121f. Debts which become worthless within the income year; or, in the discretion of the Franchise Tax Board, a reasonable addition to a reserve for bad debts. When satisfied that a debt is recoverable in part only the Franchise Tax Board may allow such debt, in an amount not in excess of the part charged off within the income year, as a deduction; provided, however, that if a debt was actually worthless prior to January 1, 1943, but was not ascertained to be worthless and charged off prior to said date, a deduction may be taken therefor during the first income year ending after December 31, 1942; and, provided, that if a portion of a debt is claimed and allowed as a deduction in any year no deduction shall be allowed in any subsequent year for any portion of the debt which in any prior year was charged off, regardless of whether claimed as a deduction in such prior year.

SEC. 6. Section 24181 of the Revenue and Taxation Code is hereby amended to read:

Contract renegotiation

24181. In the case of a contract with the United States or any agency thereof, or any subcontract thereunder, which is made by the taxpayer, if a renegotiation is made in respect of such contract or subcontract and an amount of excessive profits

received or accrued under such contract or subcontract for an income year (hereinafter referred to as "prior income year") is eliminated and, in an income year ending after December 31, 1941, the taxpayer is required to pay or repay to the United States or any agency thereof the amount of profits eliminated or the amount of profits eliminated is applied as an offset against other amounts due the taxpayer, then the profits so eliminated shall be excluded from gross income for the prior income year if they were included in gross income for the prior income year. For the purposes of this article—

"Renegotiation"

(a) The term "renegotiation" includes any transaction which is a renegotiation within the meaning of Section 403 of the Sixth Supplemental National Defense Appropriation Act (Public 528, Seventy-seventh Congress, Second Session) or such section, as amended, any modification of one or more contracts with the United States or any agency thereof, and any agreement with the United States or any agency thereof in respect of one or more such contracts or subcontracts thereunder.

"Excessive profits"

(b) "Excessive profits" includes any amount which constitutes excessive profits within the meaning assigned to such term by subsection (a) of Section 403 of the Sixth Supplemental National Defense Appropriation Act (Public 528, Seventy-seventh Congress, Second Session), as amended by the Revenue Act of 1942, any part of the contract price of a contract with the United States or any agency thereof, any part of the subcontract price of a subcontract under such a contract, and any profits derived from one or more such contracts, or subcontracts.

"Subcontract"

(c) "Subcontract" includes any purchase order or agreement which is a subcontract within the meaning assigned to such term by subsection (a) of Section 403 of the Sixth Supplemental National Defense Appropriation Act (Public 528, Seventy-seventh Congress, Second Session), as amended by the Revenue Act of 1942.

SEC. 7. Section 25031f of the Revenue and Taxation Code is hereby amended to read:

Distribution in complete liquidation

25031f. No gain or loss shall be recognized upon the receipt by a corporation of property distributed in complete liquidation of another corporation. For the purposes of this section a distribution shall be considered to be in complete liquidation only if:

(1) The corporation receiving such property was, on the date of the adoption of the plan of liquidation, and has continued to be at all times until the receipt of the property, the owner of stock (in such other corporation) possessing at least 80 per centum of the total combined voting power of all classes of stock entitled to vote and the owner of at least 80 per centum of the total number of shares of all other classes of stock (except nonvoting stock which is limited and preferred as to dividends), and was at no time on or after the date of the adoption of the plan of liquidation and until the receipt of the property the

owner of a greater percentage of any class of stock than the percentage of such class owned at the time of the receipt of the property; and

(2) No distribution under the liquidation was made before the first day of the first taxable year of the corporation beginning after December 31, 1935; and either

(3) The distribution is by such other corporation in complete cancellation or redemption of all its stock, and the transfer of all the property occurs within the income year; in such case the adoption by the shareholders of the resolution under which is authorized the distribution of all the assets of such corporation in complete cancellation or redemption of all its stock, shall be considered an adoption of a plan of liquidation, even though no time for the completion of the transfer of the property is specified in such resolution; or

(4) Such distribution is one of a series of distributions by such other corporation in complete cancellation or redemption of all its stock in accordance with a plan of liquidation under which the transfer of all the property under the liquidation is to be completed within three years from the close of the taxable year during which is made the first of the series of distributions under the plan, except that if such transfer is not completed within such period, or if the taxpayer does not continue qualified under paragraph (1) until the completion of such transfer, no distribution under the plan shall be considered a distribution in complete liquidation.

SEC. 8. Section 25031f-(1) of the Revenue and Taxation Code is hereby amended to read:

Transfer not within income year

25031f-1. If the transfer provided in Section 25031f of all the property does not occur within the income year, the Franchise Tax Board may require of the taxpayer such bond, or waiver of the statute of limitations on assessment and collection, or both, as it may deem necessary to insure, if the transfer of the property is not completed within such three-year period, or if the taxpayer does not continue qualified under paragraph (1) of Section 25031f until the completion of such transfer, the assessment and collection of all taxes imposed by this part then due or to become due, to the extent attributable to property so received. A distribution otherwise constituting a distribution in complete liquidation within the meaning of Section 25031f shall not be considered as not constituting such a distribution merely because it does not constitute a distribution or liquidation within the meaning of the corporate law under which the distribution is made; and for the purposes of Section 25031f a transfer of property of such other corporation to the taxpayer shall not be considered as not constituting a distribution (or one of a series of distributions) in complete cancellation or redemption of all the stock of such other corporation, merely because the carrying out of the plan involves (a) the transfer under the plan to the taxpayer by such other corporation of property, not attributable to shares owned by the taxpayer, upon an exchange described in Section 25031d, and (b) the complete cancellation or redemp-

tion under the plan, as a result of exchanges described in Section 25031c, of the shares not owned by the taxpayer.

SEC. 9. Section 25031h of the Revenue and Taxation Code is hereby amended to read:

Railroad corporation property 11 U.S.C. §205

25031h. No loss shall be recognized if property of a railroad corporation, as defined in Section 77m of the National Bankruptcy Act, as amended, is transferred, after December 31, 1942, in pursuance of an order of the court having jurisdiction of such corporation—

(1) In a receivership proceeding, or

(2) In a proceeding under Section 77 of the National Bankruptcy Act, as amended,

to a railroad corporation, as defined in Section 77m of the National Bankruptcy Act, as amended, organized or made use of to effectuate a plan of reorganization approved by the court in such proceeding. The term "reorganization," as used in this section shall not be limited by the definition of such term in Section 25036.

SEC. 10. Section 25031i of the Revenue and Taxation Code is hereby amended to read:

Transfer under court order

25031i. No gain or loss shall be recognized if property of a corporation (other than a railroad corporation, as defined in Section 77m of the National Bankruptcy Act, as amended) is transferred in pursuance of an order of the court having jurisdiction of such corporation—

(1) In a receivership, foreclosure, or similar proceeding, or

(2) In a proceeding under Section 77B or Chapter X of the National Bankruptcy Act, as amended,

to another corporation organized or made use of to effectuate a plan of reorganization approved by the court in such proceeding, in exchange solely for stock or securities in such other corporation.

SEC. 11. Section 25032 of the Revenue and Taxation Code is hereby amended to read:

Extent of gain

25032. (a) If an exchange would be within the provisions of Sections 25031a, 25031b, 25031c, or 25031e, or within the provisions of Section 25041, if it were not for the fact that the property received in exchange consists not only of property permitted by said sections to be received without the recognition of gain, but also of other property or money, then the gain, if any, to the recipient shall be recognized, but in an amount not in excess of the sum of such money and the fair market value of such other property.

(b) If a distribution made in pursuance of a plan of reorganization is within the provisions of paragraph (a) of this section but has the effect of the distribution of a taxable dividend, then there shall be treated as a dividend to each distributee such an amount of the gain recognized under paragraph (a) as is not in excess of his ratable share of the undistributed earnings and profits of the corporation accumulated after February 28, 1913. The remainder, if any, of the gain

recognized under paragraph (a) shall be treated as a gain from the exchange of property.

SEC. 12. Section 25033 of the Revenue and Taxation Code is hereby amended to read:

Same

25033. If an exchange would be within the provisions of Sections 25031d or 25031i if it were not for the fact that the property received in exchange consists not only of stock or securities permitted by such paragraph to be received without the recognition of gain, but also of other property or money, then:

(a) If the corporation receiving such other property or money distributes it in pursuance of the plan of reorganization, no gain to the corporation shall be recognized from the exchange, but

(b) If the corporation receiving such other property or money does not distribute it in pursuance of the plan of reorganization, the gain, if any, to the corporation shall be recognized, but in an amount not in excess of the sum of such money and the fair market value of such other property so received, which is not so distributed.

SEC. 13. Section 25071e of the Revenue and Taxation Code is hereby amended to read:

25071e. If the property was acquired:

Date of property acquisition

(1) After December 31, 1917, and in an income year beginning before January 1, 1936, by a corporation in connection with a reorganization, and immediately after the transfer an interest or control in such property of 50 percent or more remained in the same persons or any of them, or

(2) In an income year beginning after December 31, 1935, by a corporation in connection with a reorganization, then the basis shall be the same as it would be in the hands of the transferor, increased in the amount of gain or decreased in the amount of loss recognized to the transferor upon such transfer under the law applicable to the year in which the transfer was made. This section shall not apply if the property acquired consists of stock or securities in a corporation a party to the reorganization, unless acquired by the issuance of stock or securities of the transferee as the consideration in whole or in part for the transfer.

SEC. 14. Section 25071f of the Revenue and Taxation Code is hereby amended to read:

Same

25071f. If the property was acquired after December 31, 1920, by a corporation:

(1) By the issuance of its stock or securities in connection with a transaction described in Section 25031e or Section 17676 of Part 10 (including, also, cases where part of the consideration for the transfer of such property to the corporation was property or money, in addition to such stock or securities), or

(2) As paid-in surplus or as a contribution to capital, then the basis shall be the same as it would be in the hands of the transferor, increased in the amount of gain or decreased

in the amount of loss recognized to the transferor upon such transfer under the law applicable to the year in which the transfer was made.

SEC. 15. Section 25071(i) of the Revenue and Taxation Code is hereby amended to read:

Property acquired during period of affiliation

25071i. In the case of property acquired by a corporation, during a period of affiliation, from a corporation with which it was affiliated, the basis of such property, after such period of affiliation, shall be determined, in accordance with regulations prescribed by the Franchise Tax Board without regard to intercompany transactions in respect of which gain or loss was not recognized. The basis in case of property acquired by a corporation during any period, in the taxable year 1929 or any subsequent taxable year, in respect of which a consolidated return is made by such corporation under Article 9 of Chapter 2 or Section 141 of the Federal Revenue Act of 1928 or the Federal Revenue Act of 1932 or the Federal Revenue Act of 1934 or the Federal Revenue Act of 1936, or, in the case of a corporation subject to the tax imposed by Chapter 3, the Federal Revenue Act of 1938, shall be determined in accordance with regulations prescribed under Article 9 of Chapter 2 or Section 141 of the Federal Revenue Act of 1928 or the Federal Revenue Act of 1932 or the Federal Revenue Act of 1934 or the Federal Revenue Act of 1936, or in the case of a corporation subject to the tax imposed by Chapter 3, the Federal Revenue Act of 1938. The basis in the case of property held by a corporation during any period, in the taxable year 1929 or any subsequent taxable year, in respect of which a consolidated return is made by such corporation under Article 9 of Chapter 2 or Section 141 of the Federal Revenue Act of 1928 or the Federal Revenue Act of 1932 or the Federal Revenue Act of 1934 or the Federal Revenue Act of 1936, or, in the case of a corporation subject to the tax imposed by Chapter 3, or the Federal Revenue Act of 1938, shall be adjusted in respect of any items relating to such period, in accordance with regulations prescribed under Article 9 of Chapter 2 or Section 141 of the Federal Revenue Act of 1928 or the Federal Revenue Act of 1932 or the Federal Revenue Act of 1934 or the Federal Revenue Act of 1936, or in the case of a corporation subject to the tax imposed by Chapter 3, or the Federal Revenue Act of 1938, applicable to such period.

26 U S C pp 345, 477, 659, 813, 995

SEC. 16. Section 25071*l* of the Revenue and Taxation Code is hereby amended to read:

Property acquired in complete liquidation

25071*l*. If the property was received by a corporation upon a distribution in complete liquidation of another corporation within the meaning of Sections 25031f or 25031f-1, then the basis shall be the same as it would be in the hands of the transferor.

SEC. 17. Section 25071m of the Revenue and Taxation Code is hereby amended to read:

Stock rights

25071m. (1) If the property was acquired by a shareholder in a corporation and consists of rights to acquire stock in such corporation acquired by him after February 28, 1913,

in a distribution by such corporation, and (A) the right to acquire such stock was acquired in an income year beginning before January 1, 1937 (except as provided in paragraph (2)), or (B) the right to acquire such stock was acquired in an income year beginning after December 31, 1936, and its distribution did not constitute income to the shareholder within the meaning of the Sixteenth Amendment to the Constitution of the United States, then the basis of the stock in respect of which the rights were declared and the right to acquire stock, respectively, shall, in the shareholder's hand be determined by allocating between the stock and the right to acquire stock the adjusted basis of the stock, such allocation to be made under regulations which shall be prescribed by the Franchise Tax Board.

(2) If a stock right was acquired prior to January 1, 1928, for the purpose of the tax as imposed by Chapter 2, or prior to January 1, 1937, for the purpose of the tax imposed by Chapter 3, and it constituted income within the purview of the Sixteenth Amendment to the Constitution of the United States, the basis of the stock in respect of which the rights were declared shall not be affected and the basis of the right shall be its fair market value as of the date of its acquisition.

(3) Where the shareholder acquired the right to acquire such stock in an income year beginning before January 1, 1943, and sold the same, and there was included in the gross income for such year of sale the entire amount of the proceeds of such sale, then if before May 7, 1943, the taxpayer has not asserted (by claim for a refund or credit or otherwise) that any part of the proceeds of the sale of such rights should be excluded from gross income for the year of its sale, the basis of the stock shall be determined without regard to paragraphs (1) and (2), and no part of the proceeds of the sale of such rights shall ever be excluded from the gross income for the year of such sale.

SEC. 18. Section 25071n of the Revenue and Taxation Code is hereby amended to read:

Railroad property acquired under court order

25071n. If the property of a railroad corporation, as defined in Section 77m of the National Bankruptcy Act, as amended, was acquired after December 31, 1942, in pursuance of an order of the court having jurisdiction of such corporation—

(1) In a receivership proceeding, or

(2) In a proceeding under Section 77 of the National Bankruptcy Act, as amended,

and the acquiring corporation is a railroad corporation, as defined in Section 77m of the National Bankruptcy Act, as amended, organized or made use of to effectuate a plan of reorganization approved by the court in such proceeding, the basis shall be the same as it would be in the hands of the railroad corporation whose property was so acquired. The term "reorganization," as used in this paragraph, shall not be limited by the definition of such term in Section 25036.

SEC. 19. Section 25071q of the Revenue and Taxation Code is hereby amended to read:

Basis of tax on acquiring corporation

25071q. If the property was acquired by a corporation upon a transfer to which Section 25031i, or so much of Sections 25033 or 25034 as relate to Section 25031i, is applicable, the basis in the hands of the acquiring corporation shall be the same as it would be in the hands of the corporation whose property was so acquired, increased in the amount of gain recognized to the corporation whose property was so acquired under the law applicable to the year in which the acquisition occurred, and such basis shall not be adjusted under Section 25031c by reason of a discharge of indebtedness pursuant to the plan of reorganization under which such transfer was made.

SEC. 20. Section 25071r-(1) of the Revenue and Taxation Code is hereby amended to read:

Property acquired before 1936

25071r-1. If the property was acquired by a taxpayer subject to the tax imposed by Chapter 3, after February 28, 1913, in any taxable year beginning prior to January 1, 1936, and the basis thereof, for the purposes of the Federal Revenue Act of 1934 was prescribed by Section 113 (a) (6), (7), or (8) of such act, then for the purposes of this part the basis shall be the same as the basis therein prescribed in the Federal Revenue Act of 1934.

SEC. 21. Section 25101b of the Revenue and Taxation Code is hereby amended to read:

"Substituted basis"

25101b. The term "substituted basis" as used in this article means a basis determined under any provision of Article 3 providing that the basis shall be determined:

(1) By reference to the basis in the hands of a transferor, donor, or grantor, or

(2) By reference to other property held at any time by the person for whom the basis is to be determined.

Whenever it appears that the basis of property in the hands of the taxpayer is a substituted basis, then the adjustments provided in Section 25101a shall be made after first making in respect of such substituted basis proper adjustments of a similar nature in respect of the period during which the property was held by the transferor, donor, or grantor, or during which the other property was held by the person for whom the basis is to be determined. A similar rule shall be applied in the case of a series of substituted bases.

SEC. 22. Section 25201 of the Revenue and Taxation Code is hereby amended to read:

Computation of net income

25201. The net income shall be computed upon the basis of the taxpayer's annual accounting period, fiscal year or calendar year as the case may be, in accordance with the method of accounting regularly employed in keeping the books of such taxpayer; but if no such method of accounting has been so employed, or if the method employed does not reflect the proper income, the computation shall be made in accordance with such method as in the opinion of the Franchise Tax Board

does reflect the proper income. If the taxpayer's annual accounting period is other than a fiscal year, or if the taxpayer has no annual accounting period or does not keep books, the net income shall be computed on the basis of the calendar year.

SEC. 23. Section 25202 of the Revenue and Taxation Code is hereby amended and renumbered to read:

Increasing noninterest bearing obligation

25201a. In the case of a taxpayer owning noninterest-bearing obligation issued at a discount and redeemable for fixed amounts increasing at stated intervals, if the increase in the redemption price of the obligation occurring in the income year does not (under the method of accounting used in computing its net income) constitute income to taxpayer in such year, the taxpayer may, at its election made in its return for any income year beginning after December 31, 1942, treat the increase as income received in the income year. If election is made with respect to such obligation, it shall apply also to all such obligations owned by the taxpayer at the beginning of the first income year to which it applies and to all such obligations thereafter acquired by taxpayer and shall be binding for all subsequent income years, unless upon application by the taxpayer the Franchise Tax Board permits taxpayer, subject to such conditions as the Franchise Tax Board deems necessary, to change to a different method. In the case of any obligations owned by the taxpayer at the beginning of the first income year to which its election applies, the increase in the redemption price of the obligations occurring between the date of acquisition and the first day of the income year shall also be treated as income received in such income year.

SEC. 24. Section 25203a of the Revenue and Taxation Code is hereby amended and renumbered to read:

Change in basis of computation

25201b.1. If a taxpayer, with the approval of the Franchise Tax Board, changes the basis of computing net income from fiscal year to calendar year, a separate return shall be made for the period between the close of the last fiscal year for which return was made and the following December 31st. If the change is from calendar year to fiscal year, a separate return shall be made for the period between the close of the last calendar year for which return was made and the date designated as the beginning of the fiscal year. If the change is from one fiscal year to another fiscal year a separate return shall be made for the period between the close of the former fiscal year and the date designated as the beginning of the new fiscal year.

SEC. 25. Section 25203c-(1) of the Revenue and Taxation Code is hereby amended and renumbered to read:

Reduction of tax for short period

25201b.3(A) If a taxpayer subject to the tax imposed by Chapter 2 establishes the amount of its net income for the period of 12 months beginning with the first day of the short period, computed as if such 12-month period were an income year, under the law applicable to such year, then the tax for the short period shall be reduced to an amount which is such part of the

tax computed on the net income for such 12-month period as the net income computed on the basis of the short period is of the net income for the 12-month period. The taxpayer (other than a taxpayer to which the next sentence applies) shall compute the tax and file its return without the application of this section. If the taxpayer has disposed of substantially all its assets prior to the end of such 12-month period, then in lieu of the net income for such 12-month period there shall be used for the purposes of this section the net income for the 12-month period ending with the last day of the short period. The tax computed under this section shall in no case be less than the tax computed on the net income for the short period without placing such net income on an annual basis. The benefits of this section shall not be allowed unless the taxpayer, at such time as regulations prescribed hereunder require (but not after the time prescribed for the filing of the return for the first income year which ends on or after 12 months after the beginning of the short period), makes application therefor in accordance with such regulations. Such application, in case the return was filed without regard to this section, shall be considered a claim for credit or refund with respect to the amount by which the tax is reduced under this section. The Franchise Tax Board shall prescribe such regulations as it may deem necessary for the application of this section.

SEC. 26. Section 25203e of the Revenue and Taxation Code is hereby amended and renumbered to read:

Income from long term contracts

25201d. Where a corporation subject to the tax imposed by Chapter 2 is engaged in the performance of a contract in this State which will require more than a year to complete, the Franchise Tax Board may require that the income from the contract be reported on the basis of percentage of completion unless the corporation furnishes bond or other security guaranteeing the payment of a tax measured by the income received on the completion of the contract, even though the corporation is not doing business in this State in the year subsequent to the year of completion.

SEC. 27. Section 25232a of the Revenue and Taxation Code is hereby amended to read:

Limitations

25232a. The method described in Section 25232 may be used (1) only in inventorying goods (required under Section 25231 to be inventoried) specified in an application to use such method filed at such time and in such manner as the Franchise Tax Board may prescribe; and (2) only if the taxpayer establishes to the satisfaction of the Franchise Tax Board that the taxpayer has used no procedure other than that specified in paragraphs (b) and (c) of Section 25232 in inventorying such goods to ascertain the income, profit, or loss of the first income year for which the method described in Section 25232 is to be used, for the purpose of a report or statement covering such income year (A) to shareholders, partners, or other proprietors, or to beneficiaries, or (B) for credit purposes.

SEC. 28. Section 25261a of the Revenue and Taxation Code is hereby amended to read:

"Involuntary liquidation"

25261a. "Involuntary liquidation" means the sale or other disposition of goods inventoried under the method described in this article or Article 2, either voluntary or involuntary, coupled with a failure on the part of the taxpayer to purchase, manufacture, or otherwise produce and have on hand at the close of the income year in which such sale or other disposition occurred such goods as would, if on hand at the close of such income year, be subject to the application of the provisions of this article or Article 2, if such failure on the part of the taxpayer is due, directly and exclusively, (1) to enemy capture or control of sources of limited foreign supply; (2) to shipping or other transportation shortages; (3) to material shortages resulting from priorities or allocations; (4) to labor shortages; or (5) to other prevailing war conditions beyond the control of the taxpayer.

SEC. 29. Section 25261d of the Revenue and Taxation Code is hereby amended to read:

Notice of deficiency or claim for refund

25261d. If the adjustments specified in Section 25261 are, with respect to any income year, prevented, on the date of the filing of the return of the taxpayer for the year of the replacement, or within four years from such date, by any provision or rule of law (other than this section), such adjustments shall nevertheless be made if, in respect of the income year for which the adjustment is sought, a notice of deficiency is mailed or a claim for refund is filed, as the case may be, within four years after the date of the filing of the return for the year of replacement. If, at the time of the mailing of such notice of deficiency or the filing of such claim for refund, the adjustment is so prevented, then the amount of the adjustment authorized by this article shall be limited to the increase or decrease of the tax imposed by this part previously determined for such income year which results solely from the effect of Section 25261, and such amount shall be assessed and collected, or credited or refunded, in the same manner as if it were a deficiency or an overpayment, as the case may be, for such income year and as if, on the date of the filing of the return for the year of the replacement, four years remain before the expiration of the periods of limitation upon assessment or the filing of claim for refund for the income year. The tax previously determined shall be ascertained in accordance with rules and regulations prescribed by the Franchise Tax Board. The amount to be assessed and collected under this paragraph in the same manner as if it were a deficiency, or to be credited or refunded in the same manner as if it were an overpayment, shall not be diminished by any credit or set-off based upon any item, inclusion, deduction, credit, exemption, gain, or loss, other than one resulting from the effect of Section 25261. Such amount, if paid, shall not be recovered by a claim or suit for refund, or suit for erroneous refund based upon any item, inclusion, deduction, credit, exemption, gain, or loss, other than one resulting from the effect of Section 25261.

SEC. 30. Section 25667 of the Revenue and Taxation Code is hereby amended to read:

25667. The appeal shall be addressed and mailed to the State Board of Equalization at Sacramento, California, and a copy of the appeal addressed and mailed at the same time to the Franchise Tax Board at Sacramento, California. The board shall hear and determine the appeal and forthwith notify the taxpayer and the Franchise Tax Board of its determination and the reasons therefor. Such determination shall be final upon the expiration of 30 days from the time of such determination unless within such 30-day period the taxpayer or the Franchise Tax Board files a petition for rehearing with said board. In that event the board's determination shall not become final until the expiration of 30 days from the time the board issues its opinion on the petition. Appeal

SEC. 31. Section 25668 of the Revenue and Taxation Code is hereby amended to read:

25668. When a deficiency is determined and the tax becomes final, the Franchise Tax Board shall mail notice and demand to the taxpayer for the payment thereof, and the tax shall be due and payable at the expiration of 10 days from the date of such notice and demand. Notice, etc

SEC. 32. Section 25670 of the Revenue and Taxation Code is hereby amended to read:

25670. Any amount of tax in excess of that disclosed by the return, due to a mathematical error, or failure of the taxpayer to compute properly the liability based on the net income reported on its return, notice of which has been mailed to the taxpayer, is not a deficiency assessment within the meaning of this article. The taxpayer has no right of protest or appeal based on such notice, nor shall such assessment or collection be prohibited by any of the provisions of this article. Computation errors

SEC. 33. Section 25672 of the Revenue and Taxation Code is hereby amended to read:

25672. Upon the adjudication of bankruptcy of any taxpayer in any bankruptcy proceeding or the appointment of a receiver for any taxpayer in any receivership proceeding before any court of the United States or of any state or territory or of the District of Columbia, any deficiency (together with all interest, additional amounts, or additions to the tax provided for by law) determined by the Franchise Tax Board in respect of a tax imposed by this act upon such taxpayer may be immediately assessed. In such cases the trustee in bankruptcy or receiver shall give notice in writing to the Franchise Tax Board of the adjudication of bankruptcy or the appointment of the receiver, and the running of the statute of limitations on the making of assessments shall be suspended for the period from the date of adjudication in bankruptcy or the appointment of the receiver to a date 30 days after the date upon which the notice from the trustee or receiver is received by the Franchise Tax Board; but the suspension under this sentence shall in no case be for a period in excess of two years. Claims for the deficiency and such Bankruptcy

interest, additional amounts and additions to the tax may be presented, for adjudication in accordance with law, to the court before which the bankruptcy or receivership proceeding is pending, despite the pendency of proceedings for the redetermination of the deficiency in pursuance of a petition to the board but no petition for any such redetermination shall be filed with said board after the adjudication of bankruptcy or the appointment of the receiver.

Any portion of the claim allowed in such bankruptcy or receivership proceeding which is unpaid shall be paid by the taxpayer upon notice and demand from the Franchise Tax Board after the termination of such proceeding and may be collected in the manner provided in this part for the collection of delinquent taxes at any time within six years after termination of such proceeding.

All of the provisions of this section applying to a trustee in bankruptcy or a receiver shall apply to an assignee for the benefit of the creditors of a taxpayer.

SEC. 34. Section 25781 of the Revenue and Taxation Code is hereby amended to read:

Agreement with the board

25781. The Franchise Tax Board, or any person authorized in writing by the Franchise Tax Board, is authorized to enter into an agreement in writing with any taxpayer in respect of any tax levied under this part for any taxable period.

SEC. 35. Section 25901 of the Revenue and Taxation Code is hereby amended to read:

Interest on unpaid tax

25901. If the tax imposed by this part, whether determined by the Franchise Tax Board or the taxpayer, or any installment or portion of the tax is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the tax, interest upon such unpaid amount at the rate of 6 percent per annum from the date prescribed for its payment until it is paid.

SEC. 36. Section 25934 of the Revenue and Taxation Code is hereby amended to read:

Deficiency without intent to defraud

25934. If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, 5 percent of the total amount of the deficiency, in addition to such deficiency and other additions provided in this chapter, shall be assessed, collected and paid in the same manner as if it were a deficiency.

SEC. 37. Section 26073a of the Revenue and Taxation Code is hereby amended to read:

Extension of time

26073a. If (1), the taxpayer has, within the period prescribed in, agreed in writing, under the provisions of Chapter 11, Article 1, to extend the time within which the Franchise Tax Board may propose an additional assessment, or, (2) the taxpayer has agreed with the United States Commissioner of Internal Revenue for an extension, or renewals thereof, of the period for proposing and assessing deficiencies in federal income tax for any year, the period within which a claim for credit or refund may be filed, or credit or refund allowed or made if no

claim is filed, shall be the period within which the Franchise Tax Board may make an assessment under such circumstances. The provisions of this section shall apply to any claim filed, or credit or refund allowed or made, before the execution of such agreements.

SEC. 38. Section 26073b of the Revenue and Taxation Code is hereby amended to read:

26073b. A claim for credit or refund based upon an overpayment on account of the deductibility, under Section 24121f, of a bad debt as one which became worthless, or an erroneous inclusion of an amount attributable to the recovery of a bad debt, prior tax or delinquency amount under Section 23881d, due to an adjustment of a bad debt deduction, shall be filed within seven years from the date prescribed by law for filing the return for the year with respect to which the claim is made. Bad debts

SEC. 39. Section 26451 of the Revenue and Taxation Code is hereby amended to read:

26451. Except as otherwise provided in this article, it is a misdemeanor for the Franchise Tax Board or any member thereof, any deputy, agent, clerk or other officer or employee, to divulge or make known in any manner the amount of income or any particulars relating to the business affairs of the taxpayer set forth or disclosed in any report or return required under this part. Penalty

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CHAPTER 74

An act to amend Sections 24121a, 24121g, 24201d, 25203c, 25292, 25295, and 25401 of, and to add Sections 24201d.1, 24201d.2, 25122, and 25295a to, and to repeal Section 24122 of, Part 11 of Division 2 of the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations, and providing that this act shall take effect immediately.

[Approved by Governor April 10, 1951. Filed with Secretary of State April 10, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 24121a of the Revenue and Taxation Code is hereby amended to read:

24121a. (1) All the ordinary and necessary expenses paid or incurred during the income year in carrying on business, including a reasonable allowance for salaries or other compensation for personal services actually rendered, and rentals or other payments required to be made as a condition to the continued use or possession for business purposes of property to which the taxpayer has not taken or is not taking title or in which it has no equity. Business expenses

(2) All the ordinary and necessary expenses paid or incurred during the taxable year for the production or collec-

tion of income, or for the management, conservation, or maintenance of property held for the production of income

(3) In the case of a taxpayer engaged in the business of farming, expenditures made for the purpose of soil and water conservation and the prevention of erosion of land used in farming shall be allowed as deductions under paragraph (1). For the purposes of this paragraph, the term "expenditures made for the purpose of soil and water conservation and the prevention of erosion" means expenditures for the treatment, moving, or cultivation of earth, including (but not limited to) leveling, grading and terracing, contour furrowing, the construction of diversion channels and drainage ditches, the control and protection of watercourses, outlets, and ponds, the planting and cultivation of cover and protective crops or windbreaks, the control of weeds and brush and other special or emergency cultivation and tillage; but such term does not include the purchase, construction, installation, or improvement of structures, appliances, and facilities made of masonry, concrete, tile, metal, or wood, such as tanks, reservoirs, pipes, conduits, canals, dams, wells, and pumps, which are subject to the allowance for depreciation provided in Section 24121g. For the purpose of this paragraph, the term "land used in farming" means land used (prior to the expenditure for conservation made by the taxpayer) by the taxpayer or his tenant or the predecessor owner or his tenant for the production of crops, fruits, and similar agricultural products or for the sustenance of livestock.

(4) No deduction shall be allowable under paragraphs (1), (2) or (3) of this section, to a taxpayer for any contribution or gift which would be allowable as a deduction under Section 24121k were it not for the 5 percent limitation therein contained and for the requirement therein that payment must be made within the income year.

SEC. 2. Section 24121g of the Revenue and Taxation Code is hereby amended to read:

Depreciation

24121g. A reasonable allowance for exhaustion, wear and tear and obsolescence of property used in the trade or business.

SEC. 3. Section 24201d of the Revenue and Taxation Code is hereby amended to read:

Nondeductible items. Amounts otherwise deductible

24201d. Any amount otherwise allowable as a deduction which is allocable to one or more classes of income not included in the measure of the tax imposed by this part, regardless of whether such income was received or accrued during the income year.

SEC. 4. Section 24201d.1 is hereby added to the Revenue and Taxation Code, to read:

Life insurance etc contract

24201d.1. Any amount paid or accrued on indebtedness incurred or continued to purchase a single premium life insurance or endowment contract. If substantially all the premiums on a life insurance or endowment contract are paid within a period of four years from the date on which such contract is purchased, such contract shall be considered a single premium life insurance or endowment contract.

SEC. 5. Section 24201d.2 is hereby added to the Revenue and Taxation Code, to read:

Taxes chargeable to capital account

24201d.2. Amounts paid or accrued for such taxes and carrying charges as, under regulations prescribed by the Franchise Tax Board, are chargeable to capital account with respect to property, if the taxpayer elects, in accordance with such regulations, to treat such taxes or charges as so chargeable.

SEC. 6. Section 25122 is hereby added to the Revenue and Taxation Code, to read:

Depreciation

25122. The basis of the allowance for depreciation prescribed in Section 24121g is the adjusted basis provided in Article 4, for the purpose of determining gain or loss upon the sale or other disposition of the property.

SEC. 7. Section 25203c of the Revenue and Taxation Code is hereby renumbered Section 25201b.3 and amended to read:

Separate return due to change in accounting period

25201b 3. If a separate return is made by a taxpayer subject to the tax imposed by Chapter 2, under Section 25201b 1 on account of a change in the accounting period the net income, computed on the basis of the period for which separate return is made, referred to in this section as "the short period," shall be placed on an annual basis by multiplying the amount thereof by 12, and dividing by the number of months in the short period. The Franchise Tax Board shall compute the amount of a tax on the income placed on such annual basis, and shall allow the offset provided for in Article 3 of Chapter 2, from such tax. The tax due under this section, which shall not be subject to offset, shall be such part of the tax, less the offset allowed, computed on such annual basis as the number of months in the short period is of 12 months

SEC. 8. Section 25292 of the Revenue and Taxation Code is hereby amended to read:

Casual sales or dispositions of property

25292. In the case (a) of a casual sale or other casual disposition of personal property (other than property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the income year), for a price exceeding one thousand dollars ($1,000) or (b) of a sale or other disposition of real property, if in either case the initial payments do not exceed 30 percent of the selling price, the income may, under regulations prescribed by the Franchise Tax Board be returned on the basis and in the manner prescribed by this article As used in this article the term "initial payments" means the payments received in cash or property other than evidences of indebtedness of the purchaser during the income year in which the sale or other disposition is made.

SEC. 9. Section 25295 of the Revenue and Taxation Code is hereby amended to read:

Unreported income

25295. Where a taxpayer elects to report income from the sale or other disposition of property as provided in this article, and the entire income therefrom has not been reported prior to the year that the taxpayer ceases to be subject to the tax imposed under Chapter 2 or Chapter 3 of this part, the unreported income shall be included in the measure of the tax

for the last year in which the taxpayer is subject to the tax imposed under Chapter 2 or Chapter 3 of this part. Abatement shall not be allowed under the provisions of Sections 23331 to 23333, inclusive, for any tax measured by such income.

This section shall not be applicable where the installment obligation is transferred pursuant to a reorganization as defined in Article 2 of Chapter 8 to another taxpayer a party to the reorganization subject to tax under the same chapter as the transferor The determination of any deficiency resulting from this section shall be made under the provisions of Chapter 11, Article 1, but the period of limitation under that article, and the accrual of interest under Chapter 12, Article 1 shall commence on the date the taxpayer ceases to be subject to the tax imposed under Chapter 2 or Chapter 3 of this part.

SEC. 10. Section 25295a is hereby added to the Revenue and Taxation Code, to read:

Inclusion of unreported income

25295a. If the Franchise Tax Board determines that the reporting of income from the sale or other disposition of property in the manner provided in this article may jeopardize the collection of a tax measured by such income, then, unless the taxpayer posts bond or other security in a form and amount satisfactory to the Franchise Tax Board to guarantee the payment of any tax that may become due measured by such income, the Franchise Tax Board may require that any of such income not previously reported shall be included in the computation of the measure of the tax for the last year during which the taxpayer was subject to the tax imposed under Chapter 2 or Chapter 3 of this part.

SEC. 11. Section 25401 of the Revenue and Taxation Code is hereby amended to read:

Transmittal of return to the board

25401. Every taxpayer subject to the tax imposed by this part shall, within two months and 15 days after the close of its income year, transmit to the Franchise Tax Board a return in a form prescribed by it, specifying for the income year, all such facts as it may by rule, or otherwise, require in order to carry out the provisions of this part A tax return, disclosing net income for any income year, filed pursuant to Chapter 2 or Chapter 3 of this part shall be deemed filed pursuant to the proper chapter of this part for the same income period, if the chapter under which filed is determined erroneous.

SEC. 12 Section 24122 of the Revenue and Taxation Code is hereby repealed.

Current expenses

SEC. 13. This act inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately.

Operative date

SEC. 14. This act shall become operative upon the taking effect of the Bank and Corporation Tax Law, enacted by Chapter 557, Statutes of 1949, as amended, or upon the effective date of this act, whichever is later.

SEC. 15 The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes, for the purpose of the taxes imposed under Chapter 2, of Part 11, Division 2 of the Revenue and Taxation Code, measured by income for income years beginning after December 31, 1950, and for the purpose of the tax imposed under Chapter 3, of Part 11, Division 2 of the Revenue and Taxation Code, for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions, and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended. Application of the act

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CHAPTER 75

An act to repeal Section 3 of an act entitled "An act relating to the Sixth District Agricultural Association, making an appropriation for the acquisition of land and the construction of facilities for the purposes of said association, and regulating the use of housing facilities under the control of said association," approved by the Governor July 17, 1947, relating to property under the control of the Sixth District Agricultural Association which is used for housing. Stats. 1947, p. 3041, repealed

[Approved by Governor April 11, 1951. Filed with Secretary of State April 11, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3 of the act cited in the title is hereby repealed. Repeal

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CHAPTER 76

An act to amend Section 707.5 of the Agricultural Code, relating to delinquent license fees under the Milk and Milk Products Act of 1947. Ag C §440, ff

[Approved by Governor April 11, 1951. Filed with Secretary of State April 11, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 707.5 of the Agricultural Code is amended to read:

707.5 A penalty of 25 percent or one dollar ($1), whichever is greater, shall accrue and be added to any portion of the Penalty

fee for renewal of any license required by any provision of the Milk and Milk Products Act of 1947 which is not paid within 30 days after expiration of the pre-existing license.

To the amount of any fee, other than a license fee, required under the provisions of the Milk and Milk Products Act of 1947, which is not paid within 30 days from the date when due, there shall accrue and be added a penalty of 25 percent of the unpaid amount of such fee, or one dollar ($1), whichever is greater, for each month or fraction thereof until the entire fee and penalty are paid.

CHAPTER 77

An act to add Article 5, consisting of Section 21150, to Chapter 8 of Part 3 of Division 5 of Title 2 of the Government Code, relating to the temporary employment of persons retired under the State Retirement System.

In effect September 22, 1951

[Approved by Governor April 11, 1951. Filed with Secretary of State April 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Article 5, consisting of Section 21150, is added to Chapter 8 of Part 3 of Division 5 of Title 2 of the Government Code, to read:

Article 5. Services After Retirement

Services after retirement

21150. Any person who has been retired under this part may, without reinstatement from retirement or loss or interruption of benefits under this part, be employed and paid a per diem and actual and necessary traveling expenses by any state agency in which he previously served while a member of the system, where by reason of actual or potential litigation involving the State or such agency and adverse interests, public or private, the services of such person are or may be necessary in preparing for trial or in testifying as to matters within or based upon his knowledge acquired while employed. No such person shall be so paid at a greater rate of compensation per diem than the rate ordinarily paid other persons by state agencies for similar services, nor shall any such person in any calendar year be employed for more than 30 days, nor be paid more than one thousand five hundred dollars ($1,500) for the performance of such services, exclusive of traveling expenses in connection therewith.

This section shall not be construed so as to permit the employment of retired persons as consultants with reference to any matter with which they were not directly concerned while employed.

CHAPTER 78

An act to add Section 370 to the Education Code, relating to employees of county superintendents of schools.

[Approved by Governor April 11, 1951. Filed with Secretary of State April 11, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 370 is added to the Education Code, to read:

370. A county superintendent of schools may enter into contracts of employment with persons employed by him in positions requiring certification qualifications for periods of not to exceed the term for which the county superintendent of schools was elected or appointed and in no event, for more than four years. Employment contracts

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CHAPTER 79

An act to add Section 13808 to the Education Code, relating to the salaries of persons employed by school districts in positions requiring certification qualifications, declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 12, 1951. Filed with Secretary of State April 12, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 13808 is added to the Education Code, to read:

13808. The governing board of a school district may during any school year increase the annual salaries of persons employed by the district in positions requiring certification qualifications at any time; provided, the board has retained the right to increase the salaries of such employees during the school year by appropriate rules and regulations adopted by the board prior to the commencement of the school year or by appropriate provisions in the contracts of employment entered into with such employees. School district employees' salaries

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

Under the existing law it is not clear whether the governing boards of all school districts have the power to increase the salaries of certificated employees of the district at any time. This act would authorize the governing boards of all districts to do so if the board so provides in its rules or by provision in the contracts of employment. Certificated employees must be notified by the governing boards of their re-employment for the next school year not later than May 15. In order to encourage certificated employees to continue their employment with the school

districts next fall rather than seeking jobs in defense industries which are rapidly expanding as a result of the national emergency, it is necessary that this act take effect immediately.

CHAPTER 80

An act to add Section 15427 to the Revenue and Taxation Code, relating to the specific exemption allowable under the Gift Tax Law.

In effect September 22, 1951

[Approved by Governor April 12, 1951. Filed with Secretary of State April 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 15427 is added to the Revenue and Taxation Code, to read:

Maximum gift exemption

15427. When the sum of all net gifts made to a donee by a donor is equal to or exceeds the amount of the specific exemption allowable on a gift made during any calendar year, no further exemption shall be allowed.

CHAPTER 81

Stats. 1950, p. 275

An act making an appropriation in augmentation of the appropriation in Item 130 of the Budget Act of 1950 for support of Local Allocations Division, Department of Finance, to take effect immediately.

In effect immediately

[Approved by Governor April 12, 1951. Filed with Secretary of State April 12, 1951.]

The people of the State of California do enact as follows:

Appropriation

SECTION 1. The sum of one hundred twenty-two thousand three hundred thirty-eight dollars ($122,338) is hereby appropriated out of the Public School Building Loan Fund in the State Treasury in augmentation of Item 130 of the Budget Act of 1950 for support of Local Allocations Division, Department of Finance.

Current expenses

SEC 2. This act makes an appropriation for the usual current expenses of the State within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 82

An act making an appropriation from the Fair and Exposition Fund in augmentation of the Poultry Testing Project Fund, to take effect immediately.

In effect immediately

[Approved by Governor April 12, 1951. Filed with Secretary of State April 12, 1951.]

The people of the State of California do enact as follows:

Appropriation Poultry Testing Project Fund

SECTION 1. There is hereby appropriated from any moneys in the Fair and Exposition Fund in the State Treasury

available for permanent improvements upon property of the State, citrus, county or district agricultural associations for fair purposes, allotted by Section 19626 of the Business and Professions Code, for augmentation of the Poultry Testing Project Fund the sum of seventeen thousand forty-four dollars ($17,044) to be transferred by the State Controller to the Poultry Testing Project Fund.

SEC. 2. This act, inasmuch as it makes an appropriation for the usual current expenses of the State, shall, under the provisions of Section 1, Article IV of the Constitution, take effect immediately. Current expenses

CHAPTER 83

An act making an appropriation in augmentation of the appropriation in Item 10 of the Budget Act of 1950, for expenses of Members of the Assembly, to take effect immediately. Stats. 1950, p. 255

[Approved by Governor April 12, 1951. Filed with Secretary of State April 12, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. The sum of six thousand four hundred eight dollars ($6,408) is hereby appropriated out of the General Fund in the State Treasury in augmentation of Item 10 of the Budget Act of 1950, for expenses of Members of the Assembly Appropriation Expenses of Assemblymen

SEC. 2. This act makes an appropriation for the usual current expenses of the State within the meaning of Article IV of the Constitution and shall go into immediate effect. Current expenses

CHAPTER 84

An act to amend Sections 2190 and 3091.5 of the Welfare and Institutions Code, relating to the destruction of records of needy persons.

[Approved by Governor April 12, 1951. Filed with Secretary of State April 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2190 of the Welfare and Institutions Code is amended to read:

2190. The board of supervisors in each county may, in its discretion, authorize the destruction or disposition of the case history, or any part thereof, of any recipient of aid to the aged who has not received such aid from such county for in excess of five years prior thereto. Destruction, etc., of case histories for recipients of aid to the aged

SEC. 2. Section 3091.5 of said code is amended to read:

3091.5. The board of supervisors in each county may, in its discretion, authorize the destruction or disposition of the case history, or any part thereof, of any recipient of aid to the needy blind who has not received such aid from such county for in excess of five years prior thereto. Same. Needy blind

CHAPTER 85

An act to amend Sections 17125.5, 17163.5, 17257, 17331, 17333, 17342, 17343, 17344, 17346, 17347, 17348, 17349, 17349.5, 17350, 18172.3, 18211, and 18213 to the Revenue and Taxation Code, relating to personal income taxes, and providing that this act shall take effect immediately.

In effect immediately

[Approved by Governor April 12, 1951. Filed with Secretary of State April 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 17125.5 of the Revenue and Taxation Code is amended to read:

Annuity contract purchased by employer

17125.5. If an annuity contract is purchased by an employer for an employee under a plan with respect to which the employer's contribution is deductible under Article 1.5 of Chapter 4 of this part, or Sections 24121p-1 to 24121p-5, inclusive, of this code, or if an annuity contract is purchased for an employee by an employer exempt under Article 3 of Chapter 4, Part 11, Division 2 of this code, the employee shall include in his income the amounts received under such contract for the year received. If the employee paid any of the consideration for the annuity, the annuity shall be included in his income as provided in Sections 17123, 17124, and 17125. The consideration for the annuity is the amount contributed by the employee.

SEC. 2. Section 17163.5 of the Revenue and Taxation Code is amended to read:

Nonrecognition of loss

17163.5. For the purposes of Section 17163, a loss with respect to which a deduction is disallowed under Sections 24121d and 24121e of this code shall not be deemed to be recognized.

SEC. 3. Section 17257 of the Revenue and Taxation Code is amended to read:

"Inheritance tax"

17257. As used in Section 17256, the term "inheritance tax" means the tax imposed upon the beneficiary of the decedent under the California Inheritance Tax Law. The net value for inheritance tax purposes of all the items described in Section 17250 shall be the excess of the value for inheritance tax purposes of all the items described in Section 17250 over the deductions from the gross estate in respect of claims which represent the deductions described in Sections 17254 and 17255. The inheritance tax attributable to the net value shall be an amount equal to the excess of the inheritance tax over the inheritance tax computed without including in the gross estate the net value.

SEC. 4. Section 17331 of the Revenue and Taxation Code is amended to read:

Worthlessness of interest on property destruction

17331. Section 17330.5 shall apply only if the interest would have become worthless if the property had been destroyed. For the purposes of this section, an interest shall be deemed to have become worthless notwithstanding the fact that

the interest has a value if that value is attributable solely to the possibility of recovery of the property, compensation (other than insurance or similar indemnity) on account of its destruction or seizure, or both. Sections 17311 and 17307 shall not apply to any interest which under this section is considered to have been destroyed or seized.

SEC. 5. Section 17333 of the Revenue and Taxation Code is amended to read:

Choice of date

17333. The taxpayer's choice of a date under Sections 17330.1, 17330.2, 17330.3, and 17330.5 shall be effective only if made within the time and in the manner as may be prescribed by regulations prescribed by the Franchise Tax Board.

SEC. 6. Section 17342 of the Revenue and Taxation Code is amended to read:

Obligations, etc., treated as discharged

17342. If for any previous taxable year the taxpayer chooses under Sections 17334, 17335 and 17336 to treat any obligations and liabilities as discharged or satisfied out of the property or interest described in Sections 17330 to 17333, inclusive, and if such obligations and liabilities were not so discharged or satisfied, the amount of such obligations and liabilities treated as discharged or satisfied under Sections 17334, 17335, and 17336 shall be considered for the purposes of this article as a deduction by reason of this article which did not result in a reduction of any tax of the taxpayer under this part.

SEC. 7. Section 17343 of the Revenue and Taxation Code is amended to read:

Destroyed, etc., property

17343. For the purposes of Sections 17338, 17339, 17340, 17341, and 17342, an allowable deduction for any taxable year on account of the destruction or seizure of property described in Sections 17330 to 17333, inclusive, shall, to the extent not allowed in computing the tax of the taxpayer for the taxable year, be considered an allowable deduction which did not result in a reduction of any tax of the taxpayer under this part.

SEC. 8. Section 17344 of the Revenue and Taxation Code is amended to read:

Interest restored

17344. For the purposes of Sections 17337 to 17343, inclusive, the restoration in whole or in part of the value of any interest described in Sections 17330.5, 17331 and 17332 by reason of any recovery of money or property in respect of property to which the interest related and which was considered under Sections 17330 to 17330.4, inclusive, as destroyed or seized shall be deemed a recovery of property in respect of property considered under Sections 17330 to 17333, inclusive, as destroyed or seized.

SEC. 9. Section 17346 of the Revenue and Taxation Code is amended to read:

Unadjusted basis

17346. The unadjusted basis shall be an amount equal to the fair market value of that property, determined as of the date of the recovery, reduced by an amount equal to the excess of the aggregate of the fair market value and the amounts of previous recoveries of money or property in respect of property

considered under Sections 17330 to 17333, inclusive, as destroyed or seized over the aggregate of the allowable deductions in prior taxable years on account of the destruction or seizure of property described in Sections 17330 to 17333, inclusive, and increased by that portion of the amount of the recovery which under Section 17341 is treated as a recognized gain from the involuntary conversion of property.

SEC. 10. Section 17347 of the Revenue and Taxation Code is amended to read:

Allocation of aggregate of bases

17347. Upon application of the taxpayer, the aggregate of the bases, determined under Section 17346, of any properties recovered in respect of properties considered under Sections 17330 to 17333, inclusive, as destroyed or seized may be allocated among the properties so recovered in such manner as the Franchise Tax Board may determine under regulations prescribed by it, and the amounts so allocated to any property so recovered shall be the unadjusted basis of the property in lieu of the unadjusted basis of the property determined under Section 17346.

SEC. 11. Section 17348 of the Revenue and Taxation Code is amended to read:

Loss by destruction, etc

17348. If: (a) A taxpayer owns not less than 50 percent of each class of stock of a corporation; and

(b) That corporation has property described in Sections 17330 to 17330.4, inclusive, as destroyed or seized; and

(c) The adjusted basis for determining loss of that property is at least 75 percent of the adjusted basis for determining loss of all the property of that corporation; and

(d) That corporation completely liquidates within one year after that property is deemed to be destroyed or seized, or by December 31, 1943, whichever is later; and

(e) The liquidation is accomplished by distributing all the assets which it is able to distribute and all its rights to assets which it is not able to distribute, including the right to the recovery of the property described in Sections 17330 to 17330.4, inclusive;

Then that part of the loss by the taxpayer on the liquidation which would be attributable to the destruction or seizure of the property, as established to the satisfaction of the Franchise Tax Board, shall be treated for the purposes of this part as a loss by the taxpayer upon the destruction or seizure of the part of the stock or other interest of the taxpayer to which such loss is allocable. That part of the stock or other interest of the taxpayer shall be treated for the purposes of Sections 17334 to 17347, inclusive, as property described in Sections 17330.5, 17331, and 17332.

SEC. 12. Section 17349 of the Revenue and Taxation Code is amended to read:

Determination of adjusted basis

17349. In determining the adjusted basis of all the property of the corporation, for the purposes of Section 17348, there shall be excluded money in the United States, bank deposits, the right to receive money from any person not situated in a country

at war with the United States or in a territory under the control of that country, and obligations issued or guaranteed as to principal or interest by the United States, except that there shall not be excluded any property which is destroyed or seized as described in Sections 17330 to 17333, inclusive, within or before the taxable period.

SEC. 13. Section 17349.5 of the Revenue and Taxation Code is amended to read:

Same Date

17349.5. The adjusted basis of property of the corporation shall be determined, for the purposes of Section 17348, as of the date immediately preceding the first date on which any property was destroyed or seized as described in Sections 17330 to 17333, inclusive, or as of any later date falling within or before the taxable period on the basis of which the determination will produce a greater amount.

SEC. 14. Section 17350 of the Revenue and Taxation Code is amended to read:

Determination of extent, etc., of reduction

17350. The determination, for the purposes of Section 17348, as to whether and to what extent an allowable deduction on account of the destruction or seizure of property described in Sections 17330 to 17333, inclusive, did or did not result in a reduction of any tax of the taxpayer under this chapter shall be made in accordance with regulations prescribed by the Franchise Tax Board.

SEC. 15. Section 18172.3 of the Revenue and Taxation Code is amended to read:

Income of wife's trust

18172.3. There shall be included in the gross income of a wife who is divorced or legally separated under a decree of divorce or separate maintenance the amount of the income of any trust which the wife is entitled to receive and which, except for the provisions of this section and Sections 18172.5 and 18172.7 would be includible in the gross income of her husband, and such amount shall not, despite any provision of this part, be includible in the gross income of the husband.

SEC. 16. Section 18211 of the Revenue and Taxation Code is amended to read:

Common trust fund

18211. A common trust fund shall not be subject to taxation under the provisions of Division 2, Part 11 of this code, nor shall the income thereof be taxable under the provisions of Division 2, Part 10 of this code or otherwise, but the participants therein or the beneficiaries or grantor of such participants shall be subject to taxation as provided in this article.

SEC. 17. Section 18213 of the Revenue and Taxation Code is amended to read:

Same Computation of net income

18213. The net income of a common trust fund shall be computed in the same manner and on the same basis as in the case of an individual, except that

(a) There shall be segregated the capital gains and losses, and the net capital gain or loss shall be computed in accordance with the provisions of Section 17712 and other applicable provisions of this code.

(b) After excluding all items of capital gain or loss, there shall be computed (1) the ordinary net income which shall consist of the excess of the gross income over the deductions, or (2) the ordinary net loss which shall consist of the excess of the deductions over the gross income.

(c) The so-called "charitable contributions" deduction provided for in Section 17315 of this code shall not be allowed.

(d) The standard exemption provided for in Sections 17325 to 17329, inclusive, of this code shall not be allowed.

Current expenses

SEC. 18. This act, inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately.

Application of act

SEC. 19. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended.

CHAPTER 86

An act to add Section 200.5 to the Agricultural Code, relating to inclusion of poultry within the animal quarantine provisions of the Agricultural Code, declaring the urgency of this act, to take effect immediately.

In effect immediately

[Approved by Governor April 12, 1951. Filed with Secretary of State April 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 200.5 is added to the Agricultural Code, to read:

Definitions

200.5. As used in this article, the words "animal" or "livestock" or "domestic animal," unless the context clearly shows a contrary intention, shall include poultry as though same has been specifically designated.

For the purposes of this article, the term "poultry" shall include all domesticated fowls and any wild fowls or birds reduced to captivity.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

A shipment of fowls from China in March, 1950, including both wild and domesticated forms, was received in California by aircraft and permitted entry by federal authorities. Observation of an apparent illness within these fowls led to the discovery that these were infected with a seriously injurious malady variously known as fowl pest or Asiatic Newcastle disease. Scientific and research authorities recommended the immediate destruction of all of the fowls showing symptoms of the malady and such fowls as may have been exposed to infection by association with the diseased birds. Necessary quarantine action was taken and rules and regulations of the Department of Agriculture put into operation to destroy infected and exposed fowls in the interest of protecting further spread to the commercial poultry flocks of the State.

The policy of indemnification for property taken under the exercise of the police power has been established within the Constitution insofar as livestock is concerned, but the provisions of the Agricultural Code cannot be clearly construed to allow indemnification in the case of poultry. Since the fowls were destroyed on premises found to show evidence of infection, it would appear that in the interest of protecting the commercial poultry production of the State the owners of such fowls should be reimbursed in keeping with heretofore established policy for livestock.

This legislation, therefore, becomes necessary in order that the Department of Agriculture may fulfill such an obligation.

CHAPTER 87

An act making an appropriation in augmentation of the appropriation in Item 30 of the Budget Act of 1950 for support of the California Disaster Council, to take effect immediately.

Stats 1950, p 255

[Approved by Governor April 16, 1951. Filed with Secretary of State April 16, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. The sum of three hundred five thousand twenty-seven dollars ($305,027) is hereby appropriated out of the General Fund in the State Treasury in augmentation of Item 30 of the Budget Act of 1950, for support of the California Disaster Council.

Appropriation California Disaster Council

SEC. 2. This act makes an appropriation for the usual current expenses of the State within the meaning of Article IV of the Constitution and shall go into immediate effect.

Current expenses

CHAPTER 88

Stats 1950, p. 255

An act making an appropriation to the Department of Veterans Affairs for educational assistance to veterans, in augmentation of Item 264 of the Budget Act of 1950, to take effect immediately.

In effect immediately

[Approved by Governor April 16, 1951. Filed with Secretary of State April 16, 1951.]

The people of the State of California do enact as follows:

Appropriation Department of Veterans Affairs

SECTION 1. Out of any money in the General Fund not otherwise appropriated, the sum of nine hundred seventy-five thousand dollars ($975,000) is hereby appropriated to the Department of Veterans Affairs for educational assistance to veterans in augmentation of Item 264 of the Budget Act of 1950.

Current expenses

SEC. 2. This act, inasmuch as it makes an appropriation for the usual current expenses of the State, shall, under the provisions of Section 1, Article IV of the Constitution, take effect immediately.

CHAPTER 89

An act to add Sections 14720.1 and 14737.1 to the Education Code, relating to retirement of employees of school districts, providing for the management of school district retirement funds, and declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor April 16, 1951. Filed with Secretary of State April 16, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 14720.1 is added to the Education Code, to read:

Retirement of school district cafeteria employees

14720.1. Every cafeteria employee of a school district which has adopted, or adopts, a plan for district retirement who is a member or becomes a member of said plan, shall be entitled to the benefits and be bound by the burdens of this article and shall receive full credit for his service as a school cafeteria employee rendered before he became a member of the plan to the pupils of any of the districts under the same governing board which governs the district of which he is now an employee, whether such service was paid for by the school districts or otherwise. For purposes of computing benefits for service credited as provided in this section, the average monthly salary earned by a cafeteria employee during the year 1944-45 shall be used. At the time of retirement of any school district employee entitled to credit for service under this section, the school district shall pay into the district retirement fund such sum as may be necessary to provide both annuity and pension benefits in respect to such credited service.

SEC. 2. Section 14737.1 is added to said code, to read:

14737.1. Whenever the United States Government or any department or agency thereof offers to exchange bonds or other interest bearing notes and obligations of the United States for other bonds or interest bearing notes and obligations of the United States of a different series or issue, the district retirement board may exchange any bonds or other interest bearing notes and obligations of the United States in which funds of the district retirement fund are then invested for bonds or other interest bearing notes and obligations of the United States, in accordance with the terms of such offer. Exchange, etc., of bonds of the United States

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

Many of the school district employees to whom credit in the district retirement plan is extended by this act must terminate their district employment at the end of the current fiscal year. Unless this act takes immediate effect, such employees cannot participate in the retirement benefits extended by this act, and in consequence thereof will be occasioned great hardship and distress because such retirement allowances as they may receive will be inadequate for their needs. Substantial amounts of district retirement fund moneys are now invested in United States Government bonds of a series for which Treasury Department has offered to exchange other United States bonds bearing a higher interest rate. That offer will expire on or about April 7, 1951. To enable the district retirement boards of California school districts to exchange those United States bonds in which district retirement fund moneys are now invested for United States bonds bearing higher interest, and so to reduce the amounts which must be raised by district taxation in already heavily taxed districts, it is necessary that this act take effect immediately.

CHAPTER 90

An act to amend Section 1550 of the Welfare and Institutions Code, relating to aid to needy children, in respect to applications therefor.

[Approved by Governor April 16, 1951. Filed with Secretary of State April 16, 1951] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1550 of the Welfare and Institutions Code is amended to read:

1550. Except as provided in Section 1557 of this code, application for aid in behalf of any child shall be made to the county in which he is living at the time of application. The county shall promptly investigate all applications in the man- Application for aid to needy children

ner and on forms prescribed by the State Department of Social Welfare. The county shall approve or deny such application. The county shall have a period of 60 days after the date of application within which to determine whether or not the child is eligible for aid. If the investigation is not completed at the end of the 60-day period, the investigation shall continue until completed, and if eligibility is established, aid shall begin as of the first day of the month in which eligibility is established or as of the first day of the month following the end of the 60-day period, whichever is earlier.

CHAPTER 91

Stats. 1950, p. 255

An act making an appropriation in augmentation of the appropriation in Item 278 of the Budget Act of 1950, for Salary Increase Fund, to take effect immediately.

In effect immediately

[Approved by Governor April 16, 1951. Filed with Secretary of State April 16, 1951.]

The people of the State of California do enact as follows:

Appropriation

SECTION 1. The sum of one hundred forty-five thousand eight hundred seventy-five dollars ($145,875) is hereby appropriated out of the General Fund in the State Treasury in augmentation of Item 278 of the Budget Act of 1950, for Salary Increase Fund.

Current expenses

SEC. 2. This act makes an appropriation for the usual current expenses of the State within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 92

An act to add Section 10246 to the Government Code, relating to participation by the Legislative Counsel in judicial proceedings.

In effect September 22, 1951

[Approved by Governor April 17, 1951. Filed with Secretary of State April 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10246 is added to the Government Code, to read:

Participation by Legislative Counsel in judicial proceedings

10246. The Legislative Counsel shall not appear in any action or proceeding in the courts of this State or of the United States without the prior approval of the Joint Committee on Interhouse Cooperation. If the existence of said committee terminates, such approval may be given in writing by the Speaker of the Assembly and the President pro Tempore of the Senate. Nothing in this section shall prevent the Legislature from giving its approval for such appearance by concurrent resolution.

CHAPTER 93

An act to add Section 1529 to Chapter 8 of Division 4 of the Probate Code, relating to guardian and ward.

[Approved by Governor April 17, 1951. Filed with Secretary of State April 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1529 is added to Chapter 8 of Division 4 of the Probate Code, to read:

1529. None of the provisions of any of the sections of this chapter shall apply to the transfer, encumbrance or other disposal of real property, or any interest therein, owned by husband and wife as community property or to the transfer, encumbrance or other disposal of real property, or any interest therein, owned by husband and wife as community property and which is subject to a homestead or to the transfer, encumbrance or other disposal of real property, or any interest therein, owned by husband or wife as separate property and which is subject to a homestead. Proceedings for the transfer, encumbrance or other disposal of community realty or community or separate property of a spouse or spouses which is subject to a homestead where a spouse is incompetent are maintainable only under the provisions of Chapter 2A of Division 4 of this code.

Transfer, etc., of real property

CHAPTER 94

An act to amend Sections 1102 and 1140 of the Health and Safety Code, relating to state aid for local health administration.

[Approved by Governor April 17, 1951. Filed with Secretary of State April 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1102 of the Health and Safety Code is amended to read:

1102. For the purposes of this chapter a "local health department" shall be interpreted to mean any one of the following public health administrative organizations:

"Local health department"

(a) A local health district created pursuant to Division 1, Part 2, Chapter 6 of the Health and Safety Code, which includes territory in one or more counties, and which includes at least all of the cities which have less than 50,000 population in such county or counties.

(b) A local health department serving one or more counties which shall on the effective date of this act and thereafter provide services to all cities whose population is less than 50,000 in addition to the unincorporated territory of such county or counties.

(c) A county health department which does not serve all of the cities of less than 50,000 population, but which has the provisional approval of the State Department of Public Health, in accordance with Section 1140.

(d) The health department of a city of 50,000 or greater population, except that the governing body of such city by resolution may declare its intention to be included under the jurisdiction of the county health department, or of the local health district serving other territory in such county, as provided by existing statutes.

(e) The local health department of any county which had under its jurisdiction on the effective date of this chapter a population in excess of 1,000,000, or the local health department of any city and county.

SEC. 2. Section 1140 of the Health and Safety Code is amended to read:

Provisional approval

1140. Provisional approval may be given by the State Department of Public Health to a county health department which meets minimum standards as provided for in this chapter, but which does not serve all cities of less than 50,000 population within such county.

CHAPTER 95

An act to amend Sections 10525, 10528, 10529, and 10532 of the Health and Safety Code, Sections 69a and 73 of the Civil Code, and Section 27252 of the Government Code and to repeal Sections 27241 and 27242 of the Government Code, relating to the registration and indexing of marriages.

In effect September 22, 1951

[Approved by Governor April 17, 1951. Filed with Secretary of State April 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10525 of the Health and Safety Code is amended to read:

Registry of marriage certificate Filing

10525. Every person who performs a marriage ceremony in this State shall within four days after the ceremony file with the local registrar for marriages (county recorder of the county in which the license was issued) a certificate of registry of the marriage.

SEC. 2. Section 10528 of the Health and Safety Code is amended to read:

Same Copy

10528. The local registrar for marriages (county recorder) shall make a complete and accurate copy of each certificate of registry of marriage filed with him, and shall preserve it in his office as the local record of marriage in the manner directed by the State Registrar.

SEC. 3. Section 10529 of the Health and Safety Code is amended to read:

10529. He shall carefully examine each report, and register the same marriage but once, although reported by different persons Examination etc

SEC. 4. Section 10532 of the Health and Safety Code is amended to read:

10532. On or before the fifth day of each month he shall transmit to the State Registrar the original certificates of registry of marriage, filed with him during the preceding month. Such transmittal may be made at more frequent intervals by arrangement with the State Registrar. Transmittal of original certificates

SEC. 5. Section 69a of the Civil Code is amended to read:

69a. All persons about to be joined in marriage must obtain from the county clerk of the county in which the license is issued, in addition to the license therefor provided for in Section 69 of the Civil Code, a certificate of registry of marriage as provided in Section 10526 of the Health and Safety Code containing the items therein listed which certificate of registry of marriage shall be filled out as provided, in the presence of the county clerk issuing the marriage license and shall then be presented to the person performing the ceremony who shall complete the certificate thereon and shall cause to be entered thereon the signature and address of one witness to the marriage ceremony. Such certificate of registry of marriage shall be filed by the person performing the ceremony with the local registrar for marriages (county recorder) of the county in which the license was issued within four days after the ceremony. Procurement of certificate

SEC. 6. Section 73 of the Civil Code is amended to read:

73. The person solemnizing a marriage must make, sign and endorse upon or attach to the license a statement, in the form prescribed by the State Department of Public Health showing: Statement of one solemnizing marriage

1. The fact, time and place of solemnization; and

2. The names and places of residence of one or more witnesses to the ceremony.

3. A statement of the official position of the person solemnizing the marriage, or of the denomination of which said person is a priest or minister.

The marriage license, thus endorsed, shall be returned to the local registrar for marriages (county recorder) of the county in which the license was issued within four days after the ceremony.

SEC. 7. Section 27241 and Section 27242 of the Government Code are hereby repealed.

SEC. 8. Section 27252 of the Government Code is amended to read:

27252. The recorder shall keep an index to the certificates of births, deaths and marriages. Index to birth certificates, etc

CHAPTER 96

An act to amend Section 1335 of the Penal Code, relating to conditional examination of witnesses.

In effect September 22, 1951

[Approved by Governor April 19, 1951. Filed with Secretary of State April 19, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1335 of the Penal Code is amended to read:

Conditional examination of witnesses

1335. When a defendant has been charged with a public offense triable in the superior court, he in all cases, and the people in cases other than those for which the punishment may be death, may, if the defendant has been fully informed of his right to counsel as provided by law, have witnesses examined conditionally in his or their behalf, as prescribed in this chapter.

CHAPTER 97

An act to repeal Section 496 and to amend and renumber Section 496bb of the Penal Code, relating to buying, receiving, concealing, or withholding stolen property, and prescribing penalties for violation of the provisions thereof.

In effect September 22, 1951

[Approved by Governor April 19, 1951. Filed with Secretary of State April 19, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 496 of the Penal Code is repealed.

SEC. 2. Section 496bb of the Penal Code is renumbered Section 496 and amended to read:

Penalty for buying, etc., stolen property

496 1. Every person who buys or receives any property which has been stolen or which has been obtained in any manner constituting theft or extortion, knowing the same to be so stolen or obtained, or who conceals, withholds or aids in concealing or withholding any such property from the owner, is punishable by imprisonment in a state prison for not more than 10 years, or in a county jail for not more than one year.

Presumption

2. Every person whose principal business is dealing in or collecting used or second hand merchandise or personal property, and every agent, employee or representative of such person, who buys or receives any property which has been stolen or obtained in any manner constituting theft or extortion, under such circumstances as should cause such person, agent, employee or representative to make reasonable inquiry to ascertain that the person from whom such property was bought or received had the legal right to so sell or deliver it, without making such reasonable inquiry, shall be presumed to have bought or received such property knowing it to have been so stolen

or obtained. This presumption may, however, be rebutted by proof.

3. When in a prosecution under this section it shall appear from the evidence that the defendant's principal business was as set forth in the preceding paragraph, that the defendant bought, received, or otherwise obtained, or concealed, withheld or aided in concealing or withholding from the owner, any property which had been stolen or obtained in any manner constituting theft or extortion, and that the defendant bought, received, obtained, concealed or withheld such property under such circumstances as should have caused him to make reasonable inquiry to ascertain that the person from whom he bought, received, or obtained such property had the legal right to sell or deliver it to him, then the burden shall be upon the defendant to show that before so buying, receiving, or otherwise obtaining such property, he made such reasonable inquiry to ascertain that the person so selling or delivering the same to him had the legal right to so sell or deliver it. Burden of proof

Any person who buys or receives any property which has been stolen or which has been obtained in any manner constituting theft or extortion, from any person under the age of 18 years shall be presumed to have bought or received such property knowing it to have been so stolen or obtained, unless such property is sold by such minor at a fixed place of business carried on by the minor or his employer. This presumption may, however, be rebutted by proof.

CHAPTER 98

An act to amend Sections 1731.5 and 1732 of the Welfare and Institutions Code, relating to commitments to the Youth Authority.

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1731.5 of the Welfare and Institutions Code is amended to read:

1731.5. After certification to the Governor as provided in this article and until January 1, 1954, a court may refer to the authority any person convicted of a public offense who comes within all of the following description: Commitment to authority

(a) Is found to be less than 21 years of age at the time of apprehension;

(b) Is not sentenced to death, imprisonment for life, imprisonment for 90 days or less, or the payment of a fine, or after having been directed to pay a fine, defaults in the payment thereof, and is subject to imprisonment for more than 90 days under the judgment;

(c) Is not granted probation.

If the authority believes that any person referred to it as provided in this section can be materially benefited by the

procedure and discipline of the authority, and that proper and adequate facilities exist for the care of such person, it shall so certify to the court. The court shall thereupon commit said person to the authority.

SEC. 2. Section 1732 of said code is amended to read:

Same

1732. Except as otherwise provided in this chapter the court shall commit to the authority every person convicted of a public offense after January 1, 1954, who

(a) Is found to be less than 21 years of age at the time of apprehension, and

(b) Is not sentenced to death, imprisonment for life, imprisonment for 90 days or less, or the payment of a fine or who, after having been directed to pay a fine, defaults in the payment thereof, and is subject to imprisonment for more than 90 days under the judgment, and

(c) Is not granted probation.

CHAPTER 99

An act to add Section 886 to the Welfare and Institutions Code, relating to a ward of the juvenile court residing in a county other than the county of his residence.

In effect September 22, 1951

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 886 is added to the Welfare and Institutions Code, to read:

Residence of court ward

886. Any person adjudged to be a ward of the juvenile court may be permitted by order of the court to reside in a county other than the county of his residence and the court shall retain jurisdiction over such person.

Whenever a ward of the juvenile court is permitted to reside in a county other than the county of his residence, he may be placed under the supervision of the probation officer of such county, with the consent of the probation officer. The ward shall comply with the instructions of the probation officer and upon failure to do so shall be returned to the county of his residence for further hearing and order of the court.

CHAPTER 100

An act to amend Section 1203.11 of the Penal Code, relating to probation officers' reports.

In effect September 22, 1951

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1203.11 of the Penal Code is amended to read:

1203 11. Every probation officer, within 90 days after the thirty-first day of December, of each year, shall make in writing and file as a public document with the county clerk a report to the superior court of the county or city and county in which such probation officer is appointed to serve, and shall furnish a copy of such report to each judge in said county or city and county who has released any person on probation, who at the time of such report remains on probation, and a further copy to the Youth Authority. Such report shall state, without giving names, the exact number of persons, segregating male and female, and segregating misdemeanors and felonies, who have been released on probation to such probation officer as such number exists, deducting all cases of expiration, discharge, dismissal, and restoration of rights, on said thirty-first day of December; and such report shall further segregate such person as having been released on probation, as the case may be, in 1903, 1904, 1905, and so on, up to and including the calendar year in which such report is made and filed. Probation officers' reports

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CHAPTER 101

An act to amend Section 826.5 of the Welfare and Institutions Code, relating to alternative procedure in misdemeanor cases with respect to the orders of juvenile court referees.

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 826.5 of the Welfare and Institutions Code is amended to read:

826.5. The judge of the juvenile court may at his discretion appoint judges or justices to act as referees in juvenile court matters in the county in which he presides. Each person so appointed shall hold his appointment at the pleasure of the judge of the juvenile court. Whenever the offense charged is a misdemeanor, the judge or justice appointed as referee, in lieu of certifying the person charged to the juvenile court as provided in Section 826, may retain jurisdiction over the person charged as a referee of the juvenile court, and may after an investigation of the circumstances make such order for his future good conduct, for a period of not exceeding six months, as appears proper, such orders shall be reported in writing within a period of 10 days to the judge of the juvenile court for his approval. If any such order reported is not approved by the judge of the juvenile court, the judge or justice shall immediately revoke his original order and certify the case to the juvenile court as provided in Section 826 of this code. If the person charged violates the terms of the order, the judge or justice acting as referee may again investigate the circumstances, and if Alternative procedure in juvenile cases

he deems it proper may certify the person charged to the juvenile court as provided in Section 826. The jurisdiction herein conferred upon the judge or justice shall not be construed as a grant of power to commit a juvenile offender to any penal or correctional institution.

CHAPTER 102

An act to provide for the reversion to the General Fund of any unexpended balance in the Sacramento and San Joaquin Drainage District General Administrative Assessment No. 1 Fund.

In effect September 22, 1951

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

The people of the State of California do enact as follows:

Reversion of fund

SECTION 1. Any unexpended balance remaining in the Sacramento and San Joaquin Drainage District General Administrative Assessment No. 1 Fund shall, on the effective date of this act, revert to and become a part of the General Fund in the State Treasury.

CHAPTER 103

An act to amend Section 988.3 of the Military and Veterans Code, relating to advances of money to the Department of Veterans Affairs by the State Department of Finance.

In effect September 22, 1951

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 988.3 of the Military and Veterans Code is amended to read:

Advances for contingent expenses, etc

988.3. The State Department of Finance is hereby authorized to provide for advances of money to the department, needed to meet contingent expenses, to such an amount not exceeding twenty-five thousand dollars ($25,000), as the said Department of Finance shall deem necessary, and to provide for advances of money to the department, needed to carry out the provisions of Articles 3 and 3.5 of this chapter to such an amount not exceeding five million dollars ($5,000,000), as the said Department of Finance may deem necessary, such advances to be administered as revolving funds. The State Controller is hereby authorized and directed to draw his warrants upon the Veterans' Farm and Home Building Fund for such advances, and the State Treasurer is hereby authorized and directed to pay the same.

CHAPTER 104

An act to add Section 5402.5 to, and to amend Section 5406 of, the Welfare and Institutions Code, relating to the support and parole of persons committed or confined to branches of county jails for inebriety.

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5402.5 is added to the Welfare and Institutions Code, to read:

5402.5. The reasonable cost of maintenance of a person committed or confined under the provisions of Section 5402 to a branch of the county jail, in a sum to be fixed by the court at the time of the commitment or confinement, shall be a charge against the person committed or confined, or if such person be indigent against his relatives liable for his maintenance. Charge for support

Prior to the making of the order of confinement provided for in Section 5402, the court shall inquire into the financial condition of the person confined and of the relatives liable for his maintenance. If the court finds such person or persons able to do so in whole or in part, a further order shall be made requiring him or them to pay to the county making the confinement to the extent the judge considers just, the expense of the proceedings in connection with his confinement, and to pay to the county maintaining the branch of the county jail, such sums as the court deems proper during such time as the person confined remains in said branch of the county jail.

The county auditor shall keep a record of such payments ordered to be made to the county, and shall receive, receipt for, and record such payments made, pay over such payments to the county treasurer, see that the persons ordered to make such payments comply with such orders, and report to the court any failure on the part of such persons to make such payments.

SEC. 2. Section 5406 of the Welfare and Institutions Code is amended to read:

5406. If the court orders that the person be confined in a state hospital, the court shall commit the person to the Department of Mental Hygiene for placement in a designated hospital for a definite period not to exceed two years, but he may be paroled by the medical superintendent under the same rules and conditions under which the insane are paroled, and the superintendent, on filing his written certificate with the Director of Mental Hygiene, may discharge any person committed under this article when he is satisfied that the person will not receive substantial benefit from further hospital treatment, with the same power as contained in Article 8, Chapter 1, Part 4, Division 6 of this code. In the event that the person shall have been committed to an industrial farm or industrial road camp or branch of the county jail, as provided in Section 5402 or 5404 Parole and discharge

of this code, he may, after recommendation by the medical director of the county that the person will not receive substantial benefit from further confinement, be paroled by the county board of parole commissioners in the same manner as prisoners in county jails are paroled.

CHAPTER 105

An act to amend Sections 2210, 2211, and 2216 of the Business and Professions Code, relating to qualifications for the practice of medicine.

In effect September 22, 1951

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2210 of the Business and Professions Code is amended to read:

Medical officers

2210. An applicant may apply for a physician's and surgeon's certificate in accordance with this article, if he comes within the provisions of this article and if his application is based on a commission as a medical officer:

(a) In the United States Army, Navy, or Public Health Service, other than in a medical reserve corps of such services.

(b) In any of the armed forces of the United States during the period December 7, 1941, to December 31, 1946, and who was a bona fide resident of California before entering medical school.

SEC. 2. Section 2211 of said code is amended to read:

Scope of article

2211. This article applies to any medical director, medical inspector, passed assistant surgeon and assistant surgeon of the United States Navy, and to any surgeon of the United States Army, and to medical officers of the same class who served as such officers in any of the armed forces of the United States during the period December 7, 1941, to December 31, 1946. Each applicant in any such service shall be one who is honorably discharged, temporarily detached, placed upon the retired list without being discharged from, or on active duty in the medical department of the United States Army, Navy, or any of the armed forces of the United States, or who, by resignation, has honorably severed all connections with any such service.

SEC. 3. Section 2216 of said code is amended to read:

Examination

2216. If it appears to the satisfaction of the board, that the applicant was commissioned in the United States Army, Navy, Public Health Service or any service in the armed forces of the United States as defined in Section 2210 of this code, at a time when the requirements of the service for his commission were in any degree or particular less than those which were required for the issuance of a similar certificate to practice in

California at the date of his commission, the board, in its discretion, may require the applicant to pass a practical, clinical, oral examination before a certificate may be issued or the board may, for cause, refuse to issue a certificate.

CHAPTER 106

An act to amend Section 2319 of the Business and Professions Code, relating to reciprocity applicants for a physician's and surgeon's certificate.

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2319 of the Business and Professions Code is amended to read:

2319. The certificate on which his application is based shall have been issued at least one year prior to the date of the application. Limitation

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CHAPTER 107

An act to amend Section 4.37 of The University of California Dormitory Revenue Bond Act of 1947, relating to legal investments of revenue bonds issued under said act, and declaring the urgency thereof, to take effect immediately.

Stats. 1947, p. 2289, amended

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 4.37 of The University of California Dormitory Revenue Bond Act of 1947 is amended to read as follows:

Sec. 4.37. Notwithstanding any other provision of law all bonds sold and delivered pursuant to the provisions of this act are legal investments for all trust funds and for the funds of all insurance companies, banks, both commercial and savings, trust companies, the state school funds, and any public or private funds which may be invested in county, municipal or school district bonds, and may be deposited as security for the performance of any act whenever the bonds of any county, municipality or school district may be so deposited, and may also be used as security for the deposit of public moneys in banks in this State. Legal investments

SEC. 2. This act is hereby declared to be an urgency measure necessary for the immediate preservation of public peace, health, safety and general welfare within the meaning of Section 1 of Article IV of the Constitution of this State and Urgency

shall go into immediate effect. A statement of the facts constituting such urgency and necessity is as follows:

The University of California does not have adequate facilities for the housing of students on any of the campuses thereof with the result that students are living in unsafe and unsanitary conditions. Due to national defense preparations it is vitally necessary that housing facilities be immediately constructed to serve both students in the university and members of the armed forces attending the university in specialized courses of instruction, and the public peace, health and safety demand that such dormitories be immediately constructed and financed by the immediate issuance and sale of revenue bonds which can be sold only if this act takes immediate effect.

CHAPTER 108

Stats 1947, p 2611

An act to amend Section 20583 of the Education Code, relating to revenue bonds issued under The State College Revenue Bond Act of 1947 as legal investments.

In effect September 22, 1951

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 20583 of the Education Code is amended to read:

Legal investment

20583. Notwithstanding any other provision of law, all bonds hereafter sold and delivered pursuant to the provisions of this article are legal investments for all trust funds and for the funds of all insurance companies, banks, both commercial and savings, trust companies, the state school funds, and any public or private funds which may be invested in county, municipal or school district bonds, and may be deposited as security for the performance of any act whenever the bonds of any county, municipality or school district may be so deposited, and may also be used as security for the deposit of public moneys in banks in this State.

CHAPTER 109

An act to amend Section 1170 of the Probate Code, relating to real property affected by the death of any person, providing for filing of a petition with respect thereto.

In effect September 22, 1951

[Approved by Governor April 20, 1951. Filed with Secretary of State April 20, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1170 of the Probate Code is amended to read:

Interest affected by death

1170. Whenever title to or an interest in real property is affected by the death of any person, any person who claims any

interest in such real property, which interest is affected by the death of such person, shall file in the superior court of the county of which the decedent was a resident at the time of his death, or in any county in which any part of the real property is situated, a verified petition setting forth those facts, and particularly describing the real property and his interest therein

In the event of no opposition to, or contest of, such petition, the same, or affidavits in support thereof, may be received in evidence and acted upon by the court with the same force and effect as if the petitioner or affiants were personally present and testified to the facts set forth.

CHAPTER 110

An act to amend Section 50662 of the Government Code, relating to revenue bonds, declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 50662 of the Government Code is amended to read:

50662. When a local agency is authorized by charter to issue bonds payable solely from revenues of a municipal utility or a special fund, in negotiable form, the local agency may issue the bonds and any coupons for interest thereon in negotiable form, and they are negotiable instruments for all purposes. Revenue bonds Negotiability

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

The peace, health and safety of the citizens of the State require the orderly and unhampered extension of municipal water works and other municipal utility systems through the issuance of revenue bonds, in order to supply necessary domestic water for the demands incident to increased population, for fire protection and sanitary purposes and to supply other necessary utility services; the form of the codification by the 1949 Session of the Legislature of the article of the Government Code in which said Section 50662 appears was such as to cast doubt on the negotiability of coupons pertaining to revenue bonds issued for such municipal utility purposes, and it is imperative and essential that such doubt be removed so that, during the period before this act would otherwise become effective, public bodies can issue and sell revenue bonds for the purpose of providing works for the furnishing of such utility services urgently required for the public peace, health and safety and immediately needed to provide for an increased population.

CHAPTER 111

An act to amend Sections 14702 and 14722 of the Education Code, relating to district retirement salary plans.

In effect September 22, 1951

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 14702 of the Education Code is amended to read:

Members in military service

14702. Any member of the retirement system of any school district or districts maintained under the provisions of Sections 14701 to 14792, inclusive, of this code, or of any thereof, serving in the military service of the United States of America or of the State of California, or while assigned to duty with the military forces of the United States of America or of the State of California in the full-time paid service of the American Red Cross, during or after the termination of such service, and at his option, may make payments due to the district retirement fund of such district or districts with the same effect, in all respects, as though he had not been absent from the service thereof. The district or districts by which such employee was employed, at its or their option may make such contributions for and in lieu of such employee, and contributions so made by the school district or districts shall be available only for the purpose of retirement for service or for disability, and shall be made available only for the purpose of retirement, and a member whose services are terminated for reasons other than retirement after reinstatement from military service shall be entitled to withdraw only that portion of his accumulated contributions personally made by him. If such employee shall not pay such contributions as provided in this section during such service in said military service, or Red Cross service, and if same be not made by the district, then such contributions shall be deducted from his salary payments during such period after his return to service as may be agreed upon by the employee and the governing board of the employing district or districts. Contributions by the employing school district or districts pursuant to this section shall not be made for any period of time after January 1, 1950, for any member who has not returned to the service of the employing district or districts prior to that date, except for those members who entered for the first time the services enumerated in this section on or after July 1, 1948, and except that contributions by the employing district or districts pursuant to this section may be made for any member who returned to service with the school district or districts from military service prior to January 1, 1950, and subsequently re-entered or re-enters the military service and for any member who enters or has entered the military service on or after January 1, 1950, for the period of his military leave of absence.

SEC. 2. Section 14722 of the Education Code is amended to read:

14722. The plan may provide that the retirement salary shall be a stipulated monthly sum, or that all benefits under the retirement feature of the plan shall be based upon the monthly salary for each year of future active service in the district earned by the employee up to the date of retirement and upon the average monthly salary earned by the teacher or other eligible employee during the year immediately preceding the adoption of the plan and the number of years of past active service of the employee in the district, and subject to such provisions as are made in the plan for minimum benefits. No employee with less than 15 years' service in the district prior to normal retirement age shall receive the benefit of the minimum. In no instance shall the retirement benefits be based upon or allowed for any amount of salary in excess of the sum of ten thousand dollars ($10,000) per annum. Retirement benefits

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CHAPTER 112

An act to add Section 9176.1 to the Education Code, relating to the administration of federal programs of education.

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 9176.1 is added to the Education Code, to read:

9176.1. Notwithstanding any provisions of this article, whenever by any act of Congress funds are provided as federal aid to education to the several states and the disposition of said funds is not otherwise provided for by or under said act of Congress or by or under any law of this State, said funds received by the State shall be paid into the Auxiliary State School Fund in the State Treasury, which fund is hereby created. The Superintendent of Public Instruction shall apportion seventy-five percent (75%) of said funds pro rata on the average daily attendance in each school district during the preceding school year. The Superintendent of Public Instruction shall compute the proportion that twenty-five percent (25%) of said funds bears to the average daily attendance during the preceding year of all elementary districts, all districts maintaining high school grades, and all districts maintaining junior colleges, and shall apportion these amounts as state equalization aid to those districts receiving state equalization aid under Chapter 15 of Division 3 of this code. The Superintendent of Public Instruction shall certify the apportionment made by him under this section to the Department of Finance, to the county and city and county auditors, county and city and county treasurers, to the county superintendents of the several counties, and to the State Controller, Federal aid to education

who shall draw his warrants during the school year on the Auxiliary State School Fund in favor of the treasurer of each county for the amount apportioned to all the school districts of the county. All moneys received by the treasurer of any county from the apportionments made under this section shall be immediately credited by the treasurer to the general funds of the several school districts of the county exactly as apportioned by the Superintendent of Public Instruction.

This section shall not apply to funds appropriated by Congress for (a) the purchase and improvement of school sites; or (b) the purchase of furniture and equipment; or (c) the planning and construction, reconstruction, repair, alteration of, and addition to, school buildings and incidental facilities.

This section shall be effective to the extent to which it does not conflict with the act of Congress under which such federal aid to education is provided. The Governor is authorized to take such action as may be required to qualify the State for receiving funds under such act of Congress

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CHAPTER 113

Stats 1950, p 235

An act making an appropriation to reimburse the Emergency Fund, Item 277, Budget Act of 1950, and providing for the reimbursement of the State Highway Fund, to take effect immediately.

In effect immediately

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

The people of the State of California do enact as follows:

Appropriation Bay bridge study

SECTION 1. Out of any money in the State Highway Fund in the State Treasury the sum of twenty-five thousand dollars ($25,000) is hereby appropriated to reimburse the Emergency Fund contained in Item 277, Budget Act of 1950, for a similar amount allocated from such fund for a study in connection with an additional toll bridge across the Bay of San Francisco. The amount herein appropriated shall be transferred by the Controller for augmentation of the appropriation contained in Item 277, Budget Act of 1950.

The California Toll Bridge Authority shall return this appropriation, or so much thereof as may be used, to the State Highway Fund from the proceeds of the first sale of revenue bonds issued for the construction of said bridge or other crossing under the provisions of the California Toll Bridge Authority Act; provided, that in the event revenue bonds are not issued and sold for the construction of such toll bridge or other toll highway crossing, any money expended hereunder shall be returned to the State Highway Fund in the State Treasury from the tolls and revenues of the existing San Francisco-Oakland Bay Bridge, but only after all revenue bonds issued and sold

by the California Toll Bridge Authority for the construction of said bridge, or for the refunding of the indebtedness thereon, have been fully redeemed and paid and all other obligations of the bridge have been fully satisfied, including the repayment of any other sums presently required by law to be repaid to the State Treasury. The California Toll Bridge Authority is hereby authorized to continue to fix and collect tolls on said bridge for the purpose of reimbursement of the State Highway Fund as required by this proviso.

Current expense

SEC. 2. This act, inasmuch as it provides for an appropriation for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution of the State of California, take effect immediately.

CHAPTER 114

An act amending Section 643 of the Welfare and Institutions Code, relating to probation officers' annual reports.

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 643 of the Welfare and Institutions Code is amended to read:

Probation officers' annual report

643. Every probation officer, within 90 days after the thirty-first day of December, of each year, shall make in writing and file as a public document a report to the judge of the juvenile court of the county in which such probation officer is appointed, and shall furnish to the board of supervisors of such county and to the Youth Authority a copy thereof. Such report, without giving names, shall show the exact number of wards of such juvenile court that remain under the care and supervision of the court on such thirty-first day of December, segregating such wards as to sex, the subdivision of Section 700 under which they were adjudged wards, and the commitment or disposition order as such existed on said thirty-first day of December.

CHAPTER 115

An act to amend Sections 1083.1, 1083.3, 1083.5, 1083.6, and 1089 of the Agricultural Code, relating to commercial feeding stuffs.

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1083.1 of the Agricultural Code is amended to read:

License required

1083.1. Any person who sells, or who manufactures, processes, or mixes, for another, or who distributes commercial feeding stuffs shall, before engaging in such activity, obtain for each

plant operated a license from the director authorizing him to sell, manufacture, process, mix or distribute commercial feeding stuffs. No person shall be entitled to such a license unless he shall have an established plant, warehouse or place of business as defined in this chapter.

Each application for license shall be accompanied by a fee of five dollars ($5) for each plant for each fiscal year or portion thereof beginning July 1st. Each license shall be renewed annually and each application for renewal shall be accompanied by a fee of five dollars ($5) for each plant operated. If a license is not renewed within one calendar month after the beginning of the fiscal year, there shall be added to the fee a penalty of five dollars ($5). No penalty shall be collected if the person relicensed presents evidence satisfactory to the director that no business was done during the period when no license was held. The payment of such fee and penalty is not a bar to any prosecution for doing business without license.

SEC. 2. Section 1083.3 of the Agricultural Code is amended to read:

Special mixes

1083.3 Any person who manufactures, processes, or mixes any commercial feeding stuffs, for another, in accordance with specifications supplied by the purchaser, shall furnish to the person for whom such commercial feeding stuffs (special mixes) are manufactured, processed or mixed, a numbered invoice which shall have written or printed thereon the date of sale and the name and the number of pounds of each ingredient entering into such commercial feeding stuffs. The net weight of special mixes sold in bulk shall be affirmed by Public Weighmaster's Certificate. When packaged, each package of such commercial feeding stuffs mixture shall have attached thereto, in lieu of the tag or label required by Section 1083, a written or printed tag upon which shall be stated: that the product in the container or package is a special mix; the number and date of the invoice; the name of the mixer, processor or manufacturer; and the net weight of the contents Copies of all such invoices shall remain on file in the place of business of the person furnishing same for six months, subject to inspection by the director. No two invoices issued in one calendar year shall bear the same number. The licensee shall attach to the packages or containers of such special mixes tags, stamps or other approved indication of the payment of the inspection tonnage tax required by Section 1083.5.

Special mixes referred to in this section shall not be resold.

Scope

The provisions of this chapter shall not apply to commodities resulting from services classed as "toll milling" or "custom milling." The processing of such exempt commodities by the person negotiating the sale thereof shall not be classed as "toll milling" or "custom milling."

SEC. 3. Section 1083.5 of the Agricultural Code is amended to read:

Tonnage tax

1083.5. Any manufacturer, importer, jobber, firm, association, corporation or person selling to the consumer-buyer any

commercial feeding stuffs as defined in Section 1081 of this chapter shall pay to the director an inspection tonnage tax at the rate of four cents ($0.04) for each ton thereof sold, and shall affix to each package or container of such commercial feeding stuffs a tag, stamp or other approved indication that the inspection tonnage tax specified in this section has been paid. Whenever any commercial feeding stuffs, as defined in Section 1081, are sold in bulk, the person selling same shall report such sales and make payment of the inspection tonnage tax thereon in accordance with the regulations of the director.

Direct payment of the inspection tonnage tax may be made to the director by a licensee after approval of his application to pay in such manner has been given by the director and such payment shall be made in accordance with the regulations of the director. Licensees making direct payment of inspection tonnage tax shall render to the director quarterly, within one calendar month after March 31st, June 30th, September 30th, and December 31st of each year, a statement of the tonnage sold subject to tax accompanied by payment of the amount of inspection tonnage tax required by this section. To any amount not paid when due, or not accompanied by the proper return, there shall accrue and be added a penalty of ten percent (10%) of the amount due.

SEC. 3.5. Section 1083.6 of the Agricultural Code is amended to read:

1083.6. The tags referred to in Section 1083.5 may be purchased from a commercial printer provided said printer has posted with the director a bond in the sum of one thousand dollars ($1,000) guaranteeing collection of the inspection tonnage tax prior to printing such tags, and has also agreed in writing to abide by regulations imposed upon said printer by the director. The inspection tonnage tax, immediately upon receipt thereof by the printer from the purchaser of the tags, shall be remitted by the printer to the director together with a copy of the purchaser's order for the tags. Each such tag shall bear the inscription "California feeding stuffs tax paid" and shall indicate the number of pounds to be placed in the container to which the tag is to be attached and for which the tax is paid. Tags

SEC. 4. Section 1089 of the Agricultural Code is amended to read:

1089. Any person is guilty of a misdemeanor and is punishable by a fine of not more than one hundred dollars ($100) for the first violation and not less than one hundred dollars ($100) for each subsequent violation, who: Penalty

(a) Sells or distributes in this State, any commercial feeding stuffs without having attached thereto such labels, tax stamps, tags or other approved indication of tax payment or without furnishing to the purchasers of bulk feeds, at time of each delivery, such documents as are required by this chapter and the regulations established hereunder;

(b) Obstructs or prevents or attempts to prevent the department or its authorized agent in the performance of its duty in connection with the provisions of this chapter;

(c) Sells or distributes in this State any commercial feeding stuffs without complying with the provisions of this chapter and the rules and regulations established hereunder;

(d) Sells or distributes in this State any commercial feeding stuffs which does not conform to the analysis, guarantees or any other representation made on the tag or label or on the invoice, sales slip or weight certificate;

(e) Fails to properly state the recognized official name of each ingredient used in its manufacture;

(f) Fails to properly state the percent of such ingredients as corn cobs, oat hulls, barley hulls, rice hulls, ground light rice, or similar materials, when such constitute a portion of the package, lot or parcel or the percent of grit or inert matter;

(g) Uses, for the purpose of evading payment of the inspection tonnage tax, any package, container or tag bearing the tax paid insigne or stamp or other approved indication of tax payment which has been used previously;

(h) Uses, without proper authority and for the purpose of misleading or defrauding, the packages, containers or tags of another dealer or manufacturer;

(i) Makes any false or fraudulent claim or representation, relating to any commercial feeding stuffs, on any label or invoice, or in any advertisement, or in any other manner; or

(j) Renders any false statement in connection with the payment of the inspection tonnage tax or fails to pay the inspection tax and any penalty due because of delinquency in the payment thereof.

Upon a second conviction, when ordered by the court, the license of said person may be suspended or revoked.

Operative date

SEC. 5 The amendments made by this act shall be in effect on and after July 1, 1952.

CHAPTER 116

An act to repeal Sections 10101, 10102, 10103, 10106, 10107, 10108, 10109, 10110, 10111, 10176, 10180, 10181, 10182, 10200, 10375, and 10579, to renumber and amend Sections 10104 and 10105, to amend Sections 10100, 10112, 10113, 10118, 10119, 10175, 10179, 10552, 10576, 10577, 10578, and 10630, and to add Sections 10103, 10121, 10200, 10278.5, 10375, and 10551, to the Health and Safety Code, relating to vital statistics and the registration of births, deaths and marriages.

In effect September 22, 1951

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10100 of the Health and Safety Code is amended to read:

10100. The health officer of any approved local health department, as defined in Division 1, Part 2, Chapter 8 of this code and approved thereunder is the local registrar in and for all registration districts within that health jurisdiction and shall perform all the duties of local registrar for birth and death registration. Local registrar

SEC. 2. Sections 10101, 10102 and 10103 of the Health and Safety Code are repealed.

SEC. 3. Section 10104 of the Health and Safety Code is renumbered and amended to read:

10101. In other areas, the State Registrar shall appoint for each registration district, a local registrar for birth and death registration whose term of office shall be four years. The State Registrar may remove such appointee forthwith for failure or neglect to perform his duty. Other areas

SEC. 4. Section 10105 of the Health and Safety Code is renumbered and amended to read:

10102. When it appears necessary for the convenience of the people outside the immediate locale of the local registrar's office, the local registrar may, with the approval of the State Registrar, appoint one or more suitable persons to act as sub-registrars, who may receive certificates and issue burial or removal permits in and for designated portions of the district. Sub-registrar

SEC. 4.5. Section 10103 is added to the Health and Safety Code, to read:

10103. Each assistant or deputy of any health officer who is also the local registrar, may act as assistant or deputy registrar, and as such has all of the powers and may perform all of the duties of the local registrar, in the name and stead of his principal.

SEC. 5. Sections 10106, 10107, 10108, 10109, 10110, and 10111 of the Health and Safety Code are repealed.

SEC. 6. Section 10112 of the Health and Safety Code is amended to read:

10112. Each local registrar, except a health officer of a city and county and health officers of cities of over 1,000,000 population, acting as local registrar, shall transmit to the recorder of the county for a special county record at the same time the original certificates are forwarded to the State Registrar of Vital Statistics a copy of each original birth certificate or death certificate, which shall exclude the medical and health section data. Birth and death certificates

SEC. 7. Section 10113 of the Health and Safety Code is amended to read:

10113. The county recorder is the sole local registrar for marriages and shall perform all the duties of the local registrar for marriages. Sole local registrar

SEC. 8. Section 10118 of the Health and Safety Code is amended to read:

10118. He shall make a complete and accurate copy of each birth certificate and each death certificate registered by him and file them in his office as the local registrar's copy of the Copies

record. After five years from the date of registration, and with the approval and under the supervision of the State Registrar, the local registrar may dispose of such local registrar's copies of the records; provided, that the original copies of such records are determined to be on file in the Office of the State Registrar; and provided further, that copies of such records are determined to be on file in the office of the county recorder. If the county recorder does not have copies of such records, he is hereby authorized to accept them as a special county record of the event

SEC. 9. Section 10119 of the Health and Safety Code is amended to read:

Originals

10119. He shall transmit each week to the State Registrar all original certificates registered by him for the preceding week. If no births or no deaths were registered in any week, he shall report that fact to the State Registrar on a blank provided for that purpose.

SEC. 10. Section 10121 is added to the Health and Safety Code, to read:

Special county records

10121. Original records or abstracts of records of any birth or death which were filed with any political subdivision prior to July 1, 1905, may be filed with the county recorder of the county in which the event occurred, and the county recorder is hereby authorized to receive them as a special county record of the event.

SEC. 11. Section 10175 of the Health and Safety Code is amended to read:

Filing

10175. Within four days after the date of each birth, there shall be filed with the local registrar of the district in which the birth occurred, a certificate of birth.

SEC. 12. Section 10176 of the Health and Safety Code is repealed.

SEC. 13. Section 10179 of the Health and Safety Code is amended to read:

No physician

10179. If no physician was in attendance, the midwife or person acting as midwife, or one of the parents shall file the birth certificate.

SEC. 14. Sections 10180, 10181, 10182, and 10200 of the Health and Safety Code are repealed.

SEC. 15. Section 10200 is added to the Health and Safety Code, to read:

Birth certificates Form and contents

10200. The certificate of live birth shall be divided into two sections; the first section shall contain those items necessary to establish the fact of birth and the second section shall contain those items relating to medical and health data. The first section shall contain the following items and such other items as the state department may designate:

(1) Full name and sex of child.
(2) Date of birth, including month, day and year.
(3) Place of birth.
(4) Parentage

(a) Full name of father, birthplace of father, and color or race of father.

(b) Full maiden name of mother, birthplace of mother, color or race of mother.

(5) Signature and certification of attendant.

(6) Signature of local registrar and date received by local registrar.

(7) If given name is added later, the name and date of adding.

The second section shall contain the following items and such other medical and health items as the state department may designate:

(1) Multiple births and birth order of multiple births.

Provided, however, that when objection is made by either parent to the inclusion of medical and health items relating to the physical condition of the child because of conflict with religion, no such items shall be included.

SEC. 16. Section 10278.5 is added to the Health and Safety Code, to read:

New birth certificate

10278.5. When a new birth certificate is issued in place of the original birth certificate as provided for in this article, the State Registrar shall inform the local registrar and the county recorder whose records contain copies or abstracts of the original certificate, and the local registrar and county recorder shall forward such copies or abstracts to the State Registrar for filing with the original certificate, if it is practical for the local registrar or county recorder to do so. If it is impractical for the local registrar or county recorder to forward the copy or abstract to the State Registrar, the local registrar or county recorder shall effectually seal a cover over such record in such a manner as not to deface or destroy such record and forward a verified statement of his action to the State Registrar. Thereafter the information contained in such record shall be only available to any person as provided in Section 10279.

SEC. 17. Section 10375 of the Health and Safety Code is repealed.

SEC. 18. Section 10375 is added to the Health and Safety Code, to read:

Death certificates Form and contents

10375. The certificate of death shall be divided into two sections, the first section shall contain those items necessary to establish the fact of death and the second section shall contain those items relating to medical and health data; the first section shall contain the following items and such other items as the state department may designate:

(1) Personal data concerning decedent:

(a) Full name.

(b) Sex.

(c) Color or race.

(d) Marital status.

(e) Name of spouse, if married.

(f) Date of birth and age at death.

(g) Birthplace.

(h) Usual residence.
(i) Occupation and industry or business.
(2) Date of death, including month, day and year.
(3) Place of occurrence of death.
(4) Parentage:
(a) Full name of father and birthplace of father.
(b) Full maiden name of mother and birthplace of mother.
(5) Informant.
(6) Disposition of body information:
(a) Signature and license number of embalmer if body embalmed; name of funeral director, or person acting as such.
(b) Date and place of burial, cremation, or removal.
(7) Certification and signature of attending physician; certification and signature of coroner as to action of the coroner when required to act by law, stating kind of action taken, whether inquest, autopsy or investigation.
(8) Signature of local registrar and date received by local registrar.

The second section shall contain the following items and such other items as the state department may designate:

(1) Disease or conditions leading directly to death and antecedent causes.
(2) Operations and major findings thereof.
(3) Accident and injury information.

SEC. 19. Section 10552 of the Health and Safety Code is amended to read:

Short form

10552. A short form of certification of birth registration may be issued by the State Registrar, by the county recorder, or by any local registrar which shall contain only identification information.

SEC. 20. Section 10554 is added to the Health and Safety Code, to read:

Certified copies

10554. Certified copies of birth, death and marriage records may be made only by the State Registrar, by duly appointed and acting local registrars during their term of office, and by county recorders.

SEC. 21. Section 10576 of the Health and Safety Code is amended to read:

Amendment

10576. The local registrar shall file the affidavits and shall note the fact of the amendment with its date on the otherwise unaltered original certificate.

SEC. 22. Section 10577 of the Health and Safety Code is amended to read:

Transmission

10577. He shall transmit the original certificate with the affidavits attached when making his regular returns to the State Registrar and shall retain copies for his files.

SEC. 23. Section 10578 of the Health and Safety Code is amended to read:

Previously returned certificate

10578. If the correction relates to a certificate previously returned to the State Registrar, the local registrar shall forthwith transmit the affidavits to the State Registrar, in which case, after the affidavit is accepted for filing, the State Registrar

shall transmit a copy of the affidavit to the local registrar and county recorder if copies of the original certificate are on file in their offices.

SEC. 24. Section 10579 of the Health and Safety Code is repealed.

SEC. 25. Section 10630 of the Health and Safety Code is amended to read:

10630. The United States Public Health Service or the United States Veterans Administration may obtain, without expense to the State, transcripts of births, deaths and marriages without payment of fees. Fee not payable

CHAPTER 117

An act to repeal Section 7413 and to amend Section 7405 of the Health and Safety Code, relating to burial permits.

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7413 of the Health and Safety Code is repealed.

SEC. 2. Section 7405 of the Health and Safety Code is amended to read:

7405. No burial or removal permit shall be issued by any registrar until, wherever practicable, a complete and satisfactory certificate of death has been filed with him, except that when human remains are transported from outside the State into a registration district in California for interment, the transit or removal permit, issued in accordance with the law and health regulations of the place where the death occurred, shall be accepted by the local registrar of the district into which the human remains have been transported, as a basis upon which he shall issue a local burial permit, noting upon the face of the burial permit the fact that human remains were shipped in for interment and the place of death. The transit or removal permit issued in accordance with the law and health regulations of the place where the death occurred shall be filed with the copy of the permit issued by the local registrar Issuance of burial, etc., permit Prerequisites

CHAPTER 118

An act to amend Section 67 of the Agricultural Code, relating to the administration of the provisions of said code.

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 67 of the Agricultural Code is amended to read:

Duties of director where no commissioner

67. In those counties in which no commissioner has served, it shall be the duty of the director to perform the duties of commissioner in the same manner, to the same extent and with the same authority as if he had been the duly appointed commissioner therein. The board of supervisors of such counties shall reimburse the department for all expense incurred by the director, upon claim duly submitted, in fulfilling his responsibilities under the provisions of this section but not in excess of an amount established by agreement between the board of supervisors and the director in accordance with the provisions of Section 34 of this code or of Section 25801 of the Government Code.

CHAPTER 119

An act to amend Section 432 of the Agricultural Code, relating to livestock.

In effect September 22, 1951

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 432 of the Agricultural Code is amended to read:

Packers Interest in stockyard

432. No packer shall own or control, directly or indirectly, through stock ownership or control or otherwise, by himself or through his agents or employees, any interest in a stockyard.

CHAPTER 120

An act to repeal Section 7508 of the Welfare and Institutions Code, relating to actions against the Department of Mental Hygiene or its agencies.

In effect September 22, 1951

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Section 7508 of the Welfare and Institutions Code is hereby repealed.

CHAPTER 121

An act to add Chapter 4, comprising Sections 2700 to 2702, inclusive, to Division 4 of the Welfare and Institutions Code, relating to reciprocal agreements for the interstate transportation and the support of poor and indigent persons.

In effect September 22, 1951

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 4, comprising Sections 2700 to 2702, inclusive, is added to Division 4 of the Welfare and Institutions Code, to read:

CHAPTER 4. UNIFORM TRANSFER OF DEPENDENTS ACT

Poor and indigent persons. Transportation and support

2700. The State Department of Social Welfare, subject to the approval of the Attorney General, is hereby authorized to enter into reciprocal agreements with corresponding state agencies of other states regarding the interstate transportation of poor and indigent persons, and to arrange with the proper officials in this State for the acceptance, transfer, and support of persons receiving public aid in other states in accordance with the terms of such reciprocal agreements; provided, that this State shall not nor shall any county or other political subdivision of this State be committed to the support of persons who are not in the opinion of said State Department of Social Welfare entitled to public support by the laws of this State.

Interpretation

2701. This chapter shall be so interpreted and construed as to effectuate its general purpose to make uniform the laws of those states which enact it.

Citation

2702. This chapter may be cited as the Uniform Transfer of Dependents Act.

CHAPTER 122

An act to add Sections 982.1, 4986.5, and 4986.6 to the Revenue and Taxation Code; to add Section 1028 to the Probate Code; and to amend Section 1325 of the Code of Civil Procedure; relating to the taxation of property which has escheated or been distributed to the State.

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 982.1 is added to the Revenue and Taxation Code, to read:

Taxation of property distributed etc., to State

982.1. If real property of a deceased person is distributed to the State because there are no known heirs or because the estate or any portion thereof is to be distributed to heirs, devisees, or legatees whose whereabouts are unknown, such real property shall be assessed to the estate of the decedent and to the State of California. Such assessment shall involve no liability on the part of the State to pay taxes except as provided by Sections 4986.5 and 4986.6.

SEC. 2. Section 4986.5 is added to said code, to read:

Same

4986.5. When real property upon which taxes may be canceled pursuant to subdivision (e) of Section 4986 is distributed by description to the State because there are no known heirs or because the estate or any portion thereof is to be distributed to heirs, devisees, or legatees whose whereabouts are unknown, taxes upon such real property shall not be paid for a period of five years after the date of entry of the decree of distribution except as provided in this section.

(a) If five years after the date of entry of the decree of distribution elapse without claim by the heirs of decedent or other persons entitled to make such claim, all taxes shall be canceled pursuant to Section 4986.

(b) If during the five-year period the real property is claimed by the heirs of decedent or other persons entitled to make such claim, all taxes upon such real property become due upon the approval of the claim, and shall be collected in the manner provided by law.

(c) If during the five-year period the State sells the real property it shall credit the proceeds of the sale to the particular estate and all taxes thereon shall be canceled. If the proceeds are claimed within the five-year period and the claim is allowed, the Controller shall deduct from the amount allowed to be paid to the claimant and remit to the taxing agency an amount equal to all taxes canceled plus any other amounts which would have been necessary to redeem the property at the time of cancellation, in accordance with an estimate thereof by the redemption officer.

SEC. 3. Section 4986.6 is added to said code, to read:

Tax sale

4986.6. When any real property upon which taxes may be canceled pursuant to subdivision (e) of Section 4986 escheats to the State and is not distributed by description, either because it is unknown, or is included in a general distribution clause without description, or is property as to which no probate proceedings have been taken, all taxes levied upon such real property are valid and any tax sale by the State for such taxes conveys the same title thereto as if no escheat had occurred, notwithstanding any provision of law to the contrary. All such taxes levied upon such real property and tax sales by the State duly taken pursuant to law occurring before the effective date of this section are hereby validated.

If any such real property is discovered prior to tax sale by the State, the public administrator of the county in which the property is situated shall immediately commence probate proceedings with respect to such property, and such tax sale shall not be made.

SEC. 4. Section 1028 is added to the Probate Code, to read:

Copy of distribution decree

1028. Upon the rendition of a decree distributing real property to the State of California, the executor or administrator of the estate shall immediately cause a certified copy of such decree to be recorded in the office of the county recorder of each county in which any part of the real property is situated; thereupon he shall transmit a certified copy of such decree to the State Controller, as provided in Section 1027, together with a certificate that he has complied with the provisions of this section as to recordation.

SEC. 5. Section 1325 of the Code of Civil Procedure is amended to read:

Appropriation

1325. All money in the Unclaimed Property Fund is hereby continuously appropriated to the Controller, without

regard to fiscal years, for expenditure for the following purposes:

(a) For refund, to the person making such deposit, of amounts, including overpayments, deposited in error in such fund;

(b) For payment of the cost of title searches and appraisals incurred by the Controller covering real or personal property held in the name of an account in such fund;

(c) For payment of the cost incurred by the Controller covering indemnity bonds required in order to have duplicate certificates of ownership issued in order to replace lost certificates, covering personal property held in the name of an account in such fund;

(d) For payment of amounts required to be paid by the State as trustee, bailee, or successor in interest to the preceding owner, pursuant to the provisions of trust deeds, mortgages, or other liens on real property held in the name of an account in such fund;

(e) For payment of costs of official advertising in connection with the sale of real or personal property held in the name of an account in such fund;

(f) For payment to taxing agencies of the amounts deducted by the Controller from allowed and approved claims, in accordance with the provisions of subdivision (c) of Section 4986.5 of the Revenue and Taxation Code.

(g) For transfer to the General Fund, on order of the Controller, of the amount of any inheritance taxes determined to be due and payable to the State by any claimant, with respect to any real or personal property, including cash, claimed by him under the provisions of this title;

(h) For payment and delivery to claimants, of money or other property held to the credit, or in the name, of an account in such fund, under the provisions of this title;

(i) For transfer to the School Land Fund, on order of the Controller, of any money or other property in the Unclaimed Property Fund which becomes permanently escheated to the State under the provisions of this title.

SEC. 6. Section 5 of this act becomes operative only if a new Title 10 is added to Part 3 of the Code of Civil Procedure by enactment of the Legislature at its 1951 Regular Session, and in such case, at the same time as said new Title 10 takes effect.

Effect Stats 1951, Ch 1708

CHAPTER 123

An act to amend Section 54 of the Fish and Game Code, relating to game management areas.

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 54 of the Fish and Game Code is amended to read:

Birds· Season and limit

54. The commission shall fix the season during which shooting is to be permitted upon the premises, which season shall be the period from the Saturday nearest the first of November and continuously thereafter for 74 days. The commission shall fix the total number of birds of the species referred to in the license which may be shot upon the premises during the season, which number shall not exceed 80 percent of a total number, which total shall be computed by adding the number of birds released pursuant to subdivision (c) of Section 51 to the number of birds that may be taken pursuant to subdivision (d) of said Section 51.

CHAPTER 124

An act to add Sections 2733.5 and 2750.5 to the Business and Professions Code, relating to the practice of the profession of nursing, declaring the urgency of this act, to take effect immediately.

In effect immediately

[Approved by Governor April 22, 1951. Filed with Secretary of State April 22, 1951.]

The people of the State of California do enact as follows:

Declaration

SECTION 1. The State of California appreciating the vital import of: the President declaring a state of national emergency, the United States Department of Labor listing the profession of nursing as a critical occupation, the Army Medical Service calling for hundreds of nurses registered in the State of California, and the greatly increased general demand for California registered nurses, it is the purpose of this act to assist in meeting a present emergency.

SEC. 2. Section 2733.5 is added to the Business and Professions Code, to read:

Temporary permits

2733.5. Until October 2, 1953, the board upon written application and receipt of a registration fee of ten dollars ($10) may issue a temporary permit to any applicant who at the time of application is currently licensed or registered as a professional nurse under the laws of another state of the United States of America and such a temporary permit may also be issued to an applicant who at the time of application is currently authorized to legally practice as a professional nurse under the laws of the Dominion of Canada; provided, the applicant is either a citizen of the United States or has declared his intention to become a citizen of the United States.

The temporary permit issued under this section shall authorize the permittee to engage in the practice of nursing under this chapter until January 1, 1954

SEC. 3. Section 2750.5 is added to said code, to read:

Discipline

2750.5. Every nurse to whom a temporary permit is granted under Section 2733.5 of this code, may be disciplined as provided in this article. Wherever, in this article the term "licensee" is used it shall include "temporary permittee" for the purposes of this section.

SEC. 4. This act is an emergency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

The President of the United States on December 16, 1950, proclaimed a state of national emergency; the United States Department of Labor has listed the profession of nursing as a critical occupation; the Chief of Personnel, Army Medical Service has issued an immediate call for 3,000 professional nurses for the Army Nurse Corps, California's immediate quota being 497 registered nurses; and large numbers of registered nurses are being called for civilian service in federal installations.

Prior to this emergency, the supply of California registered nurses could scarcely meet the constantly growing, vital California civilian health needs; the present supply cannot meet the increased emergency needs.

Hundreds of professional nurses duly licensed or registered under the laws of other states now living in or coming to California are unable to immediately meet the requirements of California registration, but could materially assist in meeting the present crisis.

Therefore, it is essential that California take action to meet this critical health situation by making available immediately to the people of the State of California the services of those professional nurses now living in or who come to California and who have been licensed or registered in other states of the United States of America. It is therefore necessary that this act take effect immediately.

CHAPTER 125

An act making an appropriation from the Emergency Fund specified in Item 277 of the Budget Act of 1950, relating to the repair and restoration of property damaged or destroyed by storms or floods and the expenditure of money appropriated therefor, declaring the urgency thereof, to take effect immediately. Stats. 1950, p. 255

[Approved by Governor April 25, 1951. Filed with Secretary of State April 25, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. There is hereby appropriated out of those funds in the Emergency Fund specified in Item 277 of the Budget Act of 1950, appropriated by Chapter 13 of the Statutes of 1951, the sum of one hundred forty-five thousand five hundred dollars ($145,500) to the Department of Finance, to be expended for repair and restoration of property damaged by storms or floods, seventy-five thousand five hundred dollars, ($75,500), or so much thereof as may be necessary, to be allocated to the County of Mono to construct a new bridge on Appropriation Repair of flood damage

County Road No. 606 and to construct a new bridge, remove an old bridge and provide channel protection and grade approach work on County Road No. 604 and seventy thousand dollars ($70,000), or so much thereof as may be necessary, to be allocated to the Mariposa Public Utility District, to restore the Stockton Creek Dam in Mariposa County.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Facilities for the furnishing of governmental services necessary to the public health and safety of the people of this State were damaged and destroyed by recent storms and floods. In some areas, people have been isolated from their schools, stores, shops, and means of livelihood because of the destruction of and damage to bridges on county roads and in other areas, damage to the water supply and fire protection facilities has endangered the public health and safety.

In order that funds be made available for the immediate repair and restoration of these facilities and to remove a present threat to the public health and safety, it is necessary that this act take effect immediately.

Intent

SEC. 3. It is the intent of the Legislature that the requirement of local matching for funds appropriated by Item 277 of the Budget Act of 1950 as amended is waived only for the purpose of alleviating extreme hardship in the case of two counties which, after investigation by the Department of Finance and the Legislative Auditor and the issuance of a letter by the Governor as to the emergency within Section 34 of Article IV of the Constitution, have been determined to be priority cases for aid in repair of flood damage and have been determined to be without the ability to provide such aid by local sources.

CHAPTER 126

Stats 1947, p 2881

An act relating to the Division of Architecture Revolving Fund, ratifying and confirming certain transfers thereto from the Wildlife Restoration Fund, the encumbrance of the money so transferred for projects under the Wildlife Conservation Act of 1947 and for expenses incidental to said projects, and the projects for which such money was encumbered, authorizing the expenditure of the money so encumbered, and declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

Ratification of transfers of funds

SECTION 1. The transfer of the sum of eight hundred four thousand five hundred eight dollars and eighty-two cents ($804,508.82) of the transfers made on or before March 1, 1951 from

the Wildlife Restoration Fund to the Division of Architecture Revolving Fund, the expenditure or encumbrance of said sum for projects under the Wildlife Conservation Act of 1947 and for expenses incidental to said projects, and the contracts and projects for which said sum was expended or encumbered, are hereby ratified and confirmed. Any part of said sum not heretofore disbursed may be disbursed for the purpose for which obligated in accordance with applicable provisions of law.

SEC. 2 This act is an urgency measure necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall take effect immediately. The facts constituting such necessity are: Urgency

The Wildlife Conservation Act of 1947 provided for a program of acquisition of lands and facilities for recreational and wildlife conservation purposes. Money was appropriated to carry out said act and a program of acquisition of lands and facilities under said act was initiated. Litigation involving the validity of certain features of the Wildlife Conservation Act is now pending in the courts. The money referred to in this act has been either expended or committed for expenditure on a number of projects and construction of some projects is now under way pursuant to contracts between the State of California and a number of contractors. These contracts were entered into in good faith and unless they are permitted to be completed the State will lose a large part of the benefits thereof, will be subjected to multiple claims on behalf of the contracting parties, and will be placed in the position of having repudiated its contracts. In order that the faith and credit of the State of California shall not be put in question, it is necessary to remove any legal impediment which may exist or be found to exist to the payment of the obligations of the State in accordance with its agreements.

CHAPTER 127

An act to add Article 4 to Chapter 1, Part 1, Division 2, Title 5 of the Government Code, consisting of Sections 53070 and 53071, relating to compensation of elective officers of counties, townships and cities, declaring the urgency hereof, to take effect immediately.

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Article 4 is added to Chapter 1, Part 1, Division 2, Title 5 of the Government Code, to read:

Article 4. Compensation of Elective Officers During War

53070. For the purposes of this chapter "war" shall mean that period of time commencing: "War"

(a) When Congress declares war; or

(b) When the armed forces of the United States are engaged in active military operations against any foreign power whether or not war has been formally declared; and ending one year after the termination of hostilities therein as proclaimed by the President of the United States.

Suspension of salary limits

53071. Any provisions of law or of the Constitution which prohibit the increase of compensation of any county, township or municipal officer after his election or during his term of office are hereby suspended as provided in Section 5 of Article XI of the Constitution.

Urgency

SEC. 2. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety, within the meaning of Section 1 of Article IV of the Constitution, and shall go into effect immediately. The facts constituting such necessity are as follows:

By reason of the increased cost of living during the war now being engaged in by the United States, many county, township and municipal officers whose compensation was established before costs of living increased are unable to live upon the salaries and compensation being paid them. These officers have been compelled during the present war to curtail their manner of living drastically and are rapidly exhausting their savings to provide themselves and their families with the common necessities of life. In order to enable the counties, townships and municipalities to take the necessary steps to relieve the distress of these officers, who in many cases have faithfully served the public over a period of many years, it is necessary that this act take effect immediately.

CHAPTER 128

An act to amend Section 1556 of, and to add Section 1556.1 to, the Probate Code, relating to guardianship proceedings.

In effect September 22, 1951

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1556 of the Probate Code is amended to read:

Compensation for guardian

1556. Every guardian shall be allowed the amount of his reasonable expenses incurred in the execution of his trust, and shall have such compensation for his services as the court in which his accounts are settled deems just and reasonable. He shall also be allowed all reasonable disbursements made after the legal termination of the guardianship, but while that relation, by consent or acquiescence of the parties, still subsists in fact, and before the discharge of the guardian by the court, and which were made by the consent, express or implied, of the ward, and for his benefit or the benefit of his estate.

At any time after the filing of the inventory and appraisement, but not prior to the expiration of three months from the

issuance of letters of guardianship, any guardian may petition the court for an order fixing and allowing his compensation for services rendered to that time and for an order fixing and allowing compensation to his attorney for services rendered to the guardian. Notice of the hearing of such petition shall be given as required by Section 1200 of this code, and such additional notice, if any, as the court or a judge thereof by order may require. Upon the hearing the court shall make an order allowing such compensation to the guardian for services rendered to the estate of his ward and to his attorney for services rendered to the guardian as the court may deem proper, and compensation so allowed shall thereupon be charged to the estate of the ward.

SEC. 2. Section 1556.1 is added to said code, to read:

Same: Fixing amount

1556.1. At any time after the filing of the inventory and appraisement, but not prior to the expiration of three months from the issuance of letters of guardianship, any attorney who has rendered services to a guardian may petition the court for an order fixing and allowing his compensation for services rendered to that time. Notice of the hearing of such petition shall be given as required by Section 1200 of this code and such additional notice, if any, as the court or a judge thereof by order may require. Upon the hearing the court shall make an order allowing such compensation to the attorney for services rendered to the guardian as the court may deem proper, and compensation so allowed shall thereupon be charged against the estate of the ward.

CHAPTER 129

An act to amend Section 809 of the Agricultural Code, relating to walnut standards.

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 809 of the Agricultural Code is amended to read:

Unshelled walnuts

809. Unshelled walnuts shall be well dried to the extent that the kernels in not less than 90 percent, by count, of the walnuts, based on the examination of a representative sample of any one lot, are firm and crisp.

Walnuts shall contain not less than 90 percent, by count, based on examination of a representative sample of any one lot, of walnuts free from the following defects: blanks (walnuts without kernels); walnuts containing insects, insect excreta or webbing, or showing damage to kernel by insects; rancid kernels; kernels affected by green or yellow mold; kernels affected by white or gray mold which covers 25 percent or more of the entire surface of the kernel; kernels affected by shriveling to the extent that 50 percent or more of the entire kernel is unpalatable or inedible.

Walnuts shall contain not less than 90 percent, by count, based on a representative sample of any one lot of walnuts free from the following external defects: Shells with adhering hull or showing perforations affecting more than one-eighth of the surface.

All containers and subcontainers of walnuts shall bear upon them in plain sight and in plain letters the name of the state or foreign country where the walnuts were produced and the size of the walnuts contained therein, in accordance with the size specifications defined in this section. In the case of containers or subcontainers of contents of more than one pound net weight, such markings shall be in letters not less than one-twentieth (1/20) the height of the filled container or subcontainer. In the case of containers or subcontainers of contents of one pound or less net weight, such markings shall be in letters not less than one-fourth ($\frac{1}{4}$) inch in height.

Walnuts in containers marked "Mammoth" size shall be of such size that not over 12 percent, by count, of a representative sample of any one lot, pass through a round opening ninety-six sixty-fourths inches in diameter.

Walnuts in containers marked "Jumbo" size shall be of such size that not over 12 percent, by count, of a representative sample of any one lot, pass through a round opening eighty-two sixty-fourths inches in diameter.

Walnuts in containers marked "Large" size shall be of such size that not over 12 percent, by count, of a representative sample of any one lot, pass through a round opening seventy-nine sixty-fourths inches in diameter, excepting that in the case of the Eureka variety and type the round opening shall be seventy-eight sixty-fourth inches in diameter.

Walnuts in containers marked "Medium" size or "No. One Size" shall be of such size that not over 12 percent, by count, of a representative sample of any one lot, pass through a round opening seventy-four sixty-fourths inches in diameter.

Walnuts in containers marked "Baby" size shall be of such size that not over 12 percent, by count, of a representative sample of any one lot, shall pass through a round opening sixty sixty-fourths inches in diameter.

CHAPTER 130

An act to amend Section 1038 of the Agricultural Code, relating to commercial fertilizer.

In effect September 22, 1951

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1038 of the Agricultural Code is amended to read:

Tonnage license tax

1038. Upon any sale not exempt from the provisions of this article, of commercial fertilizer, the registered person selling the same shall pay fifteen cents ($0.15) per ton or fraction

thereof, and upon such a sale of agricultural minerals, ten cents ($0.10) per ton or fraction thereof, except where the agricultural mineral is sold to be used and is used in the manufacture of commercial fertilizer. Each registered person shall keep accurate accounts of sales of commercial fertilizers and/or agricultural minerals, and such accounts shall be open at all times to inspection by the director. A statement of sales, shall be rendered to the director quarterly within one calendar month after March 31st, June 30th, September 30th, and December 31st, of each year, and shall be accompanied by the amount of tonnage license tax required by this section. Any delinquency in making a statement and return, or any deficiency in any return, shall subject the registrant to the payment of a penalty of ten percent (10%) of the amount due.

On receipt of the tonnage license tax and statement, the director shall issue to the registered seller a certificate of compliance with this section.

Whenever a registered person shall have paid the tonnage license tax herein required, any person acting as his selling agent shall not be required to pay the tonnage license tax.

SEC. 2. This act shall become effective January 1, 1952. Operative date

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CHAPTER 131

An act to amend Sections 19622, 19626, and 19628 of the Business and Professions Code, relating to allocation of moneys in the Fair and Exposition Fund.

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 19622 of the Business and Professions Code is amended to read:

19622. There is hereby annually appropriated out of the fund the following: (i) one hundred twenty-five thousand dollars ($125,000) for the support of the California State Fair; (ii) one hundred twenty-five thousand dollars ($125,000) for the support of the Los Angeles County Fair; (iii) one hundred thousand dollars ($100,000) for the support of 1-A District Agricultural Association; and (iv) fifteen thousand dollars ($15,000) to the Sixth District Agricultural Association of the State of California, for the purpose of holding a permanent exposition and exhibition of all citrus products and of all of the industries and industrial enterprises, resources, and products of every kind and nature of the State of California, with a view of improving, exploiting, encouraging and stimulating such industries, resources and products, and for the support of the buildings and grounds and other property of the Sixth District Agricultural Association. No admission fee shall be charged by such exposition. Appropriation

The money heretofore or hereafter apportioned to the Los Angeles County Fair under this section may be expended for the payment of premiums and, with the approval of the Department of Finance, for capital outlay, including purchase of land, construction, improvements, equipment, support, and maintenance for such fair.

Exemption

All money heretofore or hereafter appropriated to the California State Fair, the Los Angeles County Fair, the Sixth District Agricultural Association, citrus fruit fairs as defined in Section 94 of the Agricultural Code, and the 1-A District Agricultural Association under the provisions of this article except money allocated by the Director of Finance for fair purposes under the provisions of Section 19626 of the Business and Professions Code, shall be exempt from the provisions of Section 16304 of the Government Code, and shall remain available for expenditure from year to year until expended.

SEC. 2. Section 19626 of the Business and Professions Code is amended to read:

Same

19626. The second balance of the fund is hereby appropriated for expenditure without regard to fiscal years, as follows:

(a) Twenty-five percent (25%) for permanent improvements or minor construction and repairs at, or support of, or purchase of land for, the California Polytechnic School;

(b) Thirty-three percent (33%) for permanent improvements at, or support of, the University of California;

(c) The remainder, in such amounts as may be approved by the State Public Works Board and allocated by the Director of Finance in his discretion, for permanent improvements for fair purposes upon the property of the State or any county, district agricultural association, citrus fruit fair and exposition as defined in Section 94 of the Agricultural Code, or other citrus fruit fair and exposition qualified to receive an allocation under subdivision (a) of Section 19624, or for the purchase of equipment for fair purposes, or the acquisition or purchase of real property, including costs of appraisal and incidental costs, to be used as sites for such permanent improvements.

SEC. 3. Section 19628 of the Business and Professions Code is amended to read:

Exemptions

19628. Appropriations and allocations from the Fair and Exposition Fund under Article 9, Chapter 4, Division 8 of this code shall be exempt from the provisions of Section 16304 of the Government Code, excepting appropriations or allocations under Section 19621 of this code, and allocations by executive order of the Director of Finance for permanent improvements for fair purposes under paragraph (c) of Section 19626 of this code, the date of such executive order to be deemed to be the date when the appropriation became available. All such appropriations and allocations not exempted herein shall be subject to the provisions of Section 16304 of the Government Code. Allocations for permanent improvements for fair purposes under Section

19626 of this code shall be available to defray expenditures lawfully incurred prior to the date of the executive order, if the executive order so provides. Upon reversion an allocation made by the Director of Finance for permanent improvements for fair purposes under Section 19626 of this code shall revert to and become a part of the appropriation from which the allocation was made.

Expenditures heretofore paid from appropriations and allocations made under the provisions of Article 9, Chapter 4, Division 8 of this code shall be deemed to have been made within the period of availability of such appropriations and allocations.

CHAPTER 132

An act to amend Section 5154 of the Public Resources Code, relating to county fairs.

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5154 of the Public Resources Code is amended to read:

5154. County boards of supervisors may grant the use, possession and management of any public park or fairgrounds to any nonprofit corporation for the purpose of operating and managing, as agent of the county, any exposition or fair in aid of which the granting of public money or other things of value has been authorized by the Constitution or laws of this State upon such terms and conditions and for such periods of time as the board may determine. The use, possession and management shall terminate not later than one year after the closing of the exposition or fair.

Operation by nonprofit corporation

When such use, possession and management is granted the board may also allocate to such nonprofit corporation such sum of money it deems necessary to be used for advertising or promotional work in advance of holding such fair and for any other purpose incidental to the plans and preparation of the fair.

All funds received by such nonprofit corporation, except funds allocated for advertising, promotional work, or other incidental purposes pursuant to this section and funds specifically approved for disbursement by the board of supervisors, shall be deposited in the county treasury at the conclusion of the fair, and credited to a county fair fund. The moneys in the fund shall be used only for the purpose of conducting fairs, for capital outlay for fairgrounds and fairground facilities, and for the acquisition, installation, maintenance, and operation of recreational facilities at fairgrounds.

CHAPTER 133

An act to amend Section 734 of the Agricultural Code, relating to fees paid by manufacturers of frozen milk products.

In effect September 22, 1951

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 734 of the Agricultural Code is amended to read:

Fee on ice milk mix

734. Manufacturers who are subject to the provisions of this chapter shall pay to the director on each gallon of ice cream mix and on each gallon of ice milk mix manufactured by them a fee of four mills ($0.004) per gallon. Said fee is a maximum fee. The director may fix such fee at a less amount, and may adjust such fee from time to time, whenever he finds that the cost of administering the provisions of this chapter can be defrayed with such below-maximum fee. The amount of said fee shall be paid to the director on or before the fifteenth day of the month following the month in which said mix was manufactured. The amount so received by the director shall be paid into the Department of Agriculture Fund to be used in the administration and enforcement of this chapter.

CHAPTER 134

An act to amend Section 20849 of the Business and Professions Code, relating to deliveries of motor vehicle fuels and lubricants.

In effect September 22, 1951

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 20849 of the Business and Professions Code is amended to read:

Illegal deposit, etc., petroleum products

20849. It is unlawful for any person to deposit or deliver, or authorize to be deposited or delivered, into any tank, pump, container or receptacle, or into any bottle or bottles kept in a basket, stand or rack, at any place where petroleum products are kept or stored for sale, any gasoline or other motor fuel, or any distillate, kerosene, lubricating oil or motor oil, other than that indicated by the brand, trade-mark, trade name, and in the case of lubricating oil or motor oil, the S.A.E. classification number, displayed on the tank, pump, container, receptacle, bottle, basket, stand or rack, or the inlet end of the underground storage tank, except as provided in this chapter.

CHAPTER 135

An act to amend Sections 4902.05 and 4911.1 of the Education Code, relating to the reorganization of school districts.

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4902.05 of the Education Code is amended to read:

4902.05. When the county committee has selected all or any portion of the county for possible recommendation for reorganization other than for the formation of a junior college district, each member of the governing board of each school district included in whole or in part within the territory to be considered shall be included in the membership of the committee and shall be notified by registered letter sent by the county superintendent of schools of his addition to membership in the committee. Notice

When the county committee has selected all or any portion of the county for possible recommendation for the organization of a junior college district, each member of the governing board of each high school district included in whole or in part within the territory to be considered shall be included in the membership of the committee and shall be so notified by registered letter sent by the county superintendent of schools.

For the purposes of constituting a quorum at the committee meetings all of the members of the governing board of one school district attending the meeting shall count only as one member of the committee. For the purposes of voting upon recommendations each school district so represented on the committee shall have only one vote. The district vote shall represent the decision of a majority of the members of the governing board of that district.

No recommendation for reorganization pursuant to Section 4902 shall be made until the augmented county committee established by this section has adopted the recommendation by a majority of all entitled to vote and no such action shall be taken prior to the third meeting of the augmented committee.

SEC. 2. Section 4911.1 of said code is amended to read:

4911.1. In the event the county committee transmits plans and recommendations to the State Board of Education, pursuant to Section 4902, for the reorganization of the school districts in the county other than the formation of a unified school district, the proposed reorganization, if approved by the State Board of Education, shall be deemed to be the filing of a petition with the State Board of Education, the appropriate board of supervisors, or with the county superintendent of schools, as the case may be. The State Board of Education shall notify the board of supervisors and the county superintendent of schools having jurisdiction over the school districts affected thereby of its action, and the proposed reorganization of the school dis- Reorganization other than unification

tricts shall then be held and conducted in accordance with the applicable provisions of this code as though such petition had been originally filed with such board of supervisors or with the county superintendent of schools, except that no action required by any other provision of this code shall be necessary to give the board of supervisors or county superintendent of schools jurisdiction in the matter.

CHAPTER 136

An act to amend Section 820 of the Agricultural Code, relating to tomatoes.

In effect September 22, 1951

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 820 of the Agricultural Code is amended to read:

Tomatoes

820. Tomatoes shall be mature but not overripe, shall be free from pin worm damage which has penetrated beyond the tissue making up the base of the core of the tomato, other insect injury which has penetrated or damaged the flesh, and from mold, decay, and wet or soft rots; and from serious damage due to freezing, blossom end rot, mosaic, alkali spot, sun scald, bruises, cat faces, growth cracks, or other causes. Damage to any one tomato is not serious unless it causes a waste of 10 percent, by weight, of the individual tomato.

Not more than 10 percent, by weight, of the tomatoes in any one container or bulk lot may be below these requirements, but not to exceed one-half of this tolerance shall be allowed for any one cause.

Packed tomatoes shall not vary in size in any one container, more than one-half of an inch in diameter when measured through the widest portion of cross-section.

Packing

When tomatoes are packed in containers which have straight sides, each layer shall consist of the same number of tomatoes except that (1) when the tomatoes in the bottom layer or layers as the case may be, are placed on edge and the tomatoes in the top layer are placed flat, the top layer may consist of one row less in width than the bottom layer or layers and (2) when packed in standard container No. 27 with wide cleats on each end extending one-half inch or more over the inside edge of the end piece, and such cleats interfere with the packing of the top layer, the top layer may consist of one row less in length than the bottom layer or layers. However in no case may the count of the bottom layer or layers be less than the top layer.

Tomatoes which are packed by the double-wrap method need not conform with the requirements of this section as to the arrangement of the individual tomatoes in the container or the count of tomatoes in layers or in the containers providing:

(a) The tomatoes are fairly tightly packed and do not vary in size in any one container or layer, more than three-eighths

of an inch in diameter when measured through the widest portion of cross-section, and

(b) Each container is marked in plain sight and in plain letters on the outside end of the container bearing other markings required by this section with the numerical description of the pack in the top layer followed by the term "double-wrapped" or "double-wrap," all in figures and letters at least three-eighths of an inch in height.

The "double-wrap" method of packing means that with respect to all of the tomatoes in a container except in the top layer, two tomatoes shall be placed in each individual wrapper.

Tomatoes which are packed in containers having straight sides with the bottom layers packed by the "off set" or diagonal arrangement methods need not conform with the requirements of this section relating to the count of tomatoes in the various layers; however, there shall be approximately the same numerical count in each layer.

In the case of wrapped and packed tomatoes a "bridge" of a number of tomatoes consisting of less than a complete layer packed between any two layers in any container shall be permitted providing the container is marked as hereinafter provided.

Markings

All containers of tomatoes shall bear upon them in plain sight and in plain letters on one outside end: the name of the person who authorized the packing of the tomatoes together with a sufficiently explicit address to permit ready location of such person; when wrapped and packed, numerical description of the pack in the top layer. If a bridge pack is used the designation "bridge pack" shall be imprinted in plain letters one inch in height and in plain sight on the lid of the container

The designation "bridge pack" shall not be required to be marked on containers of tomatoes packed by the double-wrap method.

CHAPTER 137

An act to add Section 23956 to the Water Code, relating to facilities use charges for irrigation district improvement districts and validating proceedings heretofore taken by district boards to establish such charges, and declaring the urgency of this act, to take effect immediately.

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 23956 is added to the Water Code, to read:

23956. Notwithstanding any other provision of this code, the board of a district in which an improvement district exists may establish facilities use charges for the use of irrigation facilities in such improvement district and, in establishing such

Facilities use charges

charges, may provide that water shall be furnished or delivered through such facilities only to lands in such improvement district in respect of which such facilities use charges or annual installments thereof, fixed as provided in this section, shall have been paid in advance. Such facilities use charges shall be in amounts equal to the respective amounts of the assessments theretofore levied against the lands in such improvement district for the purpose of providing such facilities. In establishing such charges the board of the district shall provide (a) that payment in full of any such assessment shall constitute payment in advance in full of such facilities use charge; (b) that all facilities use charges not so paid in advance in full shall be payable in annual installments, each such annual installment to be equal in amount to (i) the annual installment of the unpaid assessment theretofore levied against the land in respect of which such charge is payable and due on or before the next succeeding November 20th plus interest thereon at the rate provided in the order levying such assessment plus 10 percent in addition (added for anticipated delinquencies), plus (ii) all delinquent annual installments, if any, of such unpaid assessment together with penalties and interest at said rate on such delinquent installments; and (c) that payment of any annual installment of any such facilities use charge shall constitute payment in full of the annual installment of such unpaid assessment due on or before the next succeeding November 20th and of all delinquent annual installments, if any, of such unpaid assessment. Any proceedings heretofore taken by the board of any district to establish the facilities use charges authorized by this section are hereby confirmed, validated and declared legally effective.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The peace, health and safety of the citizens of the State require the orderly and unhampered functioning of irrigation districts and of improvement districts therein and such functioning depends in part upon the validity of the acts and proceedings of such districts taken to acquire, construct and complete irrigation facilities in such improvement districts and to levy assessments and facilities use charges in connection with the payment of the cost of such acquisition, construction and completion, and it is therefore imperative and essential that such acts and proceedings be validated so that during the period before this act would otherwise become effective, citizens of the State can be afforded irrigation facilities and the acquisition, construction and completion of such irrigation facilities can be commenced, continued and completed without delay or restriction to provide water and irrigation required for the public peace, health and safety and immediately needed to provide for an increased population.

CHAPTER 138

An act to add Section 19629 to the Business and Professions Code, relating to the audit of fairs receiving money from the Fair and Exposition Fund.

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 19629 is added to the Business and Professions Code, to read:

19629. The books and records of any county, citrus fruit fair or exposition receiving an appropriation or an allotment from the Fair and Exposition Fund, insofar as they relate to revenues and expenditures for fair or exposition purposes, may be audited by the Department of Finance; provided, that when any county, citrus fruit fair or exposition receiving an appropriation or an allotment from the Fair and Exposition Fund contracts with an association or a corporation to conduct such county, citrus fruit fair or exposition the contract providing for conducting such fair shall include a provision that the books and records of such association or corporation shall be subject to audit by the Department of Finance at its discretion. Fair books' Audit

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CHAPTER 139

An act to amend Section 5062 of, to repeal Section 5063 of, and to add Section 5063 to, the Education Code, relating to state school building aid.

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5062 of the Education Code is amended to read:

5062. Upon computing in any fiscal year the amount to be deducted from the apportionments to the district from the State School Fund during the succeeding fiscal year, the State Controller shall notify the governing board of the district and the county auditor of the county, the county superintendent of which has jurisdiction over the district, of the amount to be deducted. Notice of deduction

SEC. 2. Section 5063 of the Education Code is repealed.

SEC. 3. Section 5063 is added to the Education Code, to read:

5063. The board of supervisors of the county, the county superintendent of which has jurisdiction over any district which under this chapter will have moneys withheld by the State Controller from the apportionments to be made to it from the State School Fund during any fiscal year, shall annually at the time the board of supervisors makes the levy of taxes for county Tax levy

purposes, levy a tax upon the property in the district sufficient to raise for the district the amount of money to be withheld by the State Controller during the fiscal year in which the tax is levied. Such tax, when collected, shall be paid into the county treasury of the county, the county superintendent of schools of which has jurisdiction over the district for which the tax was levied, to the credit of the general fund of the district.

CHAPTER 140

An act to amend Section 1079 of the Agricultural Code, relating to economic poisons.

In effect September 22, 1951

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1079 of the Agricultural Code is amended to read:

Disposition of money received

1079. All money received by the director under the provisions of any article of this chapter shall be paid into the State Treasury to the credit of the Department of Agriculture Fund to be expended in carrying out the provisions of such article.

CHAPTER 141

An act to add Section 14722.1 to the Education Code, relating to district retirement salary plans, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 14722.1 is added to the Education Code, to read:

Death benefit

14722.1. The plan may provide for a death benefit, payable upon receipt of proof of a member's death which occurred before the effective date of his retirement or before the date upon which a retirement allowance is granted to him, whichever is the later date, and within four months after the termination of the member's employment in a status requisite for membership in the retirement plan, in an amount equal to one-twelfth for each completed year of service as a member, not to exceed six, of the salary which would have been earned by the member at the rate of salary at which he was employed immediately preceding his death, assuming engagement in duties for the number of days during the school year in which said employment existed. Any plan which provides for such death benefit shall also provide that such benefit shall not be payable to the beneficiary of any member in respect to whom a death benefit is paid by the State Teachers' Retirement System under Section 14575 of this

code, unless such death benefit paid under Section 14575 has been reduced by the amount of the death benefit otherwise payable under the district retirement plan.

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV, Section 1, of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

The United States is now engaged in assisting the United Nations in actions involving the use of armed force. Some members of district retirement systems are already on leave of absence from their public civilian employment to serve in the armed forces of the United States and many more will be called to such service in the immediate future. To afford to the dependents of such district retirement system members immediate assurance of the same protection and benefits already afforded to members of the State Teachers' Retirement System and the State Employees' Retirement System.

CHAPTER 142

An act to amend Sections 14728.3 and 14728.5 of the Education Code, relating to district retirement salary plans.

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 14728.3 of the Education Code is amended to read:

14728.3. If a person whose accumulated contributions have been returned to him thereafter re-enters the system within 39 months after such return of his contributions, he may within 60 days after his re-entry elect to redeposit said contributions, with interest from the date of return of the contributions by the district to the date of redeposit, at such rates and within such period as the rules of the governing board may provide, but such period shall be not less than five years. Redeposit of contributions

SEC. 2. Section 14728.5 of the Education Code is amended to read:

14728.5. Except as otherwise provided in this code, all rights under the district retirement plan as of the date of termination of service, including the right to pension benefits and credit for prior service, if any, shall be restored to any member who redeposits his accumulated contributions as provided in Section 14728.3; but any member who re-enters the system more than 39 months after his contributions have been returned to him, or any member who re-enters the system within 39 months after his contributions have been returned to him and does not elect to redeposit his accumulated contributions with interest, as provided in Section 14728.3, or any member who re-enters the system within 39 months after his contributions Restoration of rights

have been returned to him and, having elected to redeposit his accumulated contributions, with interest, as provided in Section 14728.3, subsequently does not make such redeposit, re-enters as a new member without credit for any service except the prior service credited to him before termination of his service, and his rate of contribution for future years is that for his age at re-entrance.

CHAPTER 143

An act to repeal Sections 2289 and 2293 of, and to amend Sections 2135, 2169, 2287, and 2147.5 of, the Business and Professions Code, relating to practitioners of the healing arts.

In effect September 22, 1951

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Sections 2289 and 2293 of the Business and Professions Code are repealed.

SEC. 2. Section 2135 of said code is amended to read:

Certificates

2135. The board shall issue two forms of certificates under its seal and signed by the president and secretary-treasurer. These certificates shall be designated as:

(a) Physician's and surgeon's certificate.

(b) Certificate to practice chiropody.

The physician's and surgeon's certificate may also be issued as a reciprocity certificate.

SEC. 3. Section 2169 of said code is amended to read:

Diploma

2169. All applications shall contain, or have attached thereto, a diploma from a California high school or other school in the State of California requiring and giving a full four years' resident course of the same grade, or other schools elsewhere, requiring and giving full four years' resident standard high school course, or its equivalent, approved by the board.

Proof, satisfactory to the board, shall be submitted that the applicant is the lawful holder of the diploma, and that it was procured in the regular resident course of instruction without fraud or misrepresentation.

SEC. 4. Section 2287 of said code is amended to read:

Re-examination

2287. Any applicant for a physician's and surgeon's certificate obtaining 75 percent or more in seven subjects and any applicant for a certificate to practice chiropody obtaining 75 percent or more in five subjects shall be re-examined in those subjects only in which he failed and without additional fee.

SEC. 5. Section 2147.5 of the Business and Professions Code is amended to read:

Treatment of sick

2147.5. Any graduate student registered with the board and upon whom a degree of doctor of medicine, bachelor of medicine, or doctor of osteopathy has been conferred by a school, approved by the board, and any regularly matriculated student in a school approved by the board may, during and as a part of

his course of study, but not for a period of more than two years, treat the sick and afflicted either as such student in a school approved by the board, teaching medicine, surgery or osteopathy in this State, or as an interne in a hospital approved for the training of internes, and may, for rendering such treatment, receive compensation therefor from the hospital or school. Hospitals functioning as a part of the teaching program of an approved school in this State may exchange instructors or resident or assistant resident physicians with an out-of-state approved school, or may appoint a graduate of an approved school as a resident or assistant resident for postgraduate training, and the exchange instructor, resident or assistant resident from such out-of-state school or the resident or assistant resident for postgraduate training may, for a period not exceeding one year, serve as an instructor, resident or assistant resident in such hospital in this State. Any person registered with the board and upon whom a degree of doctor of medicine or doctor of osteopathy has been conferred by a school approved by the board may act as a resident or assistant resident physician in any hospital approved for residencies or the training of internes, and may receive compensation therefor from the hospital; provided, that any such resident or assistant resident shall qualify for and take the next succeeding examination for a physician's and surgeon's certificate given by the board or shall qualify for and receive a physician's and surgeon's certificate by one of the other methods specified in this chapter If he shall fail to pass such examination or fail to receive a certificate by one of the other methods, pending the results of the examination, all privileges under this section shall automatically cease.

Except to the extent authorized by this section, no graduate student or resident may treat the sick or afflicted or receive compensation therefor, or otherwise engage in or offer to engage in the practice of medicine or surgery; unless he shall hold a valid, unrevoked and unsuspended physician's and surgeon's certificate.

CHAPTER 144

An act to repeal Section 12024.4 of the Business and Professions Code, relating to the sale of poultry, fowl, and rabbits by weight, declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 26, 1951. Filed with Secretary of State April 27, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 12024.4 of the Business and Professions Code is repealed. Repeal

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall Urgency

go into immediate effect. The facts constituting such necessity are:

It has come to the attention of the Legislature that Section 12024.4 of the Business and Professions Code is adversely affecting the business of marketing and selling fresh poultry and fowl. The requirement that the cost of poultry or fowl be determined by retailers at the weight in the form in which "prepared and delivered" results in the business of retailers being made dangerously speculative and unnecessarily threatens the ability of such retailers of fresh poultry and fowl to continue in business. Because the delivered weight of poultry or fowl will vary substantially according to the manner in which it is prepared after the consumer selects it in the "dressed" form, the retailer is unable to fix the "table-dressed" price with any reasonable degree of certainty. The consumer will have to pay more or less money for a particular fowl selected, depending upon the amount of weight lost in the particular type of preparation which the consumer orders. In fairness to both consumer and retailer, it is necessary that they be permitted to buy and sell poultry and fowl at "dressed weight" and then to have the same cleaned and prepared to the customer's wishes without a redetermination of the weight and price of the poultry so selected. Fair and proper marketing of poultry and fowl, and the protection of the retailer and consumer of fresh poultry and fowl, directly affect the health and welfare of the people of this State. It is therefore necessary that this act take immediate effect.

CHAPTER 145

An act to amend the heading of Chapter 2 of Part 6.5, Division 11 of the Water Code, to add a heading for Article 1 of, and to add Article 2 to, Chapter 2, Part 6.5, Division 11 of the Water Code, relating to distribution districts in irrigation districts, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. The heading of Chapter 2 of Part 6.5, Division 11 of the Water Code is amended to read:

CHAPTER 2. INCLUSION AND EXCLUSION OF LAND

SEC. 2. The following heading is added to said code, immediately to follow the heading for Chapter 2 of Part 6.5 of Division 11 and immediately to precede Section 23540, to read:

Article 1. Inclusion of Land

SEC. 3. Article 2 is added to Chapter 2 of Part 6.5, Division 11 of the Water Code, to read:

Article 2. Exclusion of Land

Petition

23545. At any time before a district has incurred any indebtedness or obligation, or after all indebtedness and obligations have been discharged, two-thirds or more in number of the holders of title to an area of land in the distribution district, as appears on the last equalized assessment roll, desiring to be excluded therefrom may by verified petition filed with the board of the district, request that the area be excluded from the distribution district.

Hearing

23546. The secretary of the district, upon the filing of the petition, shall examine it and if, in his opinion, the petition has been signed by the requisite number of landowners, he shall set it for hearing at the first regular meeting of the board of the district held after the expiration of 30 days after the filing of the petition.

Notice

23547. The secretary of the board shall cause notice of the time and place of hearing to be posted for a period of two weeks next preceding the hearing (a) in three public places in the area requested to be excluded, and (b) in three public places in the area of the distribution district which has not been requested to be excluded, and to be published once a week for two weeks in a newspaper of general circulation in the county in which any portion of the distribution district is located.

Exclusion

23548. At the time and place of the hearing, anyone interested in the petition for exclusion may appear before the board of the district and urge or oppose its approval. After the hearing, if the board of the district determines that it is for the best interests of the distribution district that the land requested to be excluded, or any portion thereof, should be excluded, the board of the district shall make an order excluding the land, or portion thereof, and cause it to be recorded in the office of the county recorder of each county in which the excluded land is located.

Expenses

23549. All expenses incurred in connection with a petition to exclude lands from a distribution district shall be paid by the petitioners.

Urgency

SEC. 4. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Section 1 of Article IV of the Constitution, and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

Due to the lowering water tables in many irrigation districts, the owners of lands must be in a position to take advantage of every opportunity to secure water. No provision has been made for excluding areas formed into distribution districts under Part 6.5 of Division 11 of the Water Code. There is considerable delay in the approving of federal contracts and the making of congressional appropriations and in cases of immediate need for water, areas in distribution districts cannot be excluded therefrom and are thus denied the privilege of forming improvement districts and financing the improvements as

an improvement district. Delay in securing water for one season might destroy valuable orchards. It is therefore necessary that this act take effect immediately so that owners of lands may have an opportunity for immediate action by every means possible to secure water.

CHAPTER 146

An act to add Section 429.5 to the Fish and Game Code, relating to fishing by persons in the armed forces of the United States, and declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 429.5 is added to the Fish and Game Code, to read:

Fishing license not required

429.5. Any member of the armed forces of the United States or any auxiliary branch thereof on active duty may take fish, in accordance with law, for purposes other than profit without a sporting fishing license.

This section shall remain in effect until the ninety-first day after the final adjournment of the 1953 Regular Session of Legislature or until the termination of the existing national defense emergency as evidenced by cessation of compulsory military service in the armed forces of the United States by citizens of this State, and as found and declared by proclamation issued by the Governor, whichever first occurs. While this section is in effect it shall supersede any existing provisions of law which are in conflict with this section; but such provisions are not repealed by this section and after this section is no longer effective shall have the same force as though this section had not been enacted.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

A successful national defense effort depends in great part upon the maintenance of the health and morale of the members of the armed forces. This act makes the extensive sporting fishing facilities of this State available for the use of members of the armed forces and the auxiliaries thereof who are en route for duty overseas and thus makes possible an interval of healthful and stimulating recreation and relaxation. In order that the benefits of this act may be obtained during the spring and early summer months of the current year it is necessary that this act take effect immediately.

CHAPTER 147

An act to amend Sections 6895 and 6897 of the Public Resources Code, relating to mineral leases on public lands.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6895 of the Public Resources Code is amended to read:

Preferential mineral leases

6895. Upon establishing to the satisfaction of the commission that commercially valuable deposits of minerals have been discovered within the limits of any permit, the permittee shall be entitled to a lease for not more than 160 acres of the land embraced in the prospecting permit, if there be that number of acres within the permit. The area selected by the permittee shall be in compact form, and if surveyed shall be described by the legal subdivisions of the public lands surveys; if unsurveyed, the area shall be surveyed by the commission at the expense of the applicant for the lease, in accordance with rules and regulations to be prescribed by the commission, and the lands leased shall be conformed to and taken in accordance with the legal subdivisions of such surveys. The lease shall be upon a royalty, as specified by the commission in the permit, and the annual payment in advance of a rental of one dollar ($1) per acre. Notwithstanding the 160 acreage limitation provision of this section, whenever the lands for which a lease is sought are tide and submerged lands, the commission shall be, and is, authorized to divide such lands into such size and number of parcels as the commission shall determine will not substantially impair the public rights to navigation and fishing or interfere with the trust upon which such lands are held.

SEC. 2. Section 6897 of said code is amended to read:

Lease to highest bidder

6897. All deposits of minerals, other than oil and gas, in lands belonging to the State which have been classified by the commission as lands containing commercially valuable mineral deposits and all deposits of such minerals within lands embraced within a prospecting permit and not subject to preferential lease to the permittee, may be leased by the commission to the highest responsible bidder by competitive bidding, under general regulations, to qualified applicants, in such form as the commission deems to be to the best interest of the State. In addition to the royalty provided therein, each bid and each lease shall also provide for an annual rental payment in advance of such sum as the commission shall specify.

CHAPTER 148

An act to amend Section 802.6 of the Agricultural Code, relating to containers for grapes, to take effect immediately.

In effect immediately

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 802.6 of the Agricultural Code is amended to read:

Standard containers

802.6. All grapes intended for shipment out of the State of California shall be placed in standard containers numbers 1, 1B, 1C, 2, 5, 6, 7, 8, 9, 9A, 28, 29, 30A, 37A, 37B, 37C, 37D, 37E, 37F, 37G, 38H, 38I, 38J, 49, and 50 subject to the restrictions and additions specified in this chapter. Except as otherwise designated, all such containers shall be considered as standard for grapes when packed with or without pads, inner-liners, or other device which does not reduce the inside volume of the container by more than 10 percent; provided, that the vacant spaces, if any, resulting from the use of such device are readily visible.

The depth dimension of containers, exclusive of cleats, designated for grapes in this chapter shall apply only to the depth of the head of each such container.

Containers designated as 37A, 37B, 37C, 37D, 37E, 37F and 37G shall be standard for grapes when used without cleats or with any one of the following defined cleats attached to the top of each end piece; however, no such container shall be less than $4\frac{7}{16}$ nor more than $6\frac{1}{16}$ inches in depth, including the depth of a cleat on each end.

1. Cleat $\frac{3}{8}$ inch depth and $\frac{11}{16}$ inch width.
2. Cleat $\frac{1}{2}$ inch depth and $\frac{11}{16}$ inch width.
3. Cleat $\frac{11}{16}$ inch depth and $\frac{11}{16}$ or $\frac{7}{8}$ or $1\frac{3}{8}$ inch width.
4. Cleat $\frac{3}{4}$ inch depth.
5. Cleat $\frac{7}{8}$ inch depth and $\frac{11}{16}$ inch width.

Only the depth measurement of these cleats shall be used to increase the depth measurements of the container.

Containers designated as 5, 6, 7, 8, 9, 9A, 30A, 38H, 38I and 38J shall be standard for grapes when used with or without any style of cleat providing the sides of the container are not placed above the container head.

Containers numbers 28, 29, 49 and 50 shall be standard for grapes only when (1) containing grapes packed in sawdust, cork or similar packing material in sufficient amount to completely surround and cover the grapes and (2) used without cleats.

Containers numbers 30A and 38H shall be standard for grapes only when containing bunches which are (1) individually wrapped in paper or other protective wrapping material and (2) packed in excelsior or other similar packing material.

Container number 37G shall also be considered standard for grapes when each head piece is beveled across each bottom corner at an angle of 45 degrees, starting two inches from each such corner, and bottom slats are attached to each bevel, so as to affect the contour of the box. This container may or may not also be notched at the center of the base by a triangle with a base of four inches and an altitude of two inches. If notched, bottom slats shall be attached to each side of the notch, in addition to each bevel.

Containers designated as 37D, 37F and 37G shall also be considered standard for grapes when constructed as display lugs defined herein and subject to the following restrictions. No other container shall be considered standard for grapes when so constructed.

Standard display lug

Standard Display Lug: Container 37G when constructed as a "display lug" shall have a $5\frac{3}{4}$ inch head (1) "slotted" $1\frac{1}{4}$ inches or less from the top or (2) consisting of a top piece $1\frac{1}{4}$ inches deep nailed or fastened to a bottom piece $4\frac{1}{2}$ inches in depth, and shall be used without a cleat or cleats; however, when a pad filler is placed in the bottom of the container a $\frac{3}{8}$ or $\frac{11}{16}$ inch cleat may be placed on each end of the container on top of the head in such a manner as to add $\frac{3}{8}$ or $\frac{11}{16}$ of an inch to the height of each end piece.

Special display lug

Special Display Lug: Container 37F when constructed as a "display lug" shall have a $5\frac{1}{2}$ inch head (1) "slotted" $1\frac{1}{4}$ inches or less from the top or (2) consisting of a top piece $1\frac{1}{4}$ inches deep nailed or fastened to a bottom piece $4\frac{1}{4}$ inches in depth, and shall be used without a cleat or cleats.

Special Display Lug: Container 37D when constructed as a "display lug" shall have a $5\frac{1}{8}$ inch head (1) "slotted" $1\frac{1}{4}$ inches or less from the top or (2) consisting of a top piece $1\frac{1}{4}$ inches deep nailed or fastened to a bottom piece $3\frac{7}{8}$ inches in depth, with or without a $\frac{5}{8}$ inch cleat making a total depth of $5\frac{1}{8}$ or $5\frac{3}{4}$ inches.

"Display lug"

The term "display lug" shall mean a lug with a two-piece or slotted head (with or without cleats) and sides consisting of two pieces, constructed in such a manner that when packed with grapes and lidded, an entire upper section of the lug, together with the lid, can readily be removed, thereby displaying the grapes.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The practice of notching grape containers defined as container number 37G by Section 802.6 of the Agricultural Code is now obsolete. In order to permit the use of standard containers with beveled corners in the 1951 grape season, as permitted by said section, but without requiring that said containers be notched, it is necessary that this act go into immediate effect.

CHAPTER 149

Stats 1946 (1st Ex. Sess.), p 30, amended

An act to amend Section 24.5 of the Construction and Employment Act, relating to the construction of sewage projects pursuant to said act.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 24.5 of the Construction and Employment Act is amended to read:

Allocation for sewage project

Sec. 24.5. When money allocated to a local agency has been assigned to a district for the construction of a sewage project, the board shall approve an application for aid in the construction of a project that includes local or lateral street sewers and shall allot to the district the State's share of the cost of the construction thereof if (a) the board determines, upon the basis of such data as it may require from the applicant, that the total amount of bonds that have been issued or authorized to be issued by the district exceeded, at any time subsequent to May 21, 1946, 75 percent of the total amount of bonds of the district authorized by law, and (b) the application and the project otherwise comply with the provisions of this act.

CHAPTER 150

An act to amend Section 88 of the Agricultural Code, relating to the extraction of mineral deposits from lands owned or controlled by district agricultural associations and providing for the disposition of the proceeds thereof.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 88 of the Agricultural Code is amended to read:

Proceeds of sales of association real property

88. The proceeds of the sale of any interest in real property owned by any association shall be paid into the Fair and Exposition Fund in the State Treasury. The amount paid into such fund under the provisions of this section shall be available for expenditure by the association, with the approval of the State Department of Finance, for permanent improvements for fair purposes on the property of the association or the purchase of equipment for fair purposes, or the acquisition or purchase of real property, including costs of appraisal, or other incidental costs, to be used as sites for such permanent improvements. Said funds or any portion thereof which are not expended within three years after being so paid into the State Treasury as provided in this section shall be added to and become a part of the amount available under paragraph (c) Section 19626 of the Business and Professions Code for permanent

improvements upon the property of the State, citrus, county, or district agricultural associations for fair purposes, or the purchase of equipment for fair purposes, or the acquisition or purchase of real property, including costs of appraisal or other incidental costs, to be used as sites for such permanent improvements, in such amounts as may be allocated by executive order of the State Director of Finance. The execution of any lease, easement, or agreement for the extraction of any oil, or gas from lands owned or controlled by a district agricultural association is not a sale of an interest of real property within the meaning of this section. All revenues received by any association pursuant to any such lease, easement, or agreement for the extraction of oil or gas shall be paid into the General Fund in the State Treasury.

CHAPTER 151

An act to amend Sections 1230, 1250, and 1340.5 of the Fish and Game Code, relating to predatory and protected mammals.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1230 of the Fish and Game Code is amended to read:

1230. The following mammals are predatory mammals: Predatory mammals

(a) The order Insectivora (moles, shrews).

(b) The order Marsupialia (opossums).

(c) The order Rodentia (rats, mice and gophers), excluding native species of the genus Sciurus (tree squirrels), the genus Glaucomys (flying squirrels) and the genus Castor (beavers).

(d) The family Canidae (wolves, coyotes, foxes).

(e) The family Procyonidae (ringtail cats, coons).

(f) The family Mustelidae (martens, fishers, wolverines, weasels, minks, skunks, badgers).

(g) The family Felidae (cougars, wildcats).

SEC. 2. Section 1250 of the Fish and Game Code is amended to read:

1250. It is unlawful to take or possess the following mammals, or any part thereof: female deer, spotted fawn, spike buck, female antelope, mountain sheep, Sierra hare (Lepus campestris sierrae), native tree squirrel, sea otter and in District 1¾, forked-horn deer. Protected mammals

SEC. 3. Section 1340.5 of the Fish and Game Code is amended to read:

1340.5. The following mammals may be taken at any time: Rodents Rodents of the order Rodentia (rats, mice, pocket gophers), except native tree squirrels (genus Sciurus), flying squirrels (genus Glaucomys), and beavers (genus Castor); black-tailed jack rabbits (of the genus Lepus); cottontail and brush rabbits (of the genus Sylvilagus) in Districts 4, 4¾, 19, and 21.

CHAPTER 152

An act to amend Section 673 of the Agricultural Code, relating to reports of imitation milk products and oleomargarine.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 673 of the Agricultural Code is amended to read:

Imitation milk products Manufacturer's reports

673. All manufacturers of imitation milk products except oleomargarine shall submit to the director at the end of each month a report of the quantity sold or purchased, the names and addresses of the buyers, the dates and the places to which they were shipped or delivered and the names and specific locations of all persons who purchase or receive any imitation milk products for the purpose of selling to the public in any form. Manufacturers of oleomargarine shall submit to the director at the end of each month a report of the amount of oleomargarine sold or distributed.

CHAPTER 153

An act to amend Section 682 of the Agricultural Code, relating to licenses for testers, samplers, weighers, and pasteurizers.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 682 of the Agricultural Code is amended to read:

Applications for tester's, etc., licenses

682. Applications for tester's, sampler's and weigher's, technician's or pasteurizer's licenses shall be made to the director who shall examine each applicant for the license applied for as to his qualifications and knowledge of the law applicable to him. Each application must be accompanied by the fee as follows:

(a) For a tester's license, five dollars ($5).

(b) For a sampler's and weigher's license, one dollar ($1).

(c) For a technician's license, five dollars ($5).

(d) For a pasteurizer's license, one dollar ($1).

All such licenses expire on the thirty-first day of each December and may be renewed upon payment of a fee of one dollar ($1) if the licensee has complied with all the requirements of the law and rules and regulations applicable to him.

CHAPTER 154

An act to provide for the disposition of the unexpended balance of moneys in the Third San Francisco Seawall Fund.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Any unexpended balance of moneys remaining in the Third San Francisco Seawall Fund on the effective date of this act shall, on order of the State Controller, be transferred to the Third San Francisco Seawall Sinking Fund.

Transfer of fund balance

CHAPTER 155

An act to amend Section 806 of the Fish and Game Code, relating to shellfish.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 806 of the Fish and Game Code is amended to read:

806. Pismo clams (Tivela stultorum) less than five inches in greatest diameter may not be taken or possessed. All undersized clams shall immediately be returned to the hole from which they are dug. The bag limit on Pismo clams is 10 per day. No more than one daily bag limit of Pismo clams may be possessed by any person during one day.

Pismo clams Size and limit

CHAPTER 156

An act to amend Section 432.6 of the Fish and Game Code, relating to licenses.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 432.6 of the Fish and Game Code is amended to read:

432.6. All of the provisions of Sections 990.1, 993, 994, 995, and 995.1, shall apply to applicants for or holders of permits pursuant to Section 432.5 in the same manner and to the same extent as said provisions apply to applicants for or holders of commercial fishing licenses.

Provisions applicable

CHAPTER 157

An act to amend Section 1157 of the Fish and Game Code, relating to game birds and mammals.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1157 of the Fish and Game Code is amended to read:

Unlawful acts

1157. During the period when any open season is suspended or closed by the commission, it is unlawful to take specified species of game birds or mammals mentioned in the closing order in the closed area.

Expiration date

SEC. 2. The provisions of Sections 1156 and 1157 shall be effective until the ninety-first day after final adjournment of the 1953 Regular Session of the Legislature and thereafter shall have no force or effect.

CHAPTER 158

An act to amend Section 5006 of the Education Code, relating to bonding school district employees.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5006 of the Education Code is amended to read:

School district employees' bonds

5006. The governing board of every school district shall require each employee of the district, whose duty it is to handle funds of the district. and may, in its discretion, require employees of the district, whose duty it is to handle property of the district, to be bonded under a suitable bond indemnifying the district against loss. Such bond may be a name schedule bond, schedule position bond or blanket bond, and shall be in such amount and type as the board shall consider necessary and desirable. The boards shall pay from the funds of the district the cost of the premium necessary to provide the bond.

CHAPTER 159

An act to amend Section 1873 of the Civil Code, relating to unclaimed property.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1873 of the Civil Code is amended to read:

Disposition of unclaimed property

1873. The legislative body of any city, city and county, or county may provide by ordinance for the care, restitution,

sale or destruction of unclaimed property in the possession of the police department of such city or city and county or of the sheriff of such county. Any city, city and county, or county adopting such an ordinance shall provide therein (1) that such unclaimed property shall be held by the police department or sheriff for a period of at least six months, (2) that thereafter such property will be sold at public auction to the highest bidder, and (3) that notice of such sale shall be given by the chief of police or sheriff at least five days before the time fixed therefor by publication once in a newspaper of general circulation published in the county.

CHAPTER 160

An act to amend Section 971 of the Fish and Game Code, relating to traps and diving equipment.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 971 of the Fish and Game Code is amended to read:

971. Lobster traps or other methods which do not injure spiny lobsters or prevent survival of undersize spiny lobsters, may be used in Districts 17, 18, 19, 20A, and those portions of District 20 lying on the southerly side of Catalina Island between Southeast Rock and Little Harbor, to take spiny lobsters. Lobster traps may be used to take spiny lobsters, rock crabs and sheepshead only, and any other species taken in such traps shall be released. Such traps may be used only during the season prescribed for spiny lobsters in Section 782. Spiny lobsters may be taken in any district by the use of the hands in the manner commonly known as skin diving or by the use of diving apparatus of the type commonly known as the agua lung; provided, that spiny lobsters so taken in District 19A may not be sold.

Lobster traps, etc

CHAPTER 161

An act to amend Section 450.5 of the Fish and Game Code, relating to diving.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 450.5 of the Fish and Game Code is amended to read:

450.5. In Districts 18, 19, 20, and 21 fish, other than mollusks or crustaceans, that may be taken by other means may be taken with spear by a person equipped with underwater type

Underwater spear fishing

of goggles, or diving apparatus of the type commonly known as the agua lung, and completely submerged. This section does not authorize the taking of fish with spear by a person equipped with diving apparatus other than underwater type of goggles or diving apparatus of the type commonly known as the agua lung. No such fish may be sold.

CHAPTER 162

An act to add Section 188.1 to the Streets and Highways Code, relating to the expenditure of state highway funds, declaring the urgency thereof, and providing that this act shall take effect immediately.

In effect immediately

[Approved by Governor April 27, 1951. Filed with Secretary of State April 27, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 188.1 is added to the Streets and Highways Code, to read:

Application of article. Disaster damage

188.1. None of the provisions of this article, nor of Section 825 of this code, shall apply to the expenditure of either state or federal funds necessary to replace or reconstruct any state highway damaged or destroyed as the result of disaster over a wide area, such as by enemy action, sabotage, floods, hurricanes, tidal waves, earthquakes, severe storms, or other catastrophes where at the time of the catastrophe the Governor declared an emergency, and where such expenditure is authorized pursuant to this section by the California Highway Commission by resolution, and such resolution is approved by the Governor. In the event the funds expended for replacing or reconstructing the damaged or destroyed state highway exceeds the cost of providing a facility of equal utility with that damaged or destroyed as determined by the State Highway Engineer, he shall report the amount of such excess to the commission, and any expenditure in excess of the cost of providing a facility of equal utility shall be subject to all the provisions of this article and Section 825 of this code.

Same Date

SEC. 2. The provisions of Section 188.1 of the Streets and Highways Code shall apply to any expenditures made during the 1950-1951 Fiscal Year, provided the California Highway Commission by resolution approves such expenditures pursuant to said section and the Governor approves such resolution.

Urgency

SEC. 3. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

Due to unprecedented floods, large expenditures of state funds and an allocation of federal emergency funds granted

by reason of such floods has been and is necessary to restore excessive damage to state highways. The application of the restrictions of the existing law with reference to the allocations of funds between county groups and on state highways within designated counties would impose an undue burden upon the locations in which the damages occurred and it is, therefore, necessary to provide for an orderly development of the State Highway System that this act take effect immediately.

CHAPTER 163

An act to amend Sections 92, and 92.5 of the Agricultural Code, relating to district agricultural fairs.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 92 of the Agricultural Code is amended to read:

Allocation of premium money

92. The Department of Finance shall apportion any money appropriated by the State for the encouragement of county, district or combined county and district fairs to the various agricultural fairs on the basis of the amount which each fair actually paid in premiums for agricultural, horticultural, mineral and livestock exhibits, and exhibits of domestic arts and agricultural mechanics made or manufactured for other than commercial purposes in each year. The money so apportioned shall be paid to the several counties and district agricultural associations as soon as such apportionment is determined.

Advances

The Department of Finance, out of any money on hand to be apportioned, may advance to any county or district agricultural association, for the purpose of paying premiums, at any time during the year, any portion of the money to which, in the opinion of the Director of Finance, the county or district agricultural association will become entitled for that year. The county or district agricultural association shall deposit such money in a separate bank account approved by the Director of Finance in accordance with the provisions of Section 16506 of the Government Code. Such money may be expended for premiums, capital outlay, including purchase of land, construction, improvements, equipment, for the acquisition, installation, maintenance, and operation of recreational facilities at fairgrounds of the county or district agricultural associations or support of county or district agricultural association fairs pursuant to a budget submitted to, and approved by, the Department of Finance subject to the provisions of Sections 13320 to 13324, inclusive, of the Government Code.

Statement of premiums paid

All sums expended from such moneys for construction and improvements by counties shall be subject to the provisions of Sections 25450 to 25463, inclusive, of the Government Code. The county auditor or secretary of any such fair desiring to share in any such appropriation shall file with the Department

of Finance on or before December 31st, of each year, a sworn statement setting forth the actual amount paid for premiums by such fair held in that year.

Allocation base

Six thousand dollars ($6,000) shall be the maximum base of allocation paid any fair for its first year of operation, and thereafter in each subsequent year in which a fair is held the maximum base of allocation shall increase by 10 percent over the maximum base for the year in which a fair was last held.

In the event the premiums paid during any year in which a fair is held are less than the maximum base of allocation for that year, the base of allocation for that year shall be the premiums so paid during such year. For any fair operated prior to 1933 which received, or was qualified to receive, money from appropriations for the support of agricultural fairs, the basis may be increased 10 percent for each year in which a fair was held from the time the fair was first held, except that if no fair was held by the county or district for a period of five or more years the percentage of increase shall apply only from the first fair held after said period. Any fair may pay premiums in an amount greater than that used as the base of apportionment to it.

Rules and regulations

The Department of Finance shall prescribe rules and regulations for the judging of exhibits, and the maximum amount of premiums which may be offered and paid for all classes, sections, and types of exhibits. Said rules and regulations and the maximum amount of premiums which may be offered and paid shall be exempt from the provisions of Section 11380 of the Government Code but may be filed with the Secretary of State under the provisions of Section 11385 of the Government Code. No fair shall receive any apportionment of funds under this section unless it complies with such rules and regulations.

Limitations

No allotment from the apportionment herein provided shall be made for more than one fair in any one year in any county or district. The fact that a county or district contracts one with the other or with a county fair association, to hold an agricultural fair shall not bar it from receiving a proper proportion of the moneys herein appropriated, except that no county or district may hold a joint or combined fair and receive an allotment of money under the provisions of this section. No fair for which a separate appropriation is made by the State shall participate in the apportionment of any money appropriated for the encouragement of county and district agricultural fairs. On or after January 1, 1943, allotments from the appropriation herein provided shall be made only to district agricultural associations or counties which received allotments under this section on the basis of the premiums paid at fairs held during the calendar year 1941 except that: (1) A district agricultural association which did not receive an allotment under this section on the basis of the premiums paid at a fair held during the calendar year 1941 may receive an allotment as provided in this section unless a county whose area lies in

whole or in part within the boundaries of the agricultural district received an allotment under this section on the basis of the premiums paid at a fair held during the calendar year 1941; (2) Solano County may receive an allotment although that county held no fair in the calendar year 1941 and the agricultural association of the agricultural district comprising Solano County received an allotment during the calendar year 1941; (3) Marin County may receive an allotment although that county held no fair in the calendar year 1941 and the agricultural association of the agricultural district of which Marin County is a part received an allotment during the calendar year 1941; (4) Santa Cruz County may receive an allotment although that county held no fair in the calendar year 1941 and the agricultural association of the agricultural district comprising Santa Cruz County received an allotment during the calendar year 1941; (5) Merced and Madera Counties may each receive an allotment although those counties held no fairs in the calendar year 1941 and the agricultural associations of the agricultural districts comprising Merced and Madera Counties each received an allotment during the calendar year 1941; (6) a district agricultural association which did not receive an allotment under this section on the basis of the premiums paid at a fair held during the calendar year 1941, may receive an allotment as provided in this section; provided, the board of supervisors of each county, whose area lies in whole or in part within the boundaries of the agricultural district and which received an allotment under this section on the basis of the premiums paid at a fair held during the calendar year 1941, shall by resolution announce its intention to permanently discontinue the holding of fairs for which the county would be eligible to participate in the allocation from the appropriation herein provided. A certified copy of said resolution shall be filed with the Department of Finance. Upon adoption of said resolution by the board of supervisors, and the filing thereof as herein provided, the county referred to shall no longer be eligible to receive allotments under this section and the district agricultural association which becomes eligible to receive an allotment due to the adoption of said resolution shall, for the purpose of determining the maximum base of allocation for said association, be entitled to receive credit for the fairs previously held by said county and said fairs shall be considered as fairs held by the association in calculating the maximum base for said association as provided herein. Within one year from and after the date said resolution is adopted, the county shall pay to said district agricultural association the unexpended balance of any moneys previously apportioned to said county under this section. Notwithstanding the foregoing provisions of this paragraph a district agricultural association of a district created subsequent to January 1, 1943, may receive an allotment as provided in this section.

Examination of books and records

The Department of Finance, in its discretion, may at any time examine the books and records of any fair to determine

the correctness of any statement or report filed with the Department of Finance.

SEC. 2. Section 92.5 of the Agricultural Code is amended to read:

Adjustment of apportionment

92.5. In the event the audited total of eligible premiums paid by any fair in any year differs from the total set forth in the sworn statement filed with the Department of Finance under Section 92 of the Agricultural Code, the amount of the apportionment made to such fair for such year under Section 92 shall be recalculated on the basis of the audited total of eligible premiums paid multiplied by the factor used in calculating the original apportionment. If the recalculated apportionment is less than the original apportionment, the amount of such difference shall be returned to the Fair and Exposition Fund and be added to and become a part of the funds appropriated for the encouragement of agricultural fairs under subdivision (b) of Section 19624 of the Business and Professions Code, during the fiscal year in which said difference is returned to said fund.

CHAPTER 164

An act to add Section 6855 to the Public Resources Code, relating to the disposition of the proceeds of leases for the extraction of mineral deposits from certain state lands.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6855 is added to the Public Resources Code, to read:

State lands Proceeds of leases

6855. The proceeds of any lease for the extraction of any oil and gas from lands owned by the State, other than public lands or tide or submerged lands under the jurisdiction of the commission, property escheated to the State or held in trust, lands held by the State as tax-deeded property and lands acquired for state highway purposes, shall be paid into the General Fund in the State Treasury, regardless of whether such lease is executed pursuant to this chapter or any other provision of law.

CHAPTER 165

An act to add Section 9612 to the Government Code, relating to the interpretation of statutes referring to military service and specified branches thereof.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9612 is added to the Government Code, to read:

9612. Unless the context otherwise requires whenever the terms United States Army, Army of the United States, United States Navy, or military service appear in a statute whether singly or any combination of them, they shall be deemed to include the United States Air Force. Interpretation of statutes

CHAPTER 166

An act to add Section 5082.6 to the Business and Professions Code, relating to the application of persons serving in the armed forces for registration as public accountant, declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 27, 1951 Filed with Secretary of State April 30, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 5082.6 is added to the Business and Professions Code, to read:

5082.6. A person who filed an application under the provisions of Section 5082 (b) of said code prior to re-entry to military or naval service and whose re-entry prevented the completion of qualifying education or experience under said code, shall be granted an additional period of time in which to complete the required education or experience. Such additional time shall extend for 18 months after the date of discharge from military or naval service or return to inactive status. Extension of time

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

Delay of veterans in returning to civilian occupations upon their separation from service places a great and undue burden upon the general economy, and the public policy of this State demands that such veterans not be imposed with delays amounting to penalties for their service to the United States. Clarification of the law is necessary to insure that veterans be protected in their return to civilian pursuits.

CHAPTER 167

An act to add Sections 9541.1 and 9544.1 to the Business and Professions Code, relating to licensees of the State Board of Dry Cleaners, declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 9541.1 is added to the Business and Professions Code, to read:

Posting of license

9541.1. Every licensee shall cause his license to be posted in a conspicuous place upon the premises owned or operated by such licensee.

SEC. 2. Section 9544.1 is added to said code, to read:

Dry cleaners Appointment of agent while in armed forces

9544.1. Notwithstanding any other provision of this code, the holder of a current valid license under this chapter who has entered or enters the armed forces of the United States may designate a responsible managing person or persons to act for him while in the armed forces and until one year after his discharge therefrom, after which time the authority to so act for the licensee shall terminate. The annual renewal fee shall be paid for any such licensee so designating others to act for him.

Any license shall remain in full force and effect for 30 days after the entrance of the licensee into the armed forces, but he shall, prior to the expiration of such 30-day period, provide the board with the name or names of the persons so designated to conduct his business. The board may qualify such person in any manner which it may adopt. Persons so designated shall possess the good character required of an applicant for license.

Persons so designated committing any of the acts which would be grounds for the revocation or suspension of a license shall be removed from the business of such licensee after a hearing as provided in this chapter.

Urgency

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Delay of veterans in returning to civilian occupations upon their separation from service places a great and undue burden upon the general economy, and the public policy of this State demands that such veterans not be imposed with delays amounting to penalties for their service to the United States. Clarification of the law is necessary to insure that veterans be protected in their return to civilian pursuits.

CHAPTER 168

An act to add Section 8557 to the Business and Professions Code, relating to licensees of the Structural Pest Control Board entering the armed forces, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 8557 is added to the Business and Professions Code, to read:

Structural pest controllers' Appointment of agent while in armed forces

8557. Notwithstanding any other provision of this code, the holder of a current valid license under this chapter who has entered or enters the armed forces of the United States may designate a responsible managing person or persons to act for

him while in the armed forces and until one year after his discharge therefrom, after which time the authority to so act for the licensee shall terminate. The annual renewal fee shall be paid for any such licensee so designating others to act for him.

Any license shall remain in full force and effect for 30 days after the entrance of the licensee into the armed forces, but he shall, prior to the expiration of such 30-day period, provide the board with the name or names of the persons so designated to conduct his business. The board may qualify such person in any manner which it may adopt. Persons so designated shall possess the good character required of an applicant for license.

Persons so designated committing any of the acts which would be grounds for the revocation or suspension of a license shall be removed from the business of such licensee after a hearing as provided in this chapter.

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Urgency

Delay of veterans in returning to civilian occupations upon their separation from service places a great and undue burden upon the general economy, and the public policy of this State demands that such veterans not be imposed with delays amounting to penalties for their service to the United States. Clarification of the law is necessary to insure that veterans be protected in their return to civilian pursuits.

CHAPTER 169

An act to amend Section 57.7 of the Unemployment Insurance Act, relating to the benefit rights of trainees.

Stats 1935, p 1226, amended

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 57.7 of the Unemployment Insurance Act is amended to read:

Sec. 57.7. Notwithstanding any inconsistent provisions of this act the benefit rights of trainees shall be determined in accordance with the following provisions of this section for the periods and with respect to the matters specified herein. Except as herein otherwise provided, all other provisions of this act shall continue to be applicable in connection with such benefits.

Trainees Benefit rights

(1) The term "military service" as used in this section means active service in the land or naval forces of the United States, but the service of an individual in any reserve component of the land or naval forces of the United States who is ordered to active duty in any such force for a period of 30 days or less shall not be deemed to be active service in such force during such period.

"Military service"

"Trainee" (2) The term "trainee" as used in this section means: (a) an individual who entered military service after April 1, 1940, and who continued such service for not less than 90 consecutive days and whose military service was terminated on or before October 1, 1947; and (b) an individual who entered military service after June 1, 1950, and whose military service was terminated on or before July 1, 1953.

(3) (a) With respect to any trainee who has an unexpired benefit year at the time of induction into the armed forces, the unexpended balance of benefits remaining to his account shall be re-established beginning with the first day of the first week succeeding the date of his termination of service. Whenever this balance is exhausted the trainee may file a claim and his base period shall be determined in accordance with the provisions of subsection (4) hereof, except that all re-established balances shall lapse 65 weeks after termination of such military service.

(b) The benefit year of all other trainees shall be 52 weeks from the first day of the first week following the date of termination of military service.

(4) With respect to the determination of the benefit rights of any trainee, the base period shall consist of the first four out of the last five completed calendar quarters, excluding those quarters during which the trainee was in military service 60 days or more For all quarters so excluded there shall be substituted an equal number of quarters immediately preceding his entry into military service, except that the quarter of entry into military service shall be counted as a completed quarter if the commission finds that the inclusion thereof would be more equitable to the trainee.

(5) No disqualification shall be applied to any trainee after the termination of his military service, by reason of any act or course of action on his part prior to the date of his entry into such service.

(6) If, under an act of Congress, payments with respect to the unemployment of individuals who have completed a period of military service are payable by the United States, a trainee shall be disqualified for unemployment compensation benefits with respect to any week for which he receives such benefits and no unemployment compensation benefits shall be paid under this section until he has exhausted all his rights to such payments from the United States.

CHAPTER 170

An act to add Section 985.4 to the Military and Veterans Code, relating to farm and home purchases by veterans.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 985.4 is added to the Military and Veterans Code, to read:

985.4. The provisions of this article limiting the total value of real property and improvements a veteran may acquire shall not apply to any veteran entitled to assistance from the Federal Government in acquiring a suitable housing unit, and necessary land therefor, with special fixtures or movable facilities made necessary due to the veteran's loss, or loss of use, of both legs. As to such veterans, the total value of real property and improvements a veteran may acquire under this article for a home is fifteen thousand dollars ($15,000). Increased maximum value for legless veterans

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CHAPTER 171

An act to amend Section 7056, Public Resources Code, relating to oil, gas and mineral leases by counties and other public or quasi-public corporations, bodies or agencies.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7056 of the Public Resources Code is amended to read:

7056. The provisions of this chapter shall apply to all counties and to such public or quasi-public corporations, bodies and agencies as are not otherwise authorized by law to lease for the production of oil, gas and other hydrocarbons, or for the mining of other minerals, lands owned by such public or quasi-public corporation, body or agency, including, without limiting the generality of the foregoing, such of the following districts as are not otherwise authorized by law to lease land for such purposes, to wit: mosquito abatement districts, pest abatement districts, county sanitation districts, sanitary districts, local health districts, public cemetery districts, fire protection districts, park and recreation districts, placer mining districts, soil conservation districts, harbor and port districts, veterans memorial districts, school districts, airport districts, conservancy districts, flood control districts, drainage districts, irrigation districts, reclamation districts, levee districts, water districts, overflow districts, storm water districts and county power pumping districts; provided, however, that notwithstanding any other provisions of law authorizing the execution of such leases, the governing body of any district mentioned in this section may lease lands belonging to such district for the production of oil, gas and other minerals upon complying with the provisions of this chapter. Oil, etc. leases

CHAPTER 172

An act to amend Section 318.3 of the Agricultural Code, relating to meat inspection, marks, and labels.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 318.3 of the Agricultural Code is amended to read:

318.3. It is unlawful for any person

Altering, etc., labels, etc.

(1) to forge, counterfeit, simulate, or falsely represent; or

(2) without proper authority to use, fail to use, detach or fail to detach; or

(3) knowingly or wrongfully to alter; or

(4) to deface or destroy, or fail to deface or destroy any of the marks, stamps, tags, labels, or other identification devices provided for in this article, or in and as directed by the rules and regulations prescribed hereunder by the director, on any carcasses, parts of carcasses, or the food product, or containers thereof, subject to the provisions of this article, or any certificates in relation thereto, authorized or required by this article or by the said rules and regulations of the director.

CHAPTER 173

An act to amend Section 100 of the Agricultural Code, relating to plant quarantine and pest control definitions.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 100 of the Agricultural Code is amended to read:

100. As used in this chapter:

Definitions

(a) "Pest" means any of the following that is or is liable to be dangerous or detrimental to the agricultural industry of the State:

(1) Any infectious, transmissible, or contagious disease of plants, or any disorder of plants which manifests symptoms or behavior which the director, after investigation and hearing, finds and determines to be characteristic of an infectious, transmissible or contagious disease.

(2) Any form of animal life.

(3) Any form of vegetable life.

(b) "Plant" includes parts of plants, trees, plant products, shrubs, vines, fruits, vegetables, seeds, bulbs, stolons, tubers, corms, pips, cuttings, scions, buds, grafts, and fruit pits.

(c) "Nursery stock" means any plant for planting, propagation or ornamentation.

(d) "Shipment" means any article or thing, which may be, is being, or has been transported from one place to another place.

(e) "Appliance" means any box, tray, container, ladder, tent, vehicle, implement, or any other article which is or may be used in connection with the growing, harvesting, handling, or transportation of any agricultural commodity.

(f) "Crop seed" means the seed or seedlike fruits of grain, beans, flax, beets, onions or any other crop, whether or not intended for planting purposes.

CHAPTER 174

An act to amend Section 6103 of the Government Code, relating to fees for official services.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6103 of the Government Code is amended to read:

Filing or service fees

6103. Neither the State nor any county, city, district, or other political subdivision, nor any public officer or body, acting in his official capacity on behalf of the State, or any county, city, district or other political subdivision, shall pay or deposit any fee for the filing of any document or paper, for the performance of any official service, or for the filing of any stipulation or agreement which may constitute an appearance in any court by any other party to the stipulation or agreement. This section does not apply to the State Compensation Insurance Fund, or Public Housing Authority, nor where a public officer is acting with reference to private assets or obligations which have come under his jurisdiction by virtue of his office, or where it is specifically provided otherwise.

CHAPTER 175

An act to amend Section 688 of the Code of Civil Procedure, relating to supplementary proceedings.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 688 of the Code of Civil Procedure is amended to read:

Property liable to execution

688. All goods, chattels, moneys or other property, both real and personal, or any interest therein, of the judgment debtor, not exempt by law, and all property and rights of

property seized and held under attachment in the action, are liable to execution. Shares and interests in any corporation or company, and debts and credits, and all other property, both real and personal, or any interest in either real or personal property, and all other property not capable of manual delivery, may be levied upon or released from levy in like manner as like property may be attached or released from attachment, except that a copy of the complaint in the action from which the writ issued need not accompany the writ; provided, that no cause of action nor judgment as such, shall be subject to levy or sale on execution. Gold dust must be returned by the officer as so much money collected at its current value, without exposing the same to sale. Until a levy, the property is not affected by the execution; but no levy shall bind any property for a longer period than one year from the date of the issuance of the execution, except a levy on the interests or claims of heirs, devisees or legatees in or to assets of deceased persons remaining in the hands of executors or administrators, thereof prior to distribution and payment; provided, however, an alias execution may be issued on said judgment and levied on any property not exempt from execution.

CHAPTER 176

An act to amend Section 9608 of the Business and Professions Code, and to add Sections 9659 and 9660 to said code; and to amend the title to Chapter 5, and Articles 3 and 5 of Chapter 5, of Part 3 of Division 8 of the Health and Safety Code; and to amend Sections 7101, 7925, 7927, 7928, 8701, 8704, 8712, 8714, 8725, 8726, 8728, 8729, 8730, 8731, 8732, 8733.5, 8735, 8736, 8737, 8738, 8739, 8740, 8741, 8743, 8744, 8750, 8775, 8780, 9000, 9001, and 9005, and to add Sections 8726.1, 8738.1, 8747, 8751.1, and to repeal Sections 8727, 8734 and 8742, of said code, relating to cemeteries.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9608 of the Business and Professions Code is amended to read:

"Endowment care"

9608. "Endowment care" or "endowed care" shall include both general and special care funds.

SEC. 2. Section 9659 is added to the Business and Professions Code, to read:

Bonds, etc., held by cemetery corporation Valuation

9659. In any report to the board all bonds, debentures or other evidences of debt held by a cemetery corporation if amply secured and if not in default as to principal or interest may be valued as follows:

a. If purchased at par at the par value.

b. If purchased above or below par on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield the effective rate of interest on the basis at which the purchase was made.

c. In such valuation the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase.

SEC. 3. Section 9660 is added to said code, to read:

Evidence of debt

9660. Any security or other evidence of debt if in default as to principal or interest or if not amply secured shall not be valued as an asset of the endowment care fund above its market value.

SEC. 4. The title of Chapter 5 of Part 3 of Division 8 of the Health and Safety Code is amended to read:

CHAPTER 5. ENDOWMENT AND SPECIAL CARE

SEC. 5. The title of Article 3 of Chapter 5 of said part and division of said code is amended to read:

Article 3. Investment of Endowment Funds

SEC. 6. The title of Article 5 of said chapter, part, and division of said code is amended to read:

Article 5. Misrepresentation as to Endowment

SEC. 7. Section 7101 of said code is amended to read:

Funeral expenses as preferred charge. Items includible

7101. When any decedent leaves an estate in this State, the reasonable cost of interment and an interment plot of sufficient size to constitute a family plot and memorial including reasonable sums for either, or both, general and special endowment care of the plot proportionate to the value of the estate and in keeping with the standard of living adopted by the decedent prior to his demise, together with interest thereon from the date of interment, shall be considered as a part of the funeral expenses of the decedent and shall be paid as a preferred charge against his estate as provided in the Probate Code.

If a claim for an interment plot or memorial is rejected the burden of proving that the cost of the interment plot or memorial is disproportionate to the value of the estate and the standard of living adopted by the decedent while living shall be upon the executor or administrator rejecting the claim. This chapter does not prohibit any relative or friend of a decedent from assuming the duty or paying the expense of interment.

SEC. 8. Section 7925 of said code is amended to read:

Proceeds of sale of lands

7925. Money payable or to become payable as the purchase price or on account of the purchase price of unused lands, or lands from which all remains have been removed is not subject to garnishment, attachment or execution, but shall be used exclusively for any or all of the following purposes:

(a) Acquisition of lands and improvements for cemetery purposes.

(b) Disinterment, removal, and reinterment of bodies, pursuant to this chapter.

(c) Endowment care of graves, markers, and cemetery embellishments.

(d) The payment of expenses incidental to the disinterment, removal, and reinterment.

(e) Any other purpose consistent with the objects for which the cemetery authority owning the cemetery is created or organized.

SEC. 9. Section 7927 of said code is amended to read:

Surplus after reinterment

7927. From the money remaining in the treasury of the cemetery corporation or association after completing the removal and reinterment of the remains from its cemetery lands and the payment of all incidental expenses, the cemetery corporation or association shall set aside an adequate endowment care fund for the maintenance and care of the cemetery in which the remains have been interred.

SEC. 10. Section 7928 of said code is amended to read:

Reimbursement

7928. After making provisions for an endowment care fund to provide for maintenance and care, the governing body of the cemetery corporation or association may use such portion of the funds then remaining as it may determine to be just and fair in reimbursing those who voluntarily and at their own cost and expense removed the remains of friends or relatives from the cemetery lands from which the remains were ordered removed. Such reimbursement shall not be greater in amount than the average cost to the cemetery corporation or association for removals directly made by it.

SEC. 11. Section 8701 of said code is amended to read:

Inadequate endowment Replatting

8701. Whenever a majority of the plots in all or any part of a cemetery established prior to August 14, 1931, has been sold without the owner having made provision for the establishment of an adequate endowment care fund for its care, maintenance, and embellishment, the avenues, roadways, walks, driveways, alleys, streets and parks in it may be vacated or altered and replatted into plots which may be sold for interment purposes pursuant to this article.

SEC. 12. Section 8704 of said code is amended to read:

Petition

8704. The petition shall be verified and shall specify the facts of such ownership and shall state the reasons for the proposed change and what provisions have theretofore been made for the endowment care of the cemetery.

SEC. 13. Section 8712 of said code is amended to read:

Proceeds from sale of plots

8712. Not less than 70 percent of all funds derived from the sale of the plots shall be placed in an endowment care fund and the net income earned by the fund shall be used for the cemetery's care, maintenance, and embellishment.

SEC. 14. Section 8714 of said code is amended to read:

Damages

8714. In allowing any damages to any plot owner for such vacation, the court shall take into consideration the benefit to be received from endowment care.

SEC. 15. Section 8725 of said code is amended to read:

Care funds: Establishment, maintenance, etc

8725. Every cemetery authority which now or hereafter maintains a cemetery may place its cemetery under endowment care and establish, maintain, and operate an endowment care fund. Endowment care and special care funds may be commingled for investment and the income therefrom shall be divided between the endowment care and special care funds in the proportion that each fund contributed to the principal sum invested. The funds may be held in the name of the cemetery authority or its directors or in the name of the trustees appointed by the cemetery authority.

SEC. 16. Section 8726 of said code is amended to read:

Investment of funds

8726. The principal of all funds for endowment care shall be invested and the income only used for the care, maintenance, and embellishment of the cemetery in accordance with the provisions of law and the resolutions, by-laws, rules and regulations or other actions or instruments of the cemetery authority and for no other purpose. Endowment and special care funds shall be maintained separate and distinct from all other funds and the trustees shall keep separate records thereof.

SEC. 17. Section 8726.1 is added to the Health and Safety Code, to read:

Reserve

8726.1. The trustee of the endowment care fund shall create a reserve from which principal losses may be replaced by setting aside a reasonable percentage of the income from the fund.

SEC. 18. Section 8727 of the Health and Safety Code is hereby repealed.

SEC. 19. Section 8728 of the Health and Safety Code is amended to read:

Adopting plans

8728. The cemetery authority may from time to time adopt plans for the general care, maintenance, and embellishment of its cemetery, and charge and collect from all subsequent purchasers of plots such reasonable sum as, in the judgment of the cemetery authority, will aggregate a fund, the reasonable income from which will provide care, maintenance and embellishment.

SEC. 20. Section 8729 of said code is amended to read:

Authorized agreement

8729. Upon payment of the purchase price and the amount fixed as a proportionate contribution for endowment care, there may be included in the deed of conveyance or by separate instrument an agreement to use the income from such endowment care fund for the care, maintenance, and embellishment in accordance with the plan adopted, for the cemetery and its appurtenances to the proportionate extent the income received by the cemetery authority from the contribution will permit.

SEC. 21. Section 8730 of said code is amended to read:

Same

8730. Upon the application of an owner of any plot, and upon the payment by him of the amount fixed as a reasonable and proportionate contribution for endowment care a cemetery authority may enter into an agreement with him to use the in-

come from such fund for the care of his plot and its appurtenances.

SEC. 22. Section 8731 of said code is amended to read:

Board of trustees

8731. The cemetery authority may appoint a board of trustees of not less than three in number as trustees of its endowment care fund. The members of the board of trustees shall hold office subject to the direction of the cemetery authority.

SEC. 23. Section 8732 of said code is amended to read:

Directors as trustee

8732. The directors of a cemetery authority, if any, may be the trustee of its endowment care fund. When the fund is in the care of the directors as a board of trustees the secretary of the cemetery authority shall act as its secretary and keep a true record of all of its proceedings.

SEC. 24. Section 8733.5 of said code is amended to read:

Bank or trust company as trustee

8733.5. In lieu of the appointment of a board of trustees of its endowment care fund, any cemetery authority may appoint as sole trustee of its endowment care fund any bank or trust company qualified under the provisions of the Bank Act of the State of California to engage in the trust business.

SEC. 25. Section 8734 of said code is hereby repealed.

SEC. 26. Section 8735 of said code is amended to read:

Donated, etc., property

8735. A cemetery authority which has established an endowment care fund may take, receive, and hold as a part of or incident to the fund any property, real, personal or mixed, bequeathed, devised, granted, given or otherwise contributed to it for its endowment care fund.

SEC. 27. Section 8736 of said code is amended to read:

Charitable and eleemosynary purpose

8736. The endowment care fund and all payments or contributions to it are hereby expressly permitted as and for charitable and eleemosynary purposes. Endowment care is a provision for the discharge of a duty due from the persons contributing to the persons interred and to be interred in the cemetery and a provision for the benefit and protection of the public by preserving and keeping cemeteries from becoming unkept and places of reproach and desolation in the communities in which they are situated.

SEC. 28. Section 8737 of said code is amended to read:

Validity of gift, etc

8737. No payment, gift, grant, bequest, or other contribution for general endowment care is invalid by reason of any indefiniteness or uncertainty of the persons designated as beneficiaries, nor is the fund or any contribution to it invalid as violating any law against perpetuities or the suspension of the power of alienation of title to property.

SEC. 29. Section 8738 of said code is amended to read:

Endowment care cemetery

8738. An endowment care cemetery is one which shall hereafter have deposited in its endowment care fund at the time of or not later than completion of the initial sale not less than the following amounts for plots sold or disposed of:

(a) Fifty cents ($0 50) a square foot for each grave;

(b) Five dollars ($5) for each niche;

(c) Thirty dollars ($30) for each crypt; provided, however, that in the event there shall be located upon any one prop-

erty or contiguous properties, a mausoleum or mausoleums containing in the aggregate 6,000 crypts under the actual ownership of one cemetery authority; and provided also, that there shall have been deposited in said endowment care fund mentioned in this code, a sum equal to ten dollars ($10) from the initial sale or disposal of each crypt theretofore sold or disposed of, including endowment care funds accumulated prior to the passage of this code, then and thereafter such endowment care cemetery shall be required to deposit in the endowment care fund mentioned in this code, not less than the sum of twenty dollars ($20) for each crypt thereafter sold or disposed of.

SEC. 30. Section 8738.1 is added to said code, to read:

8738.1. In addition to the requirements of Section 8738 any endowment care cemetery hereafter established shall also have deposited in its endowment care fund the additional sum of twenty-five thousand dollars ($25,000) before disposing of any plot or making any sale thereof. Same

SEC. 31. Section 8739 of said code is amended to read:

8739. A nonendowment care cemetery is one that does not have deposited in an endowment care fund the minimum amounts required by law. Nonendowment care cemetery

SEC. 32. Section 8740 of said code is amended to read:

8740. A cemetery which otherwise complies with Section 8738 may be designated an endowment care cemetery even though it contains a small section which may be sold without endowment care, if the section is separately set off from the remainder of the cemetery and if signs are kept prominently placed around the section designating the same as a "nonendowment care section" in legible black lettering at least four inches high. There shall be printed at the head of all contracts, agreements, statements, receipts and certificates of ownership or deeds referring to plots in the section the phrase "nonendowment care" in lettering of a size and style to be approved by the State Cemetery Board. Combination

SEC. 33. Section 8741 of said code is amended to read:

8741. Each endowment care cemetery shall post in a conspicuous place in the office or offices where sales are conducted and in a conspicuous place at or near the entrance of the cemetery or its administration building and readily accessible to the public, a legible sign which shall contain the following information in the order and manner set forth below: Notice

(a) A heading containing the words "endowment care" —which shall appear in a minimum of 48-point black type.

(b) This is an endowment care interment property.

SEC. 34. Section 8742 of said code is hereby repealed.

SEC. 35. Section 8743 of said code is amended to read:

8743. Each nonendowment care cemetery or the State Cemetery Board shall post in a conspicuous place in the office or offices where sales are conducted and in a conspicuous place at or near the entrance of the cemetery or its administration building and readily accessible to the public, a legible sign with lettering of a size and style to be approved by the State Cemetery Same

Board which shall contain the following information in the order and manner set forth below:

(a) A heading containing the words "nonendowment care."

(b) This is a nonendowment care interment property.

SEC. 36. Section 8744 of said code is amended to read:

Same

8744. There shall be printed at the head of all contracts, agreements, statements, receipts, literature and other publications of nonendowment care cemeteries the following form:

"This institution is operated as a 'nonendowment care' interment property." The phrase "nonendowment care" shall be of a size and style to be approved by the State Cemetery Board.

SEC. 37. Section 8747 is hereby added to said code, to read:

Unlawful act

8747. It shall be unlawful for a cemetery authority, its officers, employees or agents, or a cemetery broker or salesman to represent that an endowment care fund or any other fund set up for maintaining care is perpetual or permanent.

SEC. 38. Section 8750 of said code is amended to read:

Use of funds

8750. Endowment care funds shall not be used for any purpose other than to provide through income only for the reserves authorized by law and for the endowment care of the cemetery in accordance with the resolutions, by-laws, rules and regulations or other actions or instruments of the cemetery authority.

SEC. 39. Section 8751.1 is hereby added to said code, to read:

Proper investments

8751.1. In addition to the requirements of Section 8751, the funds may be invested and reinvested and kept invested in investments of the type and in the manner as provided in Section 2261 of the Civil Code.

SEC. 40. Section 8775 of said code is amended to read:

Property received by will or gift

8775. A cemetery authority which has established an endowment care fund may also take and hold any property bequeathed, granted, or given to it in trust to apply the principal, or proceeds, or income to either or all of the following purposes:

(a) Improvement or embellishment of all or any part of the cemetery or any lot in it.

(b) Erection, renewal, repair, or preservation of any monument, fence, building, or other structure in the cemetery.

(c) Planting or cultivation of trees, shrubs, or plants in or around any part of the cemetery.

(d) Special care or ornamenting of any part of any plot, section, or building in the cemetery.

(e) Any purpose or use not inconsistent with the purpose for which the cemetery was established or is maintained.

SEC. 41. Section 8780 of said code is amended to read:

Misdemeanor

8780. Every person who sells, offers for sale, or advertises any plot under representation that the plot is under endowment care, before an endowment care fund has been established for

the cemetery in which the plot is situated, is guilty of a misdemeanor.

SEC. 42. Section 9000 of said code is amended to read:

9000. The trustees may, upon a two-thirds vote, establish and create a fund to be known as "the endowment care fund," and for this purpose may set aside, use, and apply from any unexpended funds such sum as in the judgment of the trustees may be necessary or expedient to provide for the endowment care of the burial lots in the cemetery and for this purpose may receive property by grant, gift, devise, or any other method. Creation of fund

SEC. 43. Section 9001 of said code is amended to read:

9001. No part of the tax levy shall be used for the endowment care fund. Use of tax levy

SEC. 44. Section 9005 of said code is amended to read:

9005. All money received from the income of the fund shall be deposited in the county treasury of the county in which the cemetery is situated, in the endowment care fund. This fund shall be expended solely for the purpose specified upon warrants issued by the county auditor on orders signed by not less than two of the trustees. Deposit of income

CHAPTER 177

An act to amend Sections 6087 and 6100 of the Business and Professions Code, relating to discipline of attorneys.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6087 of the Business and Professions Code is amended to read:

6087. Nothing in this chapter shall be construed as limiting or altering the powers of the Supreme Court of this State to disbar or discipline members of the bar as this power existed prior to the enactment of Chapter 34 of the Statutes of 1927, relating to the State Bar of California. Construction

SEC. 2. Section 6100 of said code is amended to read:

6100. For any of the causes provided in this article, arising after his admission to practice, an attorney may be disbarred or suspended by the Supreme Court. Disbarment or suspension

CHAPTER 178

An act to amend Section 117r of the Code of Civil Procedure, relating to small claims.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 117r of the Code of Civil Procedure is amended to read:

Small claims court: Transfer upon counterclaim

117r. If a defendant in a small claims action shall have a claim against the plaintiff in such action and such claim be for an amount over one hundred dollars ($100), but of a nature which would be subject to counterclaim or cross-complaint in such action under the rules of pleading and practice governing the superior court, then defendant may commence an action against said plaintiff in a court of competent jurisdiction and file with the justice of said small claims court wherein said plaintiff has commenced his action, at or before the time set for the trial of said small claims action, an affidavit setting forth the facts of the commencement of such action by such defendant. He shall attach to such affidavit a true copy of the complaint so filed by said defendant against plaintiff, and pay to said justice the sum of one dollar ($1) for a transmittal fee, and shall deliver to said plaintiff in person a copy of said affidavit and complaint at or before the time above stated. Thereupon the justice of said small claims court shall order that said small claims court action shall be transferred to said court set forth in said affidavit, and he shall transmit all files and papers in his court in such action to such other court, and said actions shall then be tried together in such other court.

The plaintiff in the small claims action shall not be required to pay to the clerk of the court to which the action is so transferred any transmittal, appearance or filing fee in said action, but shall be required to pay the filing and any other fee required of a defendant, if he appears in the action filed against him.

CHAPTER 179

An act to add Sections 6064.1 and 6106.1 to the Business and Professions Code, relating to admission and discipline of attorneys.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6064.1 is added to the Business and Professions Code, to read:

Advocating overthrow of government

6064.1. No person who advocates the overthrow of the Government of the United States or of this State by force, violence, or other unconstitutional means, shall be certified to the Supreme Court for admission and a license to practice law.

SEC. 2. Section 6106.1 is added to the Business and Professions Code, to read:

Same

6106.1. Advocating the overthrow of the Government of the United States or of this State by force, violence, or other unconstitutional means, constitutes a cause for disbarment or suspension.

CHAPTER 180

An act to add Section 1204 to the Fish and Game Code, relating to the issuance of licenses to feed migratory game birds.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1204 is added to the Fish and Game Code, to read:

1204. The commission is hereby authorized to issue licenses to permit the feeding of migratory game birds. The commission may prescribe as an annual fee for such license a sum not to exceed twenty-five dollars ($25).

Birds' License to feed

CHAPTER 181

An act to amend Section 26749 of the Government Code, relating to transportation of prisoners or patients to state prisons, hospitals or other institutions.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 26749 of the Government Code is amended to read:

26749. The sheriff shall receive expenses necessarily incurred in conveying insane persons to and from the state hospitals and in conveying persons to and from the state prisons or other state institutions, or to other destinations for the purpose of deportation to other states, or in advancing actual traveling expenses to any person committed to a state institution who is permitted to report to an institution without escort, which expenses shall be allowed by the State Board of Control and paid by the State.

Transportation expenses

CHAPTER 182

An act to amend Section 1182 of the Penal Code, relating to the making of an application for a new trial.

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1182 of the Penal Code is amended to read:

1182. The application for a new trial must be made before judgment or within 20 days after the making of an order granting probation, whichever first occurs, and the order granting or denying such application must be immediately entered by the clerk in the minutes.

Time of application

CHAPTER 183

An act to amend Section 1203.4 of the Penal Code, relating to probation.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1203.4 of the Penal Code is amended to read:

Fulfillment of probation condition

1203.4. Every defendant who has fulfilled the conditions of his probation for the entire period thereof, or who shall have been discharged from probation prior to the termination of the period thereof, shall at any time thereafter be permitted by the court to withdraw his plea of guilty and enter a plea of not guilty; or if he has been convicted after a plea of not guilty, the court shall set aside the verdict of guilty; and in either case the court shall thereupon dismiss the accusations or information against such defendant, who shall thereafter be released from all penalties and disabilities resulting from the offense or crime of which he has been convicted. The probationer shall be informed of this right and privilege in his probation papers. The probationer may make such application and change of plea in person or by attorney, or by the probation officer authorized in writing; provided, that in any subsequent prosecution of such defendant for any other offense, such prior conviction may be pleaded and proved and shall have the same effect as if probation had not been granted or the accusation or information dismissed.

CHAPTER 184

An act to amend Section 1535.4 of the Military and Veterans Code, relating to civil defense.

In effect September 22, 1951

[Approved by Governor April 27, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1535.4 of the Military and Veterans Code is amended to read:

Powers of Governor

1535.4. The Governor may cooperate with the President and the heads of the armed forces, and the civil defense agency of the United States, and with the officers and agencies of other states, in matters pertaining to the civil defense of the State and Nation.

The Governor shall from time to time confer with the President, the heads of the armed forces, and the civil defense agency of the United States with respect to standardization in the several states as to matters pertaining to civil defense,

including, but not limited to, such matters as identification cards for civilian defense workers, passes for emergency vehicles, air raid warning signals, and report forms; and he shall take any steps he deems necessary to put into effect any rules, regulations, or suggestions made by such persons or such agency with respect to such standardization.

CHAPTER 185

An act to repeal Section 114 of the Business and Professions Code, and to add Section 114 to the Business and Professions Code, relating to reinstatement of licenses by persons serving in the armed forces.

[Approved by Governor April 30, 1951. Filed with Secretary of State April 30, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 114 of the Business and Professions Code is repealed.

SEC. 2. Section 114 is added to the Business and Professions Code, to read:

Expiration of license, etc., while in armed services

114. (a) Notwithstanding any other provision of this code, any licensee or registrant of any board, commission, or bureau within the department, who permitted his license or registration to expire while serving in any branch of the armed services of the United States during a period of war as defined in Section 18 of the Military and Veterans Code may, upon application, reinstate his license or registration without examination or penalty, provided

(1) His license or registration was valid at the time he entered the armed services.

(2) That application for reinstatement is made while serving in the armed services, or not later than one year from the date of discharge from active service or return to inactive military status.

(3) The application for reinstatement is accompanied by an affidavit showing the date of entrance into the service, whether still in service, or date of discharge, and the renewal fee for the current license year in which the application is filed is paid.

(b) If application for reinstatement is filed more than one year after discharge or return to inactive status, the applicant, in the discretion of the licensing agency, may be required to pass an examination.

(c) Unless otherwise specifically provided in this code, any licensee or registrant who, either part time or full time, practices in this State the profession or vocation for which he is licensed or registered shall be required to maintain his license in good standing even though he is in military service.

For the purposes in this section, time spent by a licensee in receiving treatment or hospitalization in any veterans' facility during which he is prevented from practicing his profession or vocation shall be excluded from said period of one year.

CHAPTER 186

An act to amend the title and Sections 3 and 5 of an act entitled "An act to appropriate the sum of twenty-four thousand dollars to be used in construction, renewal, and repair of works for restraining, impounding and control of debris resulting from mining operations and other causes along the Yuba River, to provide for the manner of expending such appropriation, to create the Yuba River debris control fund, and to provide for the deposit in said fund of any unexpended balances of previous appropriations made for this purpose," being Chapter 686, Statutes of 1935, approved July 16, 1935, relating to construction, renewal, and repair of works for restraining, impounding and control of debris resulting from mining operations and other causes along the Yuba River.

In effect September 22, 1951

[Approved by Governor April 30, 1951. Filed with Secretary of State April 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. The title of the act cited in the title hereof is amended to read:

Yuba River Debris Control Fund

An act to appropriate the sum of twenty-four thousand dollars ($24,000) to be used in construction, renewal, and repair of works for restraining, impounding, and control of debris resulting from mining operations and other causes along the Yuba River, to provide for the manner of expending such appropriation, to create the Yuba River Debris Control Fund in the State Treasury, to appropriate the moneys in said fund, to provide for the deposit in said fund of any unexpended balances of previous appropriations made for construction, renewal, and repair of works for restraining, impounding and control of debris resulting from mining operations and other causes along the Yuba River, and to provide for the transfer to said fund of amounts appropriated for this purpose.

SEC. 2. Section 3 of the act cited in the title hereof is amended to read:

Fund created

Sec. 3. The moneys appropriated by Section 1 of this act shall be deposited in the Yuba River Debris Control Fund, which fund is hereby created. All amounts deposited in or transferred to the Yuba River Debris Control Fund pursuant to Sections 3 and 5 of this act are hereby appropriated to the Division of Water Resources, Department of Public Works, for transmittal to the California Debris Commission at the time and in the event any sum is appropriated or allotted by the Government of the

United States for the purposes set forth in Section 1 of this act, and only in amounts equal to the sums so appropriated or allotted by the Government of the United States.

SEC. 3. Section 5 of the act cited in the title hereof is amended to read:

Sec. 5. Any balance remaining unexpended of appropriations heretofore made for the purposes set forth in Section 1 of this act shall be deposited in the Yuba River Debris Control Fund. Unless otherwise provided by law, all amounts hereafter appropriated for such purposes shall, on order of the State Controller, be transferred from the fund from which appropriated to the Yuba River Debris Control Fund, to be expended therefrom as provided in Section 3 of this act. Deposit in fund

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CHAPTER 187

An act to amend Section 845 of the Fish and Game Code, relating to nets.

[Approved by Governor April 30, 1951. Filed with Secretary of State April 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 845 of the Fish and Game Code is amended to read:

845. Any net used for taking fish in violation of the provisions of this chapter is a public nuisance. It is the duty of every person authorized to make an arrest for the violation of any provision of this code to seize and keep such net and report such seizure to the commission. The commission must commence proceedings in the superior court of the county or city and county in which the seizure is made by petitioning said court for a judgment forfeiting such net. Upon the filing of such petition, the clerk of said court shall fix a time for the hearing thereof and cause notices to be posted for 14 days in at least three public places in the town, city, or city and county, where the court is held, setting forth the substance of such petition and the time and place fixed for its hearing. At such time the court must hear and determine said proceeding, and upon proof that such net was used in violation of this chapter must order the same forfeited. Any net so forfeited shall be sold or destroyed by the commission. The proceeds from all such sales shall be paid into the State Treasury to the credit of the Fish and Game Preservation Fund. Public nuisance

In lieu of physical seizure pursuant to this section, any person authorized to make an arrest for the violation of any provision of this code may attach to any net used for taking fish in violation of this chapter a tag of metal or other material which shall be adopted by the commission for this purpose and furnished to such persons. The tag shall be impressed or printed with language stating that the net to which it is attached is

thereby seized by the California Fish and Game Commission as a public nuisance. The act of attaching such tag shall be a seizure and keeping within the meaning of this section. Removal of a tag attached to any net pursuant to this section by any person other than a person authorized by the commission, or the use of any such net by any person for fishing purposes unless authorized by the commission or by the superior court, is a misdemeanor.

Misdemeanor

Within three days after the commission has been notified in writing that the vessel carrying said seized net has arrived in port, the commission shall remove said net from the vessel unless the owner has furnished a bond in accordance with Section 845.2. Said notice shall be sufficient when delivered to the patrol office of the commission nearest to the port at which the vessel has arrived.

CHAPTER 188

Stats 1925, p 648, amended

An act to amend Section 16 of the Municipal Court Act of 1925, relating to the terms of office of municipal court judges, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 16 of the Municipal Court Act of 1925 is amended to read:

Staggered terms

Sec. 16. The first election of judges of the municipal court shall be held at the time of the first general municipal election following the expiration of four months after the establishment of the court. The judges elected at such election shall take office at the same time as the municipal officers elected at such election.

In cities having municipal elections biennially, the judges shall immediately after the first election divide their number by lot so that not less than one-third thereof (but as near one-third as possible) shall have a six-year term, a like number shall have a four-year term and the remainder a two-year term. In cities holding municipal elections triennially, the judges shall immediately after their first election divide their number so that not less than one-half, but as near one-half as possible, shall have a six-year term, and the remainder shall have a three-year term. In municipal courts having two judges, each of the judges first elected shall have a term of six years.

Separate offices

The laws respecting the nomination and election of municipal officers of the city for which any municipal court has been established shall be applicable to the judges of such court; provided, however, that each judge of the municipal court shall be deemed to hold a separate office, for all purposes of such election, and at any election at which more than one judge of a municipal court is to be elected, the several offices shall be distinguished one from the other by appropriate designations, and

no person may be a candidate for more than one such office at any election.

If the time for the election of judges or a judge should be at a time when by reason of a change made by the city of its time of holding general municipal elections, there is no general municipal election to be held, then the term of such judges or judge to be filled by election in such city, shall continue until their successors have been elected and qualified, said election to be held at the next general municipal election of said city. No election

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

Several cities having recently established municipal courts with two judges will hold municipal elections this year prior to the adjournment of the 1951 Regular Session of the Legislature. The first elected judges of these courts will be selected at these elections. The existing law is not clear as to whether the terms of the first elected judges of these courts are to be staggered or whether each has a six-year term. In order to clarify this situation so that these courts may be established and constituted in an orderly manner, it is necessary that this act take effect immediately.

CHAPTER 189

An act to amend Section 16 of the District Investigation Act of 1933, and Section 58700 of the Government Code, relating to the termination of proceedings upon the filing of written protests by a majority of property owners and authorizing withdrawals of protests prior to the time set for hearing thereon. Stats. 1933, p. 2141, amended

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 16 of the District Investigation Act of 1933 is hereby amended to read:

Sec. 16. Said proceedings shall also terminate if prior to the time it is determined that the district shall be formed, written protests against the formation of the district are filed with the clerk of the supervising authority by owners of a majority of the property subject to assessment for district purposes, computed according to the assessed value of same as appearing on the last equalized county assessment roll available on the date the report is commenced, and such protests have not been withdrawn in the manner hereinafter provided so as to reduce the same to less than a majority. At any time prior to the time set for the hearing of the protests or any continuances thereof, any protests may be withdrawn by the owner making it by Protest by majority of property owners

filing a written notice of withdrawal with the clerk of the supervising authority.

SEC. 2. Section 58700 of the Government Code is amended to read:

Termination of proceedings

58700. If, before the determination for formation, written protests against formation are filed with the clerk by owners of a majority of the property subject to assessment for district purposes, computed according to its assessed value on the assessment roll, and such protests have not been withdrawn so as to reduce the protests to less than a majority, the proceedings shall terminate. At any time prior to the time set for the hearing of the protests or any continuances thereof, any protests may be withdrawn by the owner making it by filing a written notice of withdrawal with the clerk of the supervising authority.

Effect, Stats 1951, Ch 331

SEC. 3. Section 2 of this act becomes operative only if Title 6 of the Government Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Title 6 takes effect, at which time Section 16 of the District Investigation Act of 1933 is repealed.

CHAPTER 190

Stats 1933, p 2400, amended

Stats 1927, p 694

An act to repeal Sections 74.1 to 74.10, inclusive, of the Orange County Water District Act, relating to the manner of excluding from the district lands annexed to a metropolitan water district organized under the Metropolitan Water District Act.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Sections 74.1 to 74.10, inclusive, of the Orange County Water District Act are hereby repealed.

CHAPTER 191

An act to amend Section 17015 of the Revenue and Taxation Code, relating to personal income taxes, and providing that this act shall take effect immediately.

In effect immediately

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 17015 of the Revenue and Taxation Code is amended to read:

Presumption of residence

17015. Every individual who spends in the aggregate more than nine months of the taxable year within this State

shall be presumed to be a resident. The presumption may be overcome by satisfactory evidence that the individual is in the State for a temporary or transitory purpose

Tax levy

SEC. 2. This act, inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately.

Operative date

SEC. 3. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended.

CHAPTER 192

An act to amend Sections 587 and 1515 of the Probate Code, relating to the dedication or conveyance of real property or interests therein of the estates of decedents and of wards.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 587 of the Probate Code is amended to read:

Conveyance, etc., for public use Decedents' estates

587. Whenever it is for the advantage, benefit and best interests of the estate, and those interested therein, to dedicate or convey, either with or without consideration: (1) any real property of the estate or interest therein to the State or any county or municipal corporation, for street or highway purposes; or (2) an easement over any real property of the estate to the State or any county, municipal corporation, public district, any person, firm, association or public or private corporation, the executor or administrator may so dedicate or convey the same upon order of court based upon the petition of the executor or administrator or of any person interested in the estate, and after notice of the hearing given for the period and in the manner required by Section 1200 of this code.

SEC. 2. Section 1515 of said code is amended to read:

Same: Wards' estates

1515. Whenever it is for the advantage, benefit and best interests of the estate and those interested therein to dedicate or convey either with or without consideration: (1) any real property of the estate or interest therein to the State or any county or municipal corporation, for street or highway purposes; or (2) an easement over any real property of the estate

to the State or any county, municipal corporation, public district, or any person, firm, association or public or private corporation, the guardian may so dedicate or convey the same upon order of court based upon the petition of the guardian or of any person interested in the estate, and after notice of the hearing given for the period and in the manner required by Section 1200 of this code.

CHAPTER 193

An act to amend Section 4941.2 of the Education Code, relating to elections in unified school districts.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 4941.2 of the Education Code is amended to read:

Trustees: Appointment

4941.2. When a unified school district coterminous with the boundaries of a county is formed, the county superintendent of schools shall appoint a board of school trustees of five members for it, one from each supervisorial district. The three members appointed from the odd-numbered districts shall hold office until the election of their successors.

Election

At the first election for members of the board, which shall be held at the next general election, there shall be three trustees elected by the electors of the county at large, one of whom shall be a resident of each odd-numbered supervisorial district, whose terms shall begin at noon on the first Monday after the first day of January following the election, and they shall hold office for four years, or until their successors are qualified. Two years after the first election the remaining trustees shall be elected by the electors of the county at large, one trustee from each of the even-numbered supervisorial districts, each trustee being a resident of the district he represents. Their terms of office shall begin at noon on the first Monday after the first day of January following their election, and they shall hold office for four years, or until their successors are qualified. Four years from the date of each of these elections, and in a similar manner subsequently, there shall be elected in a like manner a sufficient number of trustees to replace those trustees whose terms expire the following January.

Each election provided for in this section shall be consolidated with the general election held within the county on the same date. Only one form of ballot shall be used and the returns shall be canvassed by the board of supervisors. The expenses of the election shall be borne by the county.

CHAPTER 194

An act to amend Sections 14565, 14575 and 14632 of the Education Code, relating to death benefits and retirement allowances under the State Teachers' Retirement System.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 14565 of the Education Code is amended to read:

14565. (a) At the beginning of each fiscal year the retirement system shall pay to each local district maintaining a local retirement system the following amounts: Payment to local districts

(1) From the Retirement Annuity Fund, an amount equal to the difference with respect to all service rendered by persons whose retirement is effective prior to July 1, 1947, and with respect to service rendered prior to July 1, 1944, by persons whose retirement is effective after June 30, 1947, and one-half the difference with respect to service rendered after June 30, 1944, by persons whose retirement is effective after June 30, 1947, between the benefits paid from the Retirement Annuity Fund during the preceding year to persons who are entitled to receive benefits from the local retirement system and the benefits which would have been paid during the preceding year to those persons if they were not entitled to receive benefits from the local retirement system.

(2) From the Retirement Annuity Fund, an amount equal to the difference between the death benefits paid from the Retirement Annuity Fund during the preceding year on account of persons who qualified for death benefits under the local retirement system, and the death benefit which would have been paid during the preceding year on account of such persons if they had not qualified for death benefits from the local retirement system.

(b) The amounts paid under subdivision (a) of this section by the retirement system to each local district maintaining a local retirement system shall not be used to reduce the contributions required of members of the local retirement system or to increase the benefits payable by the local retirement system, but shall be applied to reduce the cost of support of the local retirement system to the taxpayers of the local district maintaining the local retirement system. Use by districts

(c) The State shall contribute annually to the Permanent Fund and to the Retirement Annuity Fund the amounts required to be paid from said funds, respectively, under subdivision (a) of this section.

SEC. 2. Section 14575 of said code is amended to read:

14575. Upon receipt of proof of a member's death which occurred before the effective date of his retirement or before the date upon which a retirement allowance is granted to him, Death

whichever is the later date, and within four months after the termination of the member's employment in a status requisite for membership in this retirement system, or while the member was physically or mentally incapacitated for performance of his duty, if such incapacity had been continuous from said termination, there shall be paid to such beneficiary as he has nominated by written designation duly filed with the Retirement Board:

(a) The Permanent Fund contributions, without interest, standing to the credit of his individual account, as having been made after July 1, 1935.

(b) The accumulated annuity contributions standing to the credit of his individual account in the Retirement Annuity Fund.

(c) Any moneys standing to the credit of his individual account in the Annuity Deposit Fund pursuant to Section 14337, together with the interest accumulated thereon.

(d) An amount, provided from contributions by the State, and payable from the Retirement Annuity Fund, equal to one-twelfth for each completed year of service as a member, not to exceed six, of the salary which would have been earned by the member at the rate of salary at which he was last employed preceding death, assuming engagement in duties for the number of school days during the school year in which said employment existed. From the amount determined under the sentence next preceding, there shall be deducted an amount equal to that portion of the benefit payable on account of said death by a local retirement system, which is provided from contributions of the district operating said system, and is in addition to the portion of the benefit payable by said local system which is made up of the accumulated contributions of the member.

SEC. 3. Section 14632 of said code is amended to read:

Retirement

14632. Upon retirement for service, a retired member shall receive a retirement allowance which shall consist of:

(a) Subject to the next sentence, a retirement salary derived from the Permanent Fund, payable monthly in an amount which bears the same ratio to fifty dollars ($50) as the number of years of service credited, not to exceed 30 years, bears to 30 years. If retirement is at an age less than 60 years and with credit for less than 30 years of service, a member shall receive a retirement salary actuarially equivalent to the value at the lesser age of the retirement salary calculated under the preceding sentence, on the basis of service credited at the effective date of retirement, deferred to the age of 60 years. The retirement salary shall be subject to the deductions provided in Section 14476, if the member is not credited at the time of retirement with the total Permanent Fund contributions required of each member.

(b) A retirement annuity derived from the Retirement Annuity Fund based upon the salary earned by him in service rendered by him after July 1, 1944, not counting so much of such salary as exceeds three thousand dollars ($3,000) for each school year prior to July 1, 1947, and five thousand dollars

($5,000) for each school year after June 30, 1947, and not counting any salary earned in service for which he is entitled to receive retirement benefits under a local retirement system, computed pursuant to Section 14635.

(c) A retirement annuity derived from the Retirement Annuity Fund based upon the number of years of credited service rendered by him prior to July 1, 1944, less any service for which he is entitled to receive retirement benefits under a local retirement system, computed pursuant to Section 14636.

(d) An annuity which shall be the actuarial equivalent of the accumulated annuity deposits standing to the credit of his individual account at the time of his retirement.

Such retirement allowance, prior to modification under options in Section 14637, shall be at least an amount, by increase in the annuity under the Retirement Annuity Fund, based on service rendered prior to July 1, 1944, which, when added to the retirement allowance, prior to optional modification, the person is entitled to receive from a local retirement system, shall equal the retirement allowance, prior to optional modification, to which the person would be entitled under this system if he were not entitled to any allowance from a local retirement system, minus one-half the retirement annuity on account of salary earned after June 30, 1944, to which the person would be so entitled, but for which he did not make annuity contributions.

CHAPTER 195

An act to add Section 18236 to the Education Code, relating to personal liability of officers and employees of school districts.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18236 is added to the Education Code, to read:

Voluntary pupils' injury

18236. No member of the governing board of any school district or employee of any school district shall be held personally liable for the death or injury of any pupil above the compulsory school age or for damage to the property of any such pupil resulting from his voluntary attendance upon classes on premises and not under the management and control of the governing board of the district, or resulting from his voluntary attendance in buildings not owned, rented or leased by the school district or upon field trips, if such death, injury, or damage is caused by the dangerous or defective condition of the premises or buildings in which such classes are maintained or which are entered on field trips.

CHAPTER 196

An act to amend Section 13425 of the Education Code, relating to the attendance of teachers upon institutes.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 13425 of the Education Code is amended to read:

Attendance at other institutes

13425. The superintendent of schools of any district or county holding an annual institute may, in his discretion and for good reason, authorize any teacher of the district or county, in lieu of attending one or more days of the institute held by him, to attend an institute held by the superintendent of schools of another district or county, or to attend an educational meeting held by the State Department of Education, or by a recognized institution or organization in the same or another district or county, for an equivalent period.

The period of the attendance of a teacher upon an institute or meeting under the provisions of this section shall be equivalent to attendance for the same period upon the institute he is otherwise required to attend, but shall not constitute attendance upon an institute for the payment of traveling expenses under Section 13424.

CHAPTER 197

An act to amend Section 13988.1 of the Revenue and Taxation Code, relating to deduction of expenses and fees in computing inheritance taxes.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 13988.1 of the Revenue and Taxation Code is amended to read:

Proper deduction

13988.1. Fees paid attorneys for services rendered in actions brought to establish the fact of death of a decedent pursuant to the provisions of the Probate Code, or pursuant to Article 3 of Chapter 11 of this part, and attorneys' fees and executors', administrator's and accountant's fees paid for extraordinary services performed in the preparation of estate, inheritance and income tax returns or in the adjustment and payment of extensive or complicated estate or inheritance taxes, are deductible from the appraised value of the property included in any transfer subject to this part.

CHAPTER 198

An act to add Section 4793.1 to the Health and Safety Code, relating to the proceeds of the sale of bonds of a county sanitation district.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4793.1 is added to the Health and Safety Code, to read:

4793.1. When the purposes and objects mentioned in the resolution calling the bond election have been accomplished any moneys remaining in the construction fund shall be transferred to the fund to be used for the payment of principal and interest on the bonds.

Surplus moneys

CHAPTER 199

An act to add Section 13802.1 to the Education Code, relating to the salaries of persons employed by school districts in positions requiring certification qualifications.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 13802.1 is added to the Education Code, to read:

13802.1. Every person employed by the district in a position requiring certification qualifications in a day school of the district for not less than the minimum school day for each day the schools of the district are maintained during the school year is a full-time employee and his compensation shall be fixed accordingly. With respect to a unified school district, for the purposes of this section all day kindergarten and elementary schools of the unified school district shall be deemed to be maintained by one district, all day high schools of the unified school district shall be deemed to be maintained by a second and separate district, and all day junior colleges of the unified school district shall be deemed to be maintained by a third and separate district.

Full-time employees

CHAPTER 200

An act to add Section 31679.1 to the Government Code, relating to the members of the County Employees Retirement System.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 31679.1 is added to the Government Code, to read:

Pension increase

31679.1. Every current service pension and prior service pension payable for time commencing on the effective date of this section to any member who was retired prior to October 1, 1949, is hereby increased to the amount it would be if the provisions of Section 31679, as they exist on said effective date, had been in effect on the date of the actual retirement of the member; but this section does not authorize any decrease in any such pension, nor does this section give any such retired member, or his successors in interest, any claim against the county or district for any increase in any pension paid or payable for time prior to its effective date. Calculations of pensions under this section shall be made on the basis of current interest rate and mortality tables.

This section shall not apply to any retirement system established under the provisions of this chapter, nor to the members or retired members of any such system unless and until the governing board of the county or district covered by such retirement system elects to be subject to the provisions of this section in the manner provided by Article 2 of this chapter with respect to the establishment of a retirement system hereunder; except that an election among the employees is not required.

CHAPTER 201

An act to amend Sections 984 and 985 of the Military and Veterans Code, relating to farm and home purchases by veterans.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 984 of the Military and Veterans Code is amended to read:

Application

984. The provisions of this article are applicable, and the benefits conferred thereby are available, to:

(a) Any veteran as defined in Sections 800, 980, and 985;

(b) Any person who is on active duty in the military or naval service of the United States, whose service may or may not have been continuous, and who is in all other respects qualified pursuant to Sections 980 or 985.

SEC. 2. Section 985 of said code is amended to read:

985. Definitions.

Definitions

(a) "Board" and "department" means the Department of Veterans Affairs.

(b) "Farm" means a tract of land, which, in the opinion of the board, is capable of producing sufficient to provide a living for the purchaser and his dependents.

(c) "Home" means a parcel of real estate upon which there is a dwelling house and such other buildings as will, in the

opinion of the board, suit the needs of the purchaser and his dependents as a place of abode.

(d) "Purchaser" means a veteran or any person who has entered into a contract of purchase of a farm or home from the board.

(e) "Purchase price" means the price which the board pays for any farm or home.

(f) "Selling price" means the price for which the board sells any farm or home.

(g) "Initial payment" means the first payment to be made by a purchaser to the board for a farm or home.

(h) As used in this article, "veteran" includes, in addition to the persons described in Section 980, also the persons described in Section 800, and all members of the armed services who were residents of California under the provisions of Sections 800 or 980 of this code, and who have been awarded the Congressional Medal of Honor, and their unremarried widows.

"Veteran"

(i) As used in this article, "veteran" also includes any person who served in the military or naval service of the United States during the period June 27, 1950, to a future date to be established by proclamation of the Governor, and receives an honorable discharge therefrom or is released from active duty under honorable conditions and who was, at the time of his enlistment, induction, commission, or drafting, a native of or a bona fide resident of this State or who, if a minor at such time, had lived in this State for six months immediately preceding his enlistment, induction, commission, or drafting.

Whenever the Governor, after June 27, 1950, finds that the United States is no longer engaged in any type of campaign involving persons in active duty in the armed forces, he shall issue a proclamation establishing the date after which persons on active duty in the armed forces shall not be considered veterans for the purposes of this article.

"Progress Payment Plan"

(j) As used in this article, "Progress Payment Plan" means payment by the department for improvements on real property in installments as work progresses.

CHAPTER 202

An act to add Article 8.5, comprising Sections 31690 to 31692, inclusive, to Chapter 3 of Part 3 of Division 4 of Title 3 of the Government Code, relating to the members of county employees' retirement systems in respect to employment of persons who have attained the age of compulsory retirement, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Article 8.5 is added to Chapter 3 of Part 3 of Division 4 of Title 3 of the Government Code, to read:

Article 8.5. Temporary Provisions

Reinstatement from retirement

31690. Notwithstanding any other provision of this chapter, while this section is in effect any person who has been retired for service (as distinguished from disability) may be employed in county service in a county having a population of less than 500,000 in accordance with the laws governing such service, in the same manner as a person who has not been so retired, upon the determination of the board, based on medical examination, that he is not incapacitated for the duties to be assigned to him.

Any person so employed is reinstated from retirement and his retirement allowance shall be canceled forthwith. His individual account shall be credited with an amount which is the actuarial equivalent of his annuity at the time of reinstatement, not to exceed the amount of his accumulated contributions as it was at the time of his retirement, and his rate of contribution for future years shall be the same as if he had continued in county service during the period of his retirement. Such person shall receive credit for prior service in the same manner as if he had never been retired.

Any member employed in county service pursuant to the provisions of this section shall be retired for service upon application by the member or the head of the office or department in which such member is employed.

Retention in service

31691. Notwithstanding any other provision of this chapter, while this section is in effect any member who would otherwise be retired because he has attained the age of compulsory retirement applicable to members of his category may be retained in county service in a county having a population of less than 500,000, upon (a) the recommendation of the head of the county agency in which he is employed, and (b) the determination of the board, upon medical examination, that he is not incapacitated for the performance of the duties to be assigned to him.

Any member retained in county service pursuant to this section shall be retired for service upon application by the member or the head of the office or department in which such member is employed.

When this section ceases to be effective, any person who has attained the age of compulsory retirement applicable to members of his category and who has been retained in county service pursuant to this section shall be retired forthwith.

Duration

31692. This article shall remain in effect until the ninety-first day after the final adjournment of the 1953 Regular Session of the Legislature or until the termination of the existing national defense emergency as evidenced by cessation of compulsory military service in the armed forces of the United States by citizens of this State, and as found and declared by the Governor, whichever first occurs. While this article is in effect its provisions shall supersede any existing provisions of law which are in conflict with the provisions of this article; but such provisions are not repealed by this article, and after this article

is no longer effective shall have the same force as though this article had not been enacted.

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

The actions involving the use of armed force in Korea and elsewhere in which the United States is now engaged have, by reason of the induction of large numbers of men into the armed forces and the employment of additional numbers in war industries, resulted in a shortage of manpower throughout the Nation which is already serious, and may, soon become acute. This shortage makes difficult or impossible the recruitment of qualified persons to fill essential positions in county service in counties having a population of less than 500,000. To prevent the occurrence of numerous vacancies in important positions in county service in counties having a population of less than 500,000, and the breakdown of the administration of the essential services of those counties, it is essential to retain in county service those qualified and experienced officers and employees capable of performing their duties who will reach the age of compulsory retirement during the existing national defense emergency, and to re-employ those officers and employees who are already retired but who are willing to resume their county service and are fully qualified and capable of doing so. It is therefore necessary that this act take effect immediately.

CHAPTER 203

An act to amend Sections 811, 812.4, 812.6, 814, 828.55, 828.6, 828.7, 829.35, and 829.4 of the Agricultural Code, relating to containers for lettuce, carrots and cantaloupes, declaring the urgency of this act, to take effect immediately.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 812.4 of the Agricultural Code is amended to read:

812.4. Bunched carrots when in closed wooden containers shall be packed either in standard container 45C, with a 9-inch depth, or in standard containers numbers 45, 45A, 45B, 45D, 45E, 45F or 45G. Packing: Bunched carrots

SEC. 2. Section 812.6 of said code is amended to read:

812.6. Bunched carrots, when packed in closed, wooden standard containers numbers 45, 45A, 45B, 45D or 45E, shall consist of not more than six dozen bunches, and when packed in closed, wooden standard containers numbers 45C with a 9-inch depth, 45F or 45G shall consist of not more than three dozen bunches. Same

SEC. 3. Section 814 of said code is amended to read:

Head lettuce

814. Head lettuce shall not be leafy without head formation and shall be free from insect injury, slime, decay or rot affecting leaves within the head, and free from seed stems which have so developed that they are apparent upon external examination; and free from serious damage caused by bursting, tip burn or freezing. Damage caused by bursting is not serious unless the head is burst open or is materially misshapen from this cause. Damage caused by freezing or tip burn is not serious unless it affects any portion of the head inside of the six outer head leaves.

Not more than 15 percent, by count, of the heads of lettuce in any one container or bulk lot may be below these requirements, but not to exceed 5 percent, shall be allowed for decay or slime.

Head lettuce, when packed or placed in layers in any container, shall not vary in size in any one container more than 15 percent of heads which would tightly pack a size, larger or smaller, than the size marked, and they shall be fairly tightly packed. Head lettuce which is loose in containers not packed or placed in layers need not meet the sizing and packing requirements of this standard if the container in which the lettuce is placed is not lidded or closed.

In addition to other packing requirements in this chapter head lettuce, when packed or placed in layers, shall contain either two dozen, two and one-half dozen, three dozen, three and one-half dozen, four dozen, five dozen, 75 or 90 heads of lettuce per standard container numbers 45A, 45B, 45D or 45E. Each crate of three and one-half dozen count shall have each layer arranged with four rows of three, four, and four and three heads.

In the case of sizes 75 and smaller per crate, a bridge of from three to six heads shall be permitted and in the five-dozen size a bridge of four heads shall be permitted.

All containers of lettuce shall bear upon them in plain sight and in plain letters on one outside end, the name of the person who first packed or authorized the packing of the lettuce, or the name under which such packer is engaged in business, together with a sufficiently explicit address to permit ready location of such packer, and in figures not less than one-half inch in height the exact number of heads contained therein; provided, that in the case of lettuce packed in lidded or closed containers without ice the exact number of heads may be marked on the lid of the container and provided further, that in the case of 10 percent of the crates in any lots the contents may vary not more than three heads over the count as marked.

All head lettuce shall be in standard containers numbers 45A, 45B, 45C, 45D, 45E, 45F or 45G.

SEC. 4. Section 828.6 of said code is amended to read:

828.6. Containers

45 Standard crate	13	18	$21\frac{5}{8}$
45A Standard lettuce crate	$13\frac{3}{4}$	$17\frac{1}{2}$	$21\frac{5}{8}$
45B Standard lettuce crate	13	$17\frac{1}{2}$	$21\frac{5}{8}$
45C Half lettuce crate	9 or $9\frac{1}{2}$	13	$21\frac{5}{8}$
45D Special lettuce crate	$14\frac{1}{4}$	$18\frac{1}{4}$	$20\frac{1}{2}$
45E Special lettuce crate	14	18	$21\frac{1}{8}$
45F Special half lettuce crate	$9\frac{1}{2}$	$13\frac{1}{2}$	$20\frac{1}{2}$
45G Special half lettuce crate	$9\frac{1}{4}$	$13\frac{3}{16}$	$21\frac{1}{2}$

SEC. 5. Section 828.7 of said code is amended to read:

828.7. Standard containers numbers 45A, 45B and 45C, when lidded, shall have a lid not over 25 inches in length and containers numbers 45D and 45F shall have a lid not over $23\frac{3}{8}$ inches in length. The inside length shown hereinabove for the standard containers numbers 45, 45A, 45B, 45C and 46, shall be a minimum length, with maximum outside length of these containers of $24\frac{1}{2}$ inches; and the inside lengths of these containers shall be measured between the end slats, except that if flat end posts wider than one and one-half inches are used, the inside length shall be measured between the posts. Same

SEC. 6. Section 829.35 of said code is amended to read:

829.35 14. Carrots, numbers 45, 45A, 45B, 45C, 45D, 45E, 45F and 45G. Carrots

15. Cauliflower, number 46. Cauliflower

SEC. 7. Section 829.4 of said code is amended to read:

829.4. 16. Lettuce, numbers 45A, 45B, 45C, 45D, 45E, 45F and 45G. Lettuce

SEC. 8. Section 811 of said code is amended to read:

811. Cantaloupes shall be mature but not overripe, not poorly netted, and free from mold, decay, and insect injury which has penetrated or damaged the edible portion of the cantaloupe; and free from serious damage, due to bruises, sunburn, growth cracks, cuts, sponginess, flabbiness, wilting, or other causes. Damage to any one cantaloupe is not serious unless it affects the edible portion of the individual cantaloupe. Cantaloupes

Not more than 10 percent, by count, of the cantaloupes in any one container or bulk lot may be below these requirements, but not to exceed one-half of this tolerance shall be allowed for any one cause.

Cantaloupes when packed shall be virtually uniform in size and there shall be the same numerical count of uniformly sized cantaloupes in each layer throughout the container.

"Mature" in the case of cantaloupes means that the appearance of the outside indicates maturity and the arils which surround the seed during the development of maturity have been absorbed and, in addition, that the juice of the edible portion shall contain not less than 8 percent soluble solids as determined by the Balling or Brix scale hydrometer. In view of differences in climatic and other natural conditions prevailing south and east of San Gorgonio Pass, which result in the cantaloupes grown in that area having, at maturity, a higher percentage of soluble solids than the mature cantaloupes "Mature"

grown in the area north and west of San Gorgonio Pass, mature in the case of cantaloupes produced in the area south and east of San Gorgonio Pass, means, in addition to the maturity requirements herein specified, that the juice of the edible portion shall contain not less than 10 percent soluble solids, as determined by the Balling or Brix scale hydrometer or that the cantaloupes have been separated from the vine by a "full slip" which indicates full maturity on the vine.

All closed containers of packed cantaloupes shall bear upon them in plain sight and in plain letters on one outside end, the name of the person who first packed or authorized the packing of the cantaloupes, or the name under which such packer is engaged in business, together with a sufficiently explicit address to permit ready location of such packer. All containers of cantaloupes in which the pack does not conform to the standard pack provisions for cantaloupes in Section 829.3 shall be conspicuously marked in letters not less than one-half inch in height "irregular pack."

Cantaloupes

SEC. 9. Section 828.55 of said code is amended to read:

828.55.

39	Standard cantaloupe crate	12	12	$21\frac{7}{8}$ or $22\frac{1}{8}$
40	Pony cantaloupe crate	11	11	$21\frac{7}{8}$ or $22\frac{1}{8}$
41	Jumbo cantaloupe crate	13	13	$21\frac{7}{8}$ or $22\frac{1}{8}$
42	Standard cantaloupe flat	4	12	$21\frac{7}{8}$ or $22\frac{1}{8}$
43	Special cantaloupe flat	$4\frac{1}{2}$	$13\frac{1}{2}$	$21\frac{7}{8}$ or $22\frac{1}{8}$
44	Special cantaloupe flat	5	$14\frac{1}{2}$	$21\frac{7}{8}$ or $22\frac{1}{8}$

Urgency

SEC. 10. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Experimental use of cantaloupe containers with a slightly shorter length than now provided by law has shown that such crates can more efficiently be loaded into railroad cars and with less breakage of crates in transit. In order to permit the use of crates with the shorter dimension for shipment of the current season's crop of cantaloupes most of which will be marketed prior to the time this act would otherwise become effective it is necessary that it take effect immediately.

CHAPTER 204

An act to amend Section 1431 of the Probate Code, relating to compromise of disputed claims of minors.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1431 of the Probate Code is amended to read:

1431. When a minor has a disputed claim for damages, money or other property against a third person, his father, or if his father is dead or the parents of said minor are living separate or apart and his mother then has care or custody of said minor then his mother, shall have the right to compromise, or execute a covenant not to sue on, such claim, but before the compromise or covenant is valid it must be approved by the superior court of the county where the minor resides, upon the filing of a verified petition in writing. If the court approves the compromise or covenant and the money or the value of other property to be paid or delivered under the compromise or covenant does not exceed two thousand dollars ($2,000), it may direct that the money or other property be paid or delivered to the father or mother of the minor, with or without the filing of a bond, or may require that any money so paid be deposited in a bank or trust company or be invested in an account in an insured savings and loan association subject to withdrawal only upon the order of the court, or it may require a general guardian to be appointed and the money or other property to be paid or delivered to such guardian, or prescribe such other conditions as in the discretion of the court seems to the best interests of the minor. If the court approves the compromise or the execution of the covenant and the money or the value of other property to be paid or delivered under the compromise or covenant exceeds two thousand dollars ($2,000) it must require a general guardian to be appointed and must direct that the money or other property be paid or delivered to such guardian or in lieu thereof it must require that any moneys so paid be deposited in a bank or trust company or be invested in an account in an insured savings and loan association subject to withdrawal only upon the order of the court or, as to any property to be received by the minor shall prescribe such conditions as the court may deem proper. The father or mother or the guardian, upon receiving such money or other property may execute a full release and satisfaction of, or execute a covenant not to sue on the claim of the minor. The clerk of the court shall not charge any fee for filing the petition. The term "account in an insured savings and loan association" used in this section means shares issued by a federal savings and loan association, or investment certificates issued by a state chartered building and loan association or savings and loan association doing business in this State which is an "insured institution" as defined in Title IV of the National Housing Act, or shares issued by a state chartered building and loan association or savings and loan association doing business in this State which does not issue investment certificates and which is an "insured institution" as defined in Title IV of the National Housing Act.

Disputed claims of minors

12 U S C §1724

CHAPTER 205

An act to amend Section 28.6 of, and to add Section 34.6 to, the Agricultural Code, relating to the identification of root or top stock of fruit and nut trees.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 28.6 of the Agricultural Code is amended to read:

Fruit and nut trees
Fees for inspection, etc

28.6. In cases where the director is authorized to perform sampling, grading, testing, inspection or certification services in relation to agricultural products, or identification services in relation to root or top stock of fruit and nut trees, and to fix reasonable fees which shall pay the cost of services necessary to perform such sampling, grading, testing, inspection, certification, or identification, he may collect such fees in advance of performing the services but shall not be required to do so if, in his opinion, the benefit of such services would be lessened by such advance payment. In lieu of collecting such fees in advance the director is authorized, if he deems it necessary, to accept a bond guaranteeing payment of the fees chargeable for any such services; provided said bond is satisfactory to the director.

Against any person required to take out a license or pay fees under the provisions of this code and who fails, neglects, or refuses to take out such license or pay such fees, or who carries on or attempts to carry on the business or do any act for which such license or payment of such fees is required without such license or payment of fees, the director in addition to other remedies provided by law may direct suit in the name of the people of the State of California as plaintiff, to be brought for the recovery of the license or other fees; and in such case the director may make the necessary affidavit for and a writ of attachment may issue, without any bonds being given on behalf of the plaintiff.

Whenever the director finds the amounts due under any section of this code to be so small in amount as not to justify the cost of their collection or for any reason believes that collection is improbable and provided the amount involved in either instance is not in excess of one dollar ($1) then the director may remove the amounts so due from the records of the department and he shall not be held accountable for their collection.

SEC. 2. Section 34.6 is added to the Agricultural Code, to read:

Identification record

34.6. The director shall have authority to establish an identification record service for parent root and top stock of fruit and nut trees. Upon application of any person and the payment of such fee as shall be determined by the director to be necessary to cover the cost thereof, the director shall assign to such parent stock an identifying code number and make an appropriate record of the same.

CHAPTER 206

An act to amend the title of Article 2 and to add Articles 3 and 4 to Chapter 5.5 of Division 21 of the Health and Safety Code, relating to low-acid frozen foods in hermetically sealed containers.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 1, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. The title of Article 2 of Chapter 5.5 of Division 21 of the Health and Safety Code is amended to read:

Article 2. The Packing of Low-Acid Frozen Food in Hermetically Sealed Containers

SEC. 2. Article 3 is added to Chapter 5 5 of Division 21 of the Health and Safety Code, to read:

Article 3. General Regulations

28180. The State Department of Public Health shall enforce this chapter. Enforcement

28182. The board may make rules and regulations to secure the proper enforcement of this chapter, including rules and regulations with respect to the sanitary preparation of articles of food for freezing, the use of containers, marks, tags, or labels, and the display of signs. Rules and regulations

SEC. 3. Article 4 is added to Chapter 5.5 of Division 21 of the Health and Safety Code, to read:

Article 4. Violations

28186. Any person, firm, corporation, or agent violating any of the provisions of this chapter, or any rule or regulation issued pursuant to this chapter, shall upon conviction be punished for the first offense by a fine not less than twenty-five dollars ($25), or more than five hundred dollars ($500), or by imprisonment in the county jail for not more than six months, or by both. The punishment for a second offense is the same, except that the maximum fine is one thousand dollars ($1,000). Penalties

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CHAPTER 207

An act to amend Section 970 of the Military and Veterans Code, relating to county service officers.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 970 of the Military and Veterans Code is amended to read:

970 The board of supervisors of any county may appoint, prescribe the qualifications of and fix the compensation of an

"County service officer"

officer to be termed "county service officer." Such appointee shall be a veteran.

It shall be the duty of the county service officer to administer the aid provided for in this chapter, to investigate all claims, applications or requests for aid made pursuant to the terms of this chapter, and to perform any and other such services as may be detailed to him for performance by the board of supervisors.

CHAPTER 208

An act to add Article 5, comprising Sections 16485 to 16490, inclusive, to Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, relating to interfund purchases, sales and transfers of bond investments.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Article 5 is added to Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, to read:

Article 5. Interfund Purchases, Sales and Transfers of Bond Investments

Purpose of article

16485. It is the purpose of this article to authorize the establishment of procedures for the transfer of bonds between funds in the State Treasury in the following cases:

(a) When bonds held as investments by a fund in the State Treasury are to be sold by such fund to, and purchased for, another State Treasury fund; or

(b) When, under any provision of law, a specific amount of cash is required to be paid from a fund in the State Treasury holding bond investments to another State Treasury fund, and it is in the interest of the State to transfer all or part of such amount in bonds, in lieu of cash, because the amount of cash required to be transferred is not needed for the immediate use of the fund to which such amount is required to be paid.

Definitions

16486. For the purposes of this article, the following definitions shall apply:

(a) "Investing authority," with respect to any State Treasury fund, means the state agency authorized by law to purchase or sell bond investments on behalf of such fund;

(b) "Effective date" means the date on which the sale or transfer of bonds is to take effect;

(c) "Market value" means the par value, plus the premium or minus the discount, plus the accrued interest, of the bonds to be sold, purchased, or transferred, as of the effective date, as such value is jointly determined by the respective investing authorities of the funds affected by the transaction;

(d) "Bond" means any bond, note, or other form of indebtedness that is a legal investment for any state fund affected by the transaction.

16487. The State Controller, with the approval of the State Board of Control, may establish procedures for the purpose of carrying out the purposes set forth in Section 16485. Such procedures are exempt from the provisions of the Administrative Procedure Act. Procedures

16488. The procedures authorized to be adopted by this article are permissive only, and no provision hereof shall require any state agency to approve or perform any act which, under such procedure, is an essential step in the purchase, sale or transfer of bonds thereunder. Same

16489. Any procedure established under this article shall provide that the market value of the bonds shall be regarded, for the purposes thereof, as the equivalent of cash in that amount, in any purchase, sale or transfer of bonds in lieu of cash thereunder. Same

16490. Any procedure established under this article shall require that in connection with any purchase, sale or transfer of bonds thereunder, the State Controller, State Treasurer, Director of Finance, and each investing authority shall be furnished a copy of: Same

(a) Every journal entry and other accounting instrument prepared by the State Controller and the State Treasurer for the purpose of recording such transaction on their accounts;

(b) The determination of market value and effective date made by each investing authority in connection with such transaction.

CHAPTER 209

An act to amend Sections 18301 and 18302 of, and to add Sections 17784.4, 18168, and 18301.1 to, and to repeal Section 18304.1 of, the Revenue and Taxation Code, relating to personal income taxes, and providing that this act shall take effect immediately.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 18301 of the Revenue and Taxation Code is amended to read:

18301. An individual carrying on business in partnership is liable for income tax only in his individual capacity. Partner's tax liability

SEC. 2. Section 18302 of the Revenue and Taxation Code is amended to read:

18302. The net income of the partnership shall be computed in the same manner and on the same basis as in the case of an individual, except as provided in this section. Net income of partnership

(a) There shall be segregated the gains and losses from sales or exchanges of capital assets.

(b) After excluding all items of gain and loss from sales or exchanges of capital assets, there shall be computed—

(1) An ordinary net income which shall consist of the excess of the gross income over the deductions; or

(2) An ordinary net loss which shall consist of the excess of the deductions over the gross income.

"Charitable contribution"

(c) In computing the net income of the partnership, the so-called "charitable contribution" deduction allowed by Section 17315 shall not be allowed; but each partner shall be considered as having made payment, within his taxable year, of his distributive portion of any contribution or gift, payment of which was made by the partnership within its taxable year, of the character which would be allowed to the partnership as a deduction under such section if this subsection had not been enacted.

(d) In computing the net income of the partnership the deduction provided in Section 17325 shall not be allowed.

SEC. 3. Section 17784.4 is added to the Revenue and Taxation Code, to read:

Adjustment

17784.4. Proper adjustment shall be made in the case of property pledged to the Commodity Credit Corporation, to the extent of the amount received as a loan from the Commodity Credit Corporation and treated by the taxpayer as income for the year in which received pursuant to Sections 17102.1 and 17102.2, and to the extent of any deficiency on such loan with respect to which the taxpayer has been relieved from liability.

SEC. 4. Section 18168 is added to the Revenue and Taxation Code, to read:

Contributions to trusts for employees

18168. Notwithstanding Section 18164 or any other provision of this part, a contribution to a trust by an employer shall not be included in the income of the employee in the year in which the contribution is made if—

(a) Such contribution is to be applied by the trustee for the purchase of annuity contracts for the benefit of such employee;

(b) Such contribution is made to the trustee pursuant to a written agreement entered into prior to September 1, 1943, between the employer and the trustee, or between the employer and the employee; and

(c) Under the terms of the trust agreement the employee is not entitled during his lifetime, except with the consent of the trustee, to any payments under annuity contracts purchased by the trustee other than annuity payments.

The amount so contributed by the employer shall not constitute consideration paid by the employee for such annuity contract in determining the amount of annuity payments required to be included in his gross income under Sections 17123 to 17125.7, inclusive; except that if the tax imposed by this part for any taxable year beginning before January 1, 1951, has been paid by the employee with respect to such contribution for such year, and not credited or refunded, the amount so contributed for such year shall constitute consideration paid by the employee for such annuity contract. This section shall have no application with respect to amounts contributed to a trust after June 1, 1951, if the trust on such date was exempt under Sections 18156 to 18162, inclusive. For the

purposes of this section, amounts paid by an employer for the purchase of annuity contracts which are transferred to the trustee shall be deemed to be contributions made to a trust or trustee and contributions applied by the trustee for the purchase of annuity contracts; the term "annuity contracts purchased by the trustee" shall include annuity contracts so purchased by the employer and transferred to the trustee; and the term "employee" shall include only a person who was in the employ of the employer, and was covered by the agreement referred to in (b) of this section, prior to September 1, 1943 Definitions

SEC. 5. Section 18301.1 is added to the Revenue and Taxation Code, to read:

18301.1. In computing net income of each partner, he shall include, whether or not distribution is made to him— Partner's net income

(a) As part of his gains and losses from sales or exchanges of capital assets, his distributive share of the gains and losses of the partnership from sales or exchanges of capital assets, computed as provided in Section 17712;

(b) His distributive share of the ordinary net income or the ordinary net loss of the partnership, computed as provided in Section 18302.

SEC. 6. Section 18304.1 of the Revenue and Taxation Code is repealed.

SEC. 7. This act, inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately. Tax levy

SEC. 8. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended. Application

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CHAPTER 210

An act to amend Section 23332 of the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations, and providing that this act take effect immediately.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 23332 of the Revenue and Taxation Code is amended to read:

Dissolution or withdrawal of taxpayer

23332. Except in the case of a taxpayer subject to the provisions of Section 23222a, any taxpayer which is dissolved or withdraws from the State during any taxable year shall pay a tax only for the months of the taxable year which precede the effective date of such dissolution or withdrawal, according to or measured by (a) the net income of the preceding income year or (b) a percentage of net income determined by ascertaining the ratio which the months of the taxable year, preceding the effective date of dissolution or withdrawal, bears to the months of the income year, whichever is the lesser amount. As to financial corporations, the offset from the tax for the months of such taxable year prior to the effective date of such dissolution or withdrawal shall not exceed that proportion of the offset computed under Sections 23184 to 23185(b), inclusive, which the number of said months prior to the effective date of such dissolution or withdrawal bears to the number of months of the preceding income year, and provided further, that the taxes levied under this chapter shall not be subject to abatement or refund because of the cessation of business or corporate existence of any taxpayer pursuant to a reorganization, consolidation, or merger. In any event, each corporation shall pay a tax not subject to offset for such period in an amount equal to the minimum tax prescribed by Section 23153

Tax levy

SEC. 2. This act inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately.

Operative date

SEC. 3. This act shall become operative upon the taking effect of the Bank and Corporation Tax Law, enacted by Chapter 557, Statutes of 1949, as amended, or upon the effective date of this act, whichever is later.

Application

SEC. 4. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes, for the purpose of the taxes imposed under Chapter 2, of Part 11, Division 2 of the Revenue and Taxation Code, measured by income for income years beginning after December 31, 1950, and for the purpose of the tax imposed under Chapter 3 of Part 11, Division 2 of the Revenue and Taxation Code, for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions, and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended.

CHAPTER 211

An act to amend Section 26132 of the Revenue and Taxation Code, relating to taxation of banks, corporations, Massachusetts trusts and associations.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 26132 of the Revenue and Taxation Code is amended to read:

26132. The Franchise Tax Board may by notice, served personally or by registered mail, require any person, and any officer or department of the State or any political subdivision or agency of the State, having in their possession, or under their control, any credits or other personal property or other things of value, belonging to a taxpayer to withhold, from such credits or other property the amount of any tax, interest or penalties due from the taxpayer under this part and to transmit the amount withheld to the Franchise Tax Board at such times as it may designate. Any bank, corporation or person failing to withhold the amounts due from any taxpayer and transmit the same to the Franchise Tax Board after service of such a notice shall be liable for such amounts. Withholding tax

CHAPTER 212

An act to amend Section 26105 of the Revenue and Taxation Code, relating to taxation of banks, corporations, Massachusetts trusts and associations.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 26105 of the Revenue and Taxation Code is hereby amended to read:

26105. In all actions pending on January 1, 1950, against the State Treasurer, or the Franchise Tax Commissioner, under this part, the Franchise Tax Board shall be substituted for the State Treasurer or the Franchise Tax Commissioner by the court in which the action is pending. This substitution shall not in any way affect the rights of the plaintiff in the action. Actions pending

CHAPTER 213

An act to add Section 26163 to the Revenue and Taxation Code, relating to taxation of banks, corporations, Massachusetts trusts and associations.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 26163 is hereby added to the Revenue and Taxation Code, to read:

State preference

26163. The amounts required to be paid by any person under this part together with interest and penalties shall be satisfied first in any of the following cases:

(a) Whenever the person is insolvent.

(b) Whenever the person makes a voluntary assignment of his assets.

(c) Whenever the estate of the person in the hands of executors, administrators, or heirs is insufficient to pay all the debts due from the deceased.

(d) Whenever the estate and effects of an absconding, concealed, or absent person required to pay any amount under this part are levied upon by process of law.

This section does not give the State a preference over any recorded lien which attached prior to the date when the amounts required to be paid became a lien.

The preference given to the State by this section shall be subordinate to the preferences given to claims for personal services by Sections 1204 and 1206 of the Code of Civil Procedure.

CHAPTER 214

An act to add Section 18933 to the Revenue and Taxation Code, relating to personal income taxes.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 18933 is added to the Revenue and Taxation Code, to read:

State preference

18933. The amounts required to be paid by any person under this part together with interest and penalties shall be satisfied first in any of the following cases:

(a) Whenever the person is insolvent.

(b) Whenever the person makes a voluntary assignment of his assets

(c) Whenever the estate of the person in the hands of executors, administrators, or heirs is insufficient to pay all the debts due from the deceased.

(d) Whenever the estate and effects of an absconding, concealed, or absent person required to pay any amount under this part are levied upon by process of law.

This section does not give the State a preference over any recorded lien which attached prior to the date when the amounts required to be paid became a lien.

The preference given to the State by this section shall be subordinate to the preferences given to claims for personal services by Sections 1204 and 1206 of the Code of Civil Procedure.

CHAPTER 215

An act to amend Sections 18807 and 18808 of the Revenue and Taxation Code, relating to personal income taxes.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18807 of the Revenue and Taxation Code is amended to read:

18807. The Franchise Tax Board may by notice, served personally or by registered mail, require any person and any officer or department of the State or any political subdivision or agency of the State, having in their possession, or under their control, any credits or other personal property or other things of value, belonging to a taxpayer, to withhold, from such credits or other property, the amount of any tax, interest or penalties due from the taxpayer under this part and to transmit the amount withheld to the Franchise Tax Board at such times as it may designate. Withholding tax

SEC. 2. Section 18808 of the Revenue and Taxation Code is amended to read:

18808. Any person failing to withhold the amount due from any taxpayer and to transmit the same to the Franchise Tax Board after service of a notice pursuant to Section 18807 is liable for such amounts. Liability

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CHAPTER 216

An act to amend Sections 17003, 17013, 17521, 18405, 18431, 18554, 18584, 18590, 18687, 18689, 18802, 19086, 19254, 19451, and 19452 of, and to add Sections 17012.5 and 17522 to, the Revenue and Taxation Code, relating to personal income taxes, and providing that this act shall take effect immediately.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 17003 of the Revenue and Taxation Code is amended to read:

17003. "Franchise Tax Board" means the Franchise Tax Board created by Statutes of 1949, Chapter 1188. "Franchise Tax Board"

"Board" means the State Board of Equalization. "Board"

SEC. 2. Section 17013 of the Revenue and Taxation Code is amended to read:

17013. "Resident" includes: "Resident"

(a) Every individual who is in this State for other than a temporary or transitory purpose.

(b) Every individual domiciled in this State who is outside the State for a temporary or transitory purpose.

Any individual who is a resident of this State continues to be a resident even though temporarily absent from the State.

SEC. 3. Section 17521 of the Revenue and Taxation Code is amended to read:

Distribution etc., of gross income or deductions

17521. In any case of two or more persons, organizations, trades, or businesses (whether or not incorporated, whether or not organized in this State, and whether or not affiliated) owned or controlled directly or indirectly by the same interests, the Franchise Tax Board may distribute, apportion, or allocate gross income or deductions between or among such organizations, trades, or businesses, if it determines that such distribution, apportionment, or allocation is necessary in order to reflect the proper income of any of such persons, organizations, trades, or businesses where the income of any taxpayer is affected thereby in such manner as to permit evasion of taxes.

SEC. 4. Section 18405 of the Revenue and Taxation Code is amended to read:

Fiduciary's return

18405. Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) shall make a return, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, for any of the following taxpayers for whom he acts, stating specifically the items of gross income of the taxpayer and the deductions and credits allowed under this part:

(a) Every individual having a net income for the taxable year of two thousand dollars ($2,000) or over, if single.

(b) Every individual having a net income for the taxable year of three thousand five hundred dollars ($3,500) or over, if married.

(c) Every individual having a gross income for the taxable year of five thousand dollars ($5,000) or over, regardless of the amount of his net income.

(d) Every estate the net income of which for the taxable year is one thousand dollars ($1,000) or over

(e) Every trust the net income of which for the taxable year is one hundred dollars ($100) or over.

(f) Every estate or trust the gross income of which for the taxable year is five thousand dollars ($5,000) or over, regardless of the amount of the net income.

(g) Every decedent, for the year in which death occurred, and for prior years, if returns for such years should have been filed but have not been filed by the decedent, under such rules and regulations as the Franchise Tax Board may prescribe.

SEC. 5. Section 18431 of the Revenue and Taxation Code is amended to read:

Verification

18431. Returns required by Sections 18401 and 18402 shall not be under oath but shall contain, or be verified by, a written declaration that they are made under the penalties of perjury. Such returns, and all other returns required by this part, shall be in such form as the Franchise Tax Board may from time to time prescribe, and shall be filed with the Franchise Tax Board. The Franchise Tax Board shall prepare blank forms

for the returns and shall distribute them throughout the State and furnish them upon application. Failure to receive or secure the form does not relieve any taxpayer from making any return required.

SEC. 6. Section 18554 of the Revenue and Taxation Code is amended to read:

18554. The tax, and any interest and penalties, shall be paid to the Franchise Tax Board. Remittances may be in the form of a check, payable to the Franchise Tax Board, during such time and under such regulations as the Franchise Tax Board may prescribe. If a check is not paid by the bank on which it is drawn, the taxpayer tendering the check remains liable for the payment of the tax, and all interest and penalties, as if he had not tendered the check. Payment of tax, etc

SEC. 7. Section 18584 of the Revenue and Taxation Code is amended to read:

18584. Each notice shall set forth the reasons for the proposed additional assessment and the computation thereof. Notice

SEC. 8. Section 18590 of the Revenue and Taxation Code is amended to read:

18590. Within 60 days after the mailing of each notice of additional tax proposed to be assessed the taxpayer may file with the Franchise Tax Board a written protest against the proposed additional tax, specifying in the protest the grounds upon which it is based. Protest

SEC. 9. Section 18687 of the Revenue and Taxation Code is amended to read:

18687. If the time for the payment of the tax or any installment thereof is extended, there shall be collected, as part of such tax, interest thereon at the rate of 6 per centum per year from the date upon which such payment should have been made if no extension had been granted until the date the tax is paid. Interest on extension

SEC. 10. Section 18689 of the Revenue and Taxation Code is amended to read:

18689. Except in the case of a jeopardy assessment, collection of which has been stayed by the posting of a bond, where a deficiency, or any interest or penalty imposed in connection therewith under Sections 18681, 18684, 18685, and 18688, or any penalty in case of delinquency provided for in Sections 18681, 18682, and 18683, is not paid in full within 10 days from the date of notice and demand from the Franchise Tax Board, there shall be collected as a part of the tax, interest upon the unpaid amount at the rate of 6 per centum per year from the date of the notice and demand until it is paid. If any part of the amount prorated to any unpaid installment is not paid in full on or before the date prescribed for the payment of the installment, there shall be collected as a part of the tax, interest upon the unpaid amount at the rate of 6 per centum per year from that date until it is paid. Interest on unpaid amounts

SEC. 11. Section 18802 of the Revenue and Taxation Code is amended to read:

Returns

18802. Every individual, partnership, corporation, joint stock company or association, insurance company, business trust, or so-called Massachusetts trust, being a resident or having a place of business in this State, in whatever capacity acting, including lessees or mortgagors of real or personal property, fiduciaries, employers, and all officers and employees of this State or any political subdivision of this State, having the control, receipt, custody, disposal, or payment of interest (other than interest coupons payable to bearer), dividends, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income amounting to one thousand dollars ($1,000) or over, paid or payable during any year to any taxpayer, shall make a complete return to the Franchise Tax Board, which shall contain or be verified by a written declaration that it is made under the penalties of perjury, under such regulations and in such form and manner and to such extent as may be prescribed by it.

SEC. 12. Section 19086 of the Revenue and Taxation Code is amended to read:

Actions pending

19086. In all actions pending on January 1, 1950, against the State Treasurer or the Franchise Tax Commissioner under this part, the Franchise Tax Board shall be substituted for the State Treasurer or the Franchise Tax Commissioner by the court in which the action is pending. This substitution shall not in any way affect the rights of the plaintiff in the action.

SEC. 13. Section 19254 of the Revenue and Taxation Code is amended to read:

Powers of board

19254. The Franchise Tax Board for the purpose of administering its duties under this part, shall have the power to examine any books, papers, records, or memoranda, bearing upon the matters required to be included in the return of any taxpayer under this part. The Franchise Tax Board may also require the attendance of the taxpayer or of any other person having knowledge in the premises and may take testimony and require material proof for its information and administer oaths to carry out the provisions of this section. The Franchise Tax Board may issue subpenas or subpenas duces tecum, which subpenas must be signed by any member of the Franchise Tax Board and may be served on any person for any purpose.

SEC. 14. Section 19451 of the Revenue and Taxation Code is amended to read:

Effect of determination

19451. In the determination of any issue of law or fact under this part, neither the Franchise Tax Board nor any officer or agency having any administrative duties under this part nor any court is bound by the determination of any other officer or administrative agency of the State.

SEC. 15. Section 19452 of the Revenue and Taxation Code is amended to read:

Res judicata

19452. In the determination of any case arising under this part, the rule of res judicata is applicable only if the liability

involved is for the same year as was involved in another case previously determined.

SEC. 16. Section 17012.5 is added to the Revenue and Taxation Code, to read:

17012.5. "Assessment" includes "proposed additional assessment." "Assessment"

SEC. 17. Section 17522 is added to the Revenue and Taxation Code, to read:

17522. In any case where husband and wife file separate returns, the Franchise Tax Board may distribute, apportion or allocate gross income between the spouses, if it is determined that such distribution, apportionment or allocation is necessary in order to reflect the proper income of the spouses. Separate returns

SEC. 18. This act, inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately. Tax levy

SEC. 19. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended. Application

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CHAPTER 217

An act to amend Section 23253 of the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations, and providing that this act take effect immediately.

[Approved by Governor May 1, 1951 Filed with Secretary of State May 3, 1951] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 23253 of the Revenue and Taxation Code is hereby amended to read:

23253. Where, pursuant to a reorganization, all or a substantial portion of the business or property of a taxpayer, a party to the reorganization, is transferred to another taxpayer, a party to the reorganization: Reorganization Transfer of business or property

(a) The net income of the transferor from the business or property so transferred to any taxpayer for the taxable year in which the transfer occurs, shall be included in the measure of the tax on the transferee for the taxable year succeeding the taxable year in which the transfer occurs if the taxable year of the transferee in which the transfer occurs ends at the same time as or before the time the taxable year of the transferor in which the transfer occurs ends. Income of the transferor so included

in the measure of the tax on the transferee shall be considered the income of the transferee for the purposes of Chapter 2.

(b) If the taxable year of the transferee in which the transfer occurs ends after the taxable year of the transferor in which the transfer occurs ends, the transferee shall, within two months and 15 days after the close of the taxable year of the transferor in which the transfer occurs, file a return disclosing the net income of the transferor from the business or property transferred for the taxable year in which the transfer occurs, and pay a tax measured by such income.

"Party to the reorganization" (c) For the purposes of this section "party to the reorganization" includes any taxpayer subject to the tax imposed under this part who acquires and continues to operate all or a substantial part of the operating assets of the original transferor, regardless of whether such assets are received directly from the original transferor, or by merger, or as otherwise described in Section 23251.

Tax levy SEC. 2. This act inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately.

Operative date SEC. 3. This act shall become operative upon the taking effect of the Bank and Corporation Tax Law, enacted by Chapter 557, Statutes of 1949, as amended, or upon the effective date of this act, whichever is later.

Application SEC. 4 The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes, for the purpose of the taxes imposed under Chapter 2, of Part 11, Division 2 of the Revenue and Taxation Code, measured by income for income years beginning after December 31, 1950, and for the purpose of the tax imposed under Chapter 3, of Part 11, Division 2 of the Revenue and Taxation Code, for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions, and credits Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended.

CHAPTER 218

An act to amend Section 23153 of the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations, and providing that this act take effect immediately.

In effect immediately [Approved by Governor May 1, 1951 Filed with Secretary of State May 3, 1951]

The people of the State of California do enact as follows:

SECTION 1. Section 23153 of the Revenue and Taxation Code is hereby amended to read:

23153. Every corporation not otherwise taxed under this chapter and not expressly exempted by the provisions of this part or the Constitution of this State shall pay annually to the State a tax of twenty-five dollars ($25). Corporation tax

Every such domestic corporation taxable under the preceding paragraph shall be subject to the said tax from the date of incorporation until the effective date of dissolution as provided in Section 23331.

SEC. 2. This act inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately. Tax levy

SEC. 3. This act shall become operative upon the taking effect of the Bank and Corporation Tax Law, enacted by Chapter 557, Statutes of 1949, as amended, or upon the effective date of this act, whichever is later. Operative date

SEC. 4. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes, for the purpose of the taxes imposed under Chapter 2, of Part 11, Division 2 of the Revenue and Taxation Code, measured by income for income years beginning after December 31, 1950, and for the purpose of the tax imposed under Chapter 3 of Part 11, Division 2 of the Revenue and Taxation Code, for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions, and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended. Application

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CHAPTER 219

An act to amend Sections 403.5 and 765 of the Vehicle Code, relating to violations of the Vehicle Code in order to comply with regulations promulgated under Civil Defense Act of 1950, or the California Disaster Act. Stats. 1950 (3d Extra Sess.) Ch. 3 Cal. Military and Veterans Code § 1500

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 403.5 of the Vehicle Code is amended to read:

403.5 When Violations of Code Do Not Constitute Negligence as a Matter of Law. In either of the following circumstances a violation of any provision of this code shall not establish negligence as a matter of law but in any civil action under either of such circumstances, negligence must be proved as a Violations not negligence

fact without regard to such violation. The circumstances under which this section shall be applicable are either:

(a) Where violation of such provision was required by a law of the Federal Government or by any rule, regulation, directive or order of any agency of the Federal Government, violation of which is subject to penalty under an act of Congress or by any valid order of military authority.

(b) Where violation of such provision was required in order to comply with any regulation, directive, or order of the Governor promulgated under Civil Defense Act of 1950, or the California Disaster Act.

The provisions of this section shall apply to such acts or omissions whether occurring prior to or after the effective date of this section.

SEC. 2. Section 765 of said code is amended to read:

Defenses

765. Defenses. Federal Laws and Regulations. (a) Whenever any person is charged with a violation of this code, it is a sufficient defense to such charge if it appears that in a criminal prosecution in another state or by the Federal Government, founded upon the act or omission in respect to which he is on trial, he has been convicted or acquitted.

(b) No person shall be prosecuted for a violation of any provision of this code if such violation was required by a law of the Federal Government, or a regulation promulgated pursuant to law, by the Interstate Commerce Commission.

(c) No person shall be prosecuted for a violation of any provision of this code when violation of such provision is required by a law of the Federal Government or by any rule, regulation, directive or order of any agency of the Federal Government, violation of which is subject to penalty under an act of Congress or by any valid order of military authority.

Stats 1950 (3d Ex Sess.), Ch 3, M & V C. §1500, ff

(d) No person shall be prosecuted for a violation of any provision of this code when violation of such provision is required in order to comply with any regulation, directive, or order of the Governor promulgated under Civil Defense Act of 1950, or the California Disaster Act.

CHAPTER 220

An act to provide for the disposition of the unexpended balance of moneys in the California State Building Fund of 1925.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

Transfer of unexpended balance

SECTION 1. Any unexpended balance of moneys remaining in the California State Building Fund of 1925 on the effective date of this act shall, on order of the State Controller, be transferred to the Interest and Sinking Fund of the California State Buildings and State University Buildings Bonds.

CHAPTER 221

An act to add Section 12463.2 to, and to repeal Section 12461.5 of, the Government Code, relating to the duties of the Controller.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 12463.2 is added to the Government Code, to read:

12463.2. The Controller shall include in his annual report referred to in Section 12463 a digest and synopsis in tabular form of all reports received by him pursuant to Article 3, Chapter 4, Part 3, Division 2, of Title 3 of this code. Annual report

SEC. 2. Section 12461.5 of the Government Code is hereby repealed. Repeal

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CHAPTER 222

An act to amend Sections 11251, 11252, and 17242 of the Government Code, relating to reimbursement warrants and plans of financial adjustment covering reimbursements between state agencies.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 11251 of the Government Code is amended to read:

11251. The Controller, after consulting with the Department of Finance, may approve any general plan whereby any state agency which is within a department and which is supported either by a special fund or by a separate appropriation from the General Fund, may make financial adjustments with the department of which it is a part and with any other state agency within the department for services rendered, supplies used, or for a proper proportion of other expenses. A copy of the proposed plan shall be furnished to the Department of Finance before approval by the Controller; and a copy of the approved plan shall be furnished to the Department of Finance. Financial adjustments

SEC. 2. Section 11252 of the Government Code is amended to read:

11252. Such adjustments shall be made in accordance with the approved plan by filing a financial statement with the Controller, and requesting the Controller to make the necessary transfers or other entries upon his books. Upon receipt of such a request, the Controller shall make such transfers or other entries. Same

SEC. 3. Section 17242 of the Government Code is amended to read:

Warrant in excess of balance

17242. If a reimbursement warrant represents an amount in excess of the balance remaining in the unapplied money in the General Fund after first deducting from such unapplied money the amount, as estimated by the Controller, which is required by law to be earmarked, reserved or set apart from such unapplied money for the payment of obligations of the State having priority over the obligation to which such reimbursement warrant is applicable, it shall be registered by the Treasurer pursuant to the provisions of this chapter.

CHAPTER 223

An act to amend Section 27 of the Probate Code, relating to those who may take by will.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 27 of the Probate Code is amended to read:

Testamentary disposition

27. A testamentary disposition may be made to the United States, to any instrumentality of the United States, to the State, to counties, to municipal corporations, to natural persons capable by law of taking the property, to unincorporated religious, benevolent or fraternal societies or associations or lodges or branches thereof, and to corporations formed for religious, scientific, literary, or solely educational or hospital or sanatorium purposes, or primarily for the public preservation of forests and natural scenery, or to maintain public libraries, museums or art galleries, or for similar public purposes. No other corporation can take under a will, unless expressly authorized by statute.

CHAPTER 224

An act to add Article 5.5 to Chapter 1 of Part 2 of Division 1 of the Insurance Code, in relation to prohibiting the designation of particular insurance agents or brokers by persons, firms and corporations loaning money on the security of personal and real property.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Article 5.5 is added to Chapter 1 of Part 2 of Division 1 of the Insurance Code, to read:

Article 5.5. Insurance in Connection with Sales and Loans

Requiring particular insurers

770. No person engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property and no trustee, director, officer, agent or other employee, or affiliate of, any such person shall require, as a condition precedent to financing the purchase of such property or to loaning money upon the security thereof, or as a condition prerequisite for the renewal or extension of any such loan or for the performance of any other act in connection therewith, that the person for whom such purchase is to be financed or to whom the money is to be loaned or for whom such extension, renewal or other act is to be granted or performed negotiate any insurance or renewal thereof covering such property through a particular insurance agent or broker.

771. Section 770 shall not prevent:

Permissible actions

(a) The exercise by any person engaged in such business of his right to approve or disapprove of the insurer selected to underwrite the insurance, nor of his right to furnish such insurance or to renew any insurance required by the contract of sale or trust deed or other loan agreement if the borrower, or purchaser shall have failed to furnish the insurance or renewal thereof within such reasonable time or form as may be specified in the sale or loan agreement.

(b) Any lender from recommending to any borrower or prospective borrower the placing of insurance with a specified insurer or through a specified insurance agent or broker as long as such recommendation does not violate the provisions of Section 770 or of any other section of this code.

(c) The free choice of insurance agent or broker by any borrower or purchaser at any time, and he may revoke any designation of insurance agent or broker at any time irrespective of the provisions of any loan or purchase agreement or trust deed.

Written statement as evidence

772. In any trial, hearing or proceeding to determine a violation of this article a written statement signed by the person for whom any purchase is financed, to whom any money is loaned or for whom any extension, renewal or other act in connection with a loan is to be granted or performed, declaring that such person voluntarily chooses the insurance agent or broker through whom the insurance or its renewal was transacted, and that the choice of such insurance agent, or broker was not made a condition precedent to such purchase, loan, extension, renewal or other act shall be prima facie evidence that no violation of Section 770 has occurred, if the borrower or purchaser in his own handwriting shall have written the name of his chosen insurance agent or broker into an authorization of such insurance agent or broker.

Suspension, etc., of license

773. The commissioner may, pursuant to Section 1731, and in accordance with the procedure specified therein, suspend or revoke any license held by any person who violates Section 770.

Cease and desist order

774. The commissioner, after hearing upon notice, may issue a cease and desist order to any person if he finds that such person has, in more than one transaction, violated Section 770.

Penalty

The violation of such a cease and desist order is a misdemeanor.

Investigations

775. The commissioner may investigate any person, whether licensed or not, for the purpose of determining if there has been any violation of this article, however, if such investigation be upon a complaint, the complainant must be a party to the contract of sale, trust deed, or loan agreement and must make such complaint within three months of the execution or any modification thereof.

CHAPTER 225

An act to amend Section 11041 of the Government Code, relating to legal services for the Division of Labor Law Enforcement.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11041 of the Government Code is amended to read:

Exceptions

11041. Sections 11042 and 11043 are not applicable to the Regents of the University of California, Division of Contracts and Rights of Way, Division of Labor Law Enforcement, Industrial Accident Commission, Railroad Commission, State Compensation Insurance Fund, Legislative Counsel Bureau, Inheritance Tax Department, Division of Water Resources, Secretary of State, State Lands Commission, and Department of Education, nor to any other state agency which by law enacted after Chapter 213, of the Statutes of 1933, is authorized to employ legal counsel

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CHAPTER 226

An act to amend Sections 17090 and 17091 of, and to add Section 17096 to, the Government Code, and to amend Section 141 of the Welfare and Institutions Code, relating to the issuance of duplicate warrants by the State Controller.

In effect September 22, 1951

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 17090 of the Government Code is amended to read:

Lost or destroyed warrants

17090. Whenever any warrant lawfully drawn by the Controller is lost or destroyed before it is paid by the Treasurer, the owner or custodian may, prior to the time the warrant be-

comes void, procure the issuance of a duplicate warrant upon compliance with this article.

SEC. 2. Section 17091 of the Government Code is amended to read:

17091. Application for a duplicate warrant shall be made by filing with the Controller: Application for duplicate

(a) An affidavit setting forth the fact of its loss or destruction, giving the number, date, amount, and name of the payee, together with all material facts relative to the loss or destruction.

(b) A bond of indemnity, with two good and sufficient sureties, in the face amount of the particular warrant; provided, however, that where the face amount of the lost or destroyed warrant is greater than ten thousand dollars ($10,000) a bond of indemnity shall not be required for an amount greater than ten thousand dollars ($10,000) and, in no event, shall bonds be required to indemnify the State for a period longer than four years from the date of issuance of the lost or destroyed warrant; provided further, that no bond of indemnity shall be required when the payee is the United States Government, a state of the United States, any agency, instrumentality or officer of the United States Government or of a state, or any county, city, city and county, town, district, or other political subdivision of a state, or any officer thereof.

SEC. 3. Section 17096 is added to the Government Code, to read:

17096. A duplicate warrant is void if not presented to the Treasurer for payment within the same time limit provided by law for the original warrant. Duplicate, when void

SEC. 4. Section 141 of the Welfare and Institutions Code is amended to read:

141. Upon receipt of proof, satisfactory to the State Controller, that a warrant issued by the State Controller in payment of old age security or security for the blind has been lost, the State Controller shall issue a duplicate warrant in payment of the same amount, without requiring a bond from the payee, and any loss incurred in connection therewith shall be charged against the account from which the payment was derived. A warrant shall be considered to have been lost if it has been mailed, and has not been received by the addressee within 20 days after the date of mailing. Duplicate warrants No bond required

No duplicate warrant shall be issued on or after the date on which the original warrant becomes void. A duplicate warrant is void if not presented for payment to the State Treasurer within the same time limit provided by law for the original warrant.

SEC. 5. The provisions of Sections 17090, 17091, and 17096 of the Government Code, and of Section 141 of the Welfare and Institutions Code, as amended or added by this act, shall apply to all warrants subject to the provisions of said sections which were issued prior to the effective date hereof, as well as to warrants issued on and after said effective date. Application

CHAPTER 227

Stats 1931, p 483, amended

An act to amend the Building and Loan Association Act by amending Section 6.01 thereof, and to amend Section 8102 of the Financial Code, relating to withdrawals.

In effect September 22, 1951

[Approved by Governor May 1, 1951 Filed with Secretary of State May 3, 1951]

The people of the State of California do enact as follows:

SECTION 1. Section 6.01 of the act cited in the title hereof is amended to read:

Notice of intention to withdraw

SEC. 6.01. Notice of Intention to Withdraw. Each association must prescribe by its by-laws, or by contract with its shareholders or certificate holders, or by both, the period of notice of intention to withdraw which such association at its option may require, which period shall be six months in the case of all shares or investment certificates issued after the effective date of this section; provided, that nothing contained in this section shall be deemed to forbid an association from (a) issuing shares or investment certificates prescribing the same period of notice of intention to withdraw as prescribed in shares or certificates theretofore outstanding, if such new shares or investment certificates are issued in lieu of such shares or certificates theretofore outstanding; nor (b) receiving additional funds upon installment shares, accumulative shares, installment investment certificates or accumulative investment certificates outstanding at the date this section takes effect, or upon shares or certificates issued in lieu thereof All certificates hereafter issued evidencing shares or investment certificates shall state the period of such notice and shall also state that the right of the holder thereof to withdraw funds evidenced thereby is subject to the provision of Article 6 of this act or that such right is subject to the provisions of the Building and Loan Association Law governing withdrawals Each association may prescribe by its by-laws, or by contract with its shareholders or certificate holders, or both, the terms and conditions of withdrawal; provided, such terms and conditions shall not be contrary to the provisions of this act.

Any notice of intention to withdraw shall be invalid unless it is given in writing to the office of the association at which the shares or investment certificates in question were issued, or at which the account of such association as to such shares or investment certificates is kept, or to the principal office of such association, signed by a holder entitled to make a withdrawal, or by his attorney or agent. A shareholder or certificate holder may at any time revoke or waive, either in whole or in part, a notice of intention to withdraw and thereupon such notice shall become invalid either in whole or as to such part, as the case may be.

Filing

All notices of intention to withdraw shall be filed when and as received by each association or by the several offices thereof in the order in which they are received, and each shall be kept on file with the exact time of the receipt thereof noted thereon

or recorded, until it is paid or becomes invalid. When any notice shall have been on file for the period prescribed therefor, or for the period stated in such notice as the period to elapse previous to making the withdrawal (whichever shall be longer) such notice shall be a "matured notice" for all the purposes of this act; provided, however, that withdrawal claims on behalf of any one investor in an association or by two or more investors in an association, holding shares or investment certificates in common or in joint tenancy, shall mature in installments if such claims shall be for any sum greater than two hundred fifty dollars ($250), the first of such installments being hereinafter referred to as the "initial installment" and the remaining installment or installments being hereinafter referred to as the "successive installments." Withdrawal claims maturing in installments shall be matured withdrawal claims, within the meaning of this act, only to the extent that such claims are matured as provided in this section, notwithstanding anything to the contrary contained in this act. Definitions

The initial installment shall mature: (1) in the case of withdrawal claims filed pursuant to Sections 3.05 and 6.01 of this act, when the notice of intention of withdrawal shall have matured; and (2) in the case of maturity of shares pursuant to Section 3.03 of this act, upon the declaration of such maturity by the board of directors of the association. The first successive installment shall mature 30 days after the payment of the initial installment, and the other successive installments shall mature respectively 30 days after the payment of the next preceding successive installment. Initial installment

In the case of withdrawal claims representing investment certificates or shares having a value in excess of two hundred fifty dollars ($250), but not greater than one thousand two hundred fifty dollars ($1,250), each installment shall be two hundred fifty dollars ($250), or the portion of the claim remaining unpaid at the time such installment matures, whichever is lesser; in the case of withdrawal claims representing investment certificates or shares having a value in excess of one thousand two hundred fifty dollars ($1,250), but not greater than twenty thousand dollars ($20,000), each installment shall be one-fifth of such value at the time the initial installment matures or the portion of such claim remaining unpaid at the time such installment falls due, whichever is lesser; and in the case of claims representing investment certificates or shares having a value greater than twenty thousand dollars ($20,000), each installment shall be four thousand dollars ($4,000), or the portion of the claim remaining unpaid at the time such installment matures, whichever is lesser. Withdrawal claims

The provisions of this section shall govern the withdrawal and other rights of the holders of all shares and investment certificates whether heretofore or hereafter issued, and whether or not withdrawal claims shall have heretofore been filed unless such previously filed claims shall have heretofore matured. Scope of section

Withdrawals of pledged certificates

No shareholder or certificate holder whose shares or investment certificates are pledged as security for a loan from the association issuing such shares or investment certificates shall be permitted to make a withdrawal or be entitled to give any valid notice of intention to withdraw in respect of such shares or investment certificates until the indebtedness for which such shares or investment certificates are security has been fully paid, except that withdrawals therefrom may be made without notice provided the full amount of such withdrawals shall be used to pay such indebtedness or any part thereof; provided, that in the case of loans upon the mutual plan, such withdrawals without notice shall be permitted only at the option of the association unless the entire indebtedness shall be simultaneously paid.

Minimum term certificates

No valid notice of intention to withdraw may be given in respect of minimum term investment certificates during the minimum term thereof, nor shall the holders thereof be entitled to withdraw during the minimum term thereof, except at the option of the association issuing such certificates.

Tender

If the shareholder or certificate holder shall tender his certificate for surrender, duly endorsed, within 10 days after any valid notice of intention to withdraw shall have matured, he shall be entitled, subject to Section 6.02 of this act, to receive the withdrawal value of his shares or investment certificates or of that part thereof referred to in such notice, which withdrawal value is hereby defined as the full amount paid in upon the shares or investment certificates surrendered exclusive of the entrance fee, if any, together with dividends, profits or interest, if any, applicable thereto, subject to such adjustment of earnings or interest as may be provided by by-law or contract. Shareholders or certificate holders who shall have given notice of intention to withdraw and who shall fail to tender their certificates for surrender within 10 days after notice from the association that funds are available for the payment thereof shall have no right to withdraw except after giving new notice of intention to do so and such prior notice of intention to withdraw shall become invalid for all of the purposes of this act; provided, such notice from the association shall have stated that unless such certificates shall be tendered for surrender within such 10-day period the holder shall have no right to withdraw except after giving new notice of intention to do so.

"Association on notice"

If in the case of any association the sum of the matured withdrawal claims, as defined in this act, shall exceed 5 percent of the value of all outstanding shares and investment certificates of such association, then such association shall be an "association on notice" for all the purposes of this act. An association which is on notice shall continue to be on notice notwithstanding the fact that the sum of the matured withdrawal claims may become less than said percentage, unless and until all of the matured withdrawal claims shall be paid or funds shall be set aside for the payment thereof; provided, however, that if, in the case of any association which is on

notice, the sum of the matured withdrawal claims shall become less than 3 percent of the value of all outstanding shares and investment certificates of such association, then, with the prior approval of the commissioner, its board of directors may at their option, by resolution, declare such association to be no longer on notice, and thereupon such association shall cease to be an association on notice for all the purposes of this act, subject to becoming an association on notice as before. In making computations for the purpose of this paragraph, shares and investment certificates shall not be deemed to be unpaid if the association has funds set aside for the payment thereof and has given notice of that fact to the respective holders thereof.

NOTE The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951 as required by Section 9762 of the Government Code.

SEC. 3. Section 2 of this act becomes operative only if Division 2 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 2 takes effect, at which time Section 6.01 of the Building and Loan Association Act as amended by this act is repealed. Effect Stats 1951, Ch 364

CHAPTER 228

An act to repeal Chapters 12, 13, and 14 of Division 3 of the Education Code; to repeal Articles 2 and 3 of Chapter 16 of Division 3 of said code; to repeal Sections 9614, 9615, 9616, 9642, 16486, and 16486a of said code; to repeal Sections 671 and 671.1 of the Welfare and Institutions Code; to add Chapters 12, 13, and 14 to Division 3 of the Education Code; to add Articles 2 and 3 to Chapter 16 of Division 3 of said code; and to add Sections 8704 and 8761 to said code, all relating to the Public School System, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 1, 1951. Filed with Secretary of State May 3, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Chapters 12, 13, and 14 of Division 3 of the Education Code are repealed. Repeals

SEC. 2. Articles 2 and 3 of Chapter 16 of Division 3 of said code are repealed.

SEC. 3. Sections 9614, 9615, 9616, 9642, 16486, and 16486a of said code are repealed.

SEC. 4. Sections 671 and 671.1 of the Welfare and Institutions Code are repealed.

SEC. 5. Chapter 12 is added to Division 3 of the Education Code, to read:

CHAPTER 12. GENERAL CONDITIONS OF APPORTIONMENT OF STATE SCHOOL FUND

Article 1. Use of Apportionments

Use of apportionments

6701. The governing board of each school district shall, except as may otherwise be specifically provided by law, use all money apportioned to the district from the State School Fund during any fiscal year exclusively for the support of the school or schools of the district for that year.

Unexpended balance

6702. If at the end of any fiscal year during which the schools of a school district have been maintained for the period required or permitted by law, there is standing to the credit of the district an unexpended balance of money received from the State School Fund, it may be expended for the payment of claims against the district outstanding, or it may be expended during the succeeding fiscal year.

Mandatory expenditures

6703. Not less than 85 percent of all moneys apportioned to a school district from the State School Fund, allowed as basic state aid and state equalization aid, during any fiscal year must be expended during the same fiscal year for the payment of salaries of persons employed by the district in positions requiring certification qualifications or for the payment of tuition by the district to another district.

Exemption

In the event it appears to the governing board of a school district that the application of the preceding paragraph of this section during a fiscal year would result in serious hardship to the district, or in the payment of salaries to persons employed by the district in positions requiring certification qualifications substantially in excess of the salaries paid persons employed in positions requiring certification qualifications by other districts of comparable type and functioning under comparable conditions, the board may, with the written approval of the county superintendent of schools having jurisdiction over the district, apply to the Superintendent of Public Instruction in writing not later than July 15th of the succeeding fiscal year for exemption from the requirements of the preceding paragraph of this section for the fiscal year on account of which the application is made. Upon receipt of such application, duly approved, the Superintendent of Public Instruction may grant the district exemption, to the extent deemed necessary by him, from such requirements for the fiscal year on account of which the application is made.

Article 2. Districts Not Entitled to Apportionments

Districts not entitled to apportionments

6711. No school district, other than one newly formed, shall, except as otherwise provided in this article, receive any apportionment from the State School Fund unless it has maintained the regular day schools of the district for at least 170 days during the next preceding fiscal year.

6712. A school district is a newly formed district up to the close of the fiscal year in which its formation became effective for all purposes. Newly formed districts

6713. A district which is prevented from maintaining its schools during a fiscal year for the length of time prescribed by Section 6711 because of fire, flood, or epidemic, or because of any order of any military officer of the United States or of the State to meet an emergency created by war, or of any civil officer of the United States, of the State, or of any county, city and county, or city authorized to issue such order to meet an emergency created by war, or because of other extraordinary conditions, or because of inability to secure or hold a teacher, or because of the illness of the teacher, which fact shall be shown to the satisfaction of the Superintendent of Public Instruction by the affidavits of the members of the governing board of the school district and of the county superintendent of schools, shall receive the same apportionment from the State School Fund as it would have received had it not been so prevented from maintaining school for the number of days prescribed by Section 6711. District unable to maintain schools for prescribed time

6714. No money shall be apportioned to a district for the excess cost of educating pupils in a 24-hour elementary school of the district unless such school has met the requirements of the Superintendent of Public Instruction based upon educational standards and standards established by state agencies authorized by law to inspect or supervise child-caring institutions. 24-hour elementary school

6715. No junior college district or high school district shall receive any apportionment from the State School Fund on account of any junior college which has failed for three consecutive years to comply with the standards prescribed by the State Board of Education for accredited junior colleges. Junior colleges

SEC. 6. Chapter 13 is added to Division 3 of said code, to read:

CHAPTER 13. ATTENDANCE

Article 1. General Provisions

6801. Attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education, subject to the provisions of this chapter. Attendance

6802. The governing board of each school district shall, subject to the provisions of this chapter, fix the length of the school day for the several grades and classes of the schools maintained by the district. Length of school day

6803. The total days of attendance of a pupil upon a regular full-time day kindergarten, elementary school, high school, or junior college during the fiscal year shall be the number of days school was actually taught for not less than the minimum school day during the fiscal year less the sum of his absences due to causes other than his illness. Absence due to illness shall be verified by the district in such manner as the Superintendent of Public Instruction shall require. Total days of attendance

Absences

6804. Any absence of a pupil from school for the purpose of having optometrical, or medical service rendered which does not exceed one day or fraction thereof during each school month of four weeks shall not be deemed an absence in computing average daily attendance, but shall not be deemed an absence due to illness under Section 6803.

Same

6805. The absence of a pupil due to his quarantine under the direction of a county or city health officer is not an absence in computing the total days of attendance. Absence due to quarantine shall be verified by the district in such manner as the Superintendent of Public Instruction shall require.

Same

6806. No absence of a pupil from school for the purpose of having dental services rendered shall be deemed an absence in computing average daily attendance.

Article 2. Attendance in Kindergartens and Elementary Schools

Attendance credits

6811. No pupil in a kindergarten or in any grade of an elementary school shall be credited with more than one day of attendance in any calendar day and nothing in this article shall be construed to the contrary.

Minimum school day

6812. No pupil in a kindergarten or in grades one or two shall be kept in school in any day more than four hours exclusive of recesses.

Same

6813. The minimum school day for pupils of kindergartens is 180 minutes, inclusive of recesses except that if during the Fiscal Years 1950-1951, 1951-1952, and 1952-1953 a school district maintained or maintains two kindergarten classes on the same day which are taught by the same teacher, the minimum school day for each of such classes shall be 130 minutes inclusive of recesses.

Day of attendance

6814 Each 180 minutes of attendance in a kindergarten shall constitute a day of attendance.

Minimum school day

6815. The minimum school day in grades one, two, and three in elementary schools is 200 minutes. Each 200 minutes of attendance shall constitute a day of attendance.

Same

6816. The minimum school day in grades four, five, six, seven, and eight in elementary schools and in special day and evening classes of an elementary school district, is 240 minutes Each 240 minutes of attendance shall constitute a day of attendance.

Noon intermission, recesses

6817. The minimum school day in kindergartens and in grades one to eight, inclusive, in elementary schools, is exclusive of noon intermissions and, except in kindergartens, exclusive of recesses.

Article 3 Attendance in High Schools

Day of attendance

6821. No pupil in a high school, other than a pupil in an evening high school, continuation high school, or continuation education class, shall be credited with more than one day of attendance in any calendar day and nothing in this article shall be construed to the contrary.

6822. The minimum school day in any high school, except in an evening high school, a continuation high school, and in continuation education classes, is 240 minutes. Each 240 minutes of attendance shall constitute a day of attendance. Minimum school day

6823. In evening high schools, continuation high schools, and continuation education classes, each 180 minutes of attendance shall constitute one day of attendance but no pupil in any continuation high school or continuation education class shall be credited with more than 15 hours of attendance in any calendar week. Evening, etc., high schools

Article 4. Attendance in Junior College

6831. No pupil in grades 11 and 12 of a junior college shall be credited with more than 15 clock hours of attendance in any calendar week and nothing in this article shall be construed to the contrary. Hours of attendance

6832. The minimum school day in any junior college, other than an evening junior college, is 180 minutes. Minimum school day

6833. Each 180 minutes of attendance in grades 11 and 12 shall constitute one day of attendance. Day of attendance

Article 5 Attendance in Classes for Adults

6841. Each 180 minutes of attendance shall constitute a day of attendance, but no pupil shall be credited with more than 15 clock hours of attendance during any one school week. Day of attendance

6842. Each clock hour of teaching time devoted to the individual instruction of physically handicapped adults who are patients in a tuberculosis ward or hospital maintained by one or more counties shall count as one day of attendance but no such adult shall be credited with more than one day of attendance in any calendar day. Physically handicapped adults

Article 6. Attendance of Physically Handicapped Pupils

6851. Each clock hour of teaching time devoted to individual instruction of physically handicapped pupils shall count as one day of attendance. Day of attendance

6851.1. Four hours of actual attendance of physically handicapped pupils in special classes shall count as one day of attendance. Same

6852. The attendance of all physically handicapped pupils given instruction by a school district, including those instructed under cooperative arrangements with the Bureau of Vocational Rehabilitation of the State Department of Education, shall be reported annually to the county superintendent of schools together with all other attendance on forms provided by the Superintendent of Public Instruction. Report of attendance

6854. The attendance of physically handicapped pupils instructed pursuant to Section 9641 shall be credited as follows: Attendance, where credited

(a) The attendance of pupils taught in emergency elementary schools shall be credited to the emergency schools.

(b) The attendance of elementary school pupils given individual instruction in the home or at the bedside in institutions or by cooperative arrangement with the Bureau of Vocational Rehabilitation of the State Department of Education shall be credited to an emergency elementary school maintained for physically handicapped pupils, if such a school is maintained in the county, or if no such school is maintained in the county the attendance shall be credited to an emergency elementary school maintained in the county, but not to more than one emergency elementary school. If no emergency school is maintained in the county, the total number of days of attendance of pupils shall be divided by 170 to compute average daily attendance, and the average daily attendance so computed shall be credited to the county school service fund as attendance upon a single emergency elementary school for individual instruction of physically handicapped children.

(c) The attendance of pupils of secondary grade given individual instruction in the home or in institutions or by cooperative arrangement with the Bureau of Vocational Rehabilitation of the State Department of Education, or instructed in special classes of secondary grade, shall be credited to the county school service fund.

(d) The attendance of pupils taught by emergency teachers in the regular schools of the districts of any county shall be credited to the districts.

(e) The attendance of pupils residing in one county and educated under contract with the county superintendent of schools or governing board of a school district of another county, shall be credited to the county school service fund of the county, or district, in which the pupils are educated.

SEC. 7. Chapter 14 is added to Division 3 of said code, to read:

CHAPTER 14. AVERAGE DAILY ATTENDANCE

Article 1. Generally

Computation of average daily attendance

6901. Where in a high school, junior college, or elementary school four terms of school of at least 12 weeks each are maintained during a fiscal year, and where the course of instruction is so arranged that students may complete a full year's work in any three terms, the total number of days of pupils attendance shall be divided by the greatest number of days school was actually taught in any three of the four terms, but in no case shall the divisor be less than 170.

Same

6902. This section shall apply to all allowances, computations, and apportionments made pursuant to this division.

(a) If any computation of average daily attendance made under, or necessitated by, any provision of this division results in a fraction of less than one-half of a unit, the average daily attendance shall be taken as the next lowest whole number, except that if such computation results in an average daily

attendance of less than one unit, the average daily attendance shall be deemed to be one unit; but if the fraction is one-half or more of a unit, the average daily attendance shall be taken as the next highest whole number.

(b) Whenever any reference is made to a specific whole number of units of average daily attendance said number shall include any fraction above said number which is less than one-half of a unit, and any fraction of one-half or more of a unit above the next lowest whole number.

Same

6903. Whenever for the purposes of this division it is necessary to compute the average daily attendance of a school of a district for any certain purpose and no provision is made for the computation thereof for such purpose, the average daily attendance of the school shall be computed by dividing the total number of days of pupils attendance by the number of days school was actually taught in the regular day schools of the district.

Same

6904. In computing the average daily attendance of a school district, there shall be included only the attendance of pupils while engaged in educational activities required of such pupils and under the immediate supervision and control of an employee of the district who possessed a valid certification document, registered as required by law, authorizing him to render service in the capacity and during the period in which he served.

Article 2. Elementary Schools

Same. Elementary schools

6911. The units of average daily attendance in the elementary schools of a district for a fiscal year shall be computed by dividing the total number of days of pupils attendance in all kindergarten and elementary schools and classes of the district during the fiscal year by the number of days school was actually taught in the regular day elementary schools of the district during the fiscal year, plus the units of average daily attendance credited to the district under Section 6944.

Article 3. Emergency Schools

Same Emergency school

6921. The units of average daily attendance for a fiscal year in an emergency school maintained by the county superintendent of schools shall be computed by dividing the total number of days of pupils attendance in the emergency school during the fiscal year by 170.

Article 4. County School Service Fund

Same. Physically handicapped elementary pupils

6931. The average daily attendance of physically handicapped elementary pupils given instruction by a county superintendent of schools and whose attendance is credited to the county school service fund, shall be computed by dividing the total days of attendance of such pupils during the fiscal year by 170.

Same
Physically handicapped secondary pupils

6932. The average daily attendance of physically handicapped pupils of secondary grade given instruction by a county superintendent of schools and whose attendance is credited to the county school service fund, shall be computed by dividing the total days of attendance of such pupils during the fiscal year by 170.

Same
Mentally retarded minors

6933. The average daily attendance of mentally retarded minors given instruction by a county superintendent of schools shall be computed by dividing the total days of attendance of such pupils during the fiscal year by 170 and the average daily attendance so computed shall be credited to the county school service fund.

Same
Juvenile hall, etc

6934. The average daily attendance of pupils attending an elementary school or secondary school maintained by a county superintendent of schools for the education of persons in a juvenile hall or in a juvenile home or camp, shall be computed by dividing the total days of pupils attendance in the school during the fiscal year by 170 and the average daily attendance so computed shall be credited to the county school service fund.

Article 5. High Schools

Same
High schools

6941. Units of average daily attendance in the high schools of a district other than evening high schools, continuation high schools, and continuation education classes, for a fiscal year are the quotient arising from dividing the total number of days of pupils attendance in the regular day high schools, summer schools, special high school classes, and the part-time vocational courses of the district, exclusive of the number of days of pupils attendance in the seventh and eighth grades of junior high schools, during the fiscal year by the number of days school was actually taught in the regular day schools of the district during the fiscal year.

Same
Evening high schools

6942 The units of average daily attendance in the evening high schools, continuation high schools, and continuation education classes of a district for a fiscal year are the quotient arising from dividing the total number of days of pupils attendance in such high schools and classes by 175.

Same
High schools

6943. The total units of average daily attendance in the high schools of a district shall be total units of average daily attendance computed under Sections 6941 and 6942.

Same
Junior high schools

6944. The units of average daily attendance for a fiscal year of pupils residing in any elementary school district and attending the seventh and eighth grades of a junior high school shall be determined separately and shall be computed by dividing the total number of days of pupils attendance in said grades by the number of days school was actually taught during the fiscal year in the regular day high schools of the district maintaining the junior high school. The average daily attendance so computed shall be credited to the elementary school district in which the pupils reside.

Article 6. County School Tuition Fund

Same Pupils attending school in adjoining state

6951. The average daily attendance for a fiscal year of pupils residing in any county of this State and attending a school in an adjoining state under Chapter 16 of this division, shall be computed by dividing the total number of days of attendance of such pupils in the school by the number of days the school was maintained during said fiscal year, but by not less than 170, and the average daily attendance so computed shall be credited to the county school tuition fund.

Article 7. Junior Colleges

Same Junior colleges

6961. The units of average daily attendance in grades 13 and 14 in each junior college of a district for a fiscal year shall be computed by dividing the total number of class hours of pupils attendance in the junior college during the fiscal year by 525. A class hour for the purposes of this section is defined as not less than 50 minutes exclusive of passing time.

Same

6962. The units of average daily attendance in the eleventh and twelfth grades of each four-year junior college of the district shall be computed by dividing the total number of days of pupils attendance in such grades of the junior college during the fiscal year by the number of days school was actually taught in the regular day junior colleges of the district during the fiscal year.

Same

6963. The total units of average daily attendance in the junior colleges of a district shall be the total of units of average daily attendance computed under Sections 6961 and 6962.

Article 8. Classes for Adults

Same Adult classes

6971. The units of average daily attendance in classes for adults for a fiscal year maintained by a district shall be computed by dividing the total days of pupils attendance in such classes during the fiscal year by 175. The average daily attendance so computed shall be credited to the district maintaining the classes for adults.

Article 9. Emergency Average Daily Attendance

Emergency average daily attendance

6981. Where a school in a district maintaining more than one school is closed for a part of a term by order of a city or county board of health or of the State Board of Health, or because of fire, flood, impassable roads, epidemic, or other emergency, or by an order provided for in Section 6713, the average daily attendance of the school shall be estimated separately, as provided in Section 6983, and added to the average daily attendance of the other schools of the district.

Lost or destroyed records

6982. Whenever any attendance records of any district have been lost or destroyed, making it impossible for an accurate report on average daily attendance for the district for any fiscal

year to be rendered, which fact shall be shown to the satisfaction of the Superintendent of Public Instruction by the affidavits of the members of the governing board of the district and the county superintendent of schools, the Superintendent of Public Instruction shall estimate the average daily attendance of such district. The estimated average daily attendance shall be deemed to be the actual average daily attendance for that fiscal year for the making of apportionments to the school district from the State School Fund.

Estimation in event of disaster

6983. Whenever the average daily attendance of any school district during any fiscal year has been materially decreased during any fiscal year because of fire, flood, impassable roads, epidemic, or other emergency, or because of an order provided for in Section 6713, which fact shall be established to the satisfaction of the Superintendent of Public Instruction by affidavits of the members of the governing board of the school district and the county superintendent of schools, the average daily attendance of the district for the fiscal year shall be estimated by the Superintendent of Public Instruction in such manner as to credit to the school district for determining the apportionments to be made to the district from the State School Fund approximately the total average daily attendance which would have been credited to the school district had the emergency not occurred or had the order not been issued.

SEC. 8. Article 2 is added to Chapter 16 of Division 3 of said code, to read:

Article 2. County School Tuition Fund

Pupils attending schools in adjoining states

7211. The county superintendent of schools of any county contiguous to an adjoining state may grant permission to pupils residing in the county to attend elementary school or high school in a school district of the adjoining state and may provide for the transportation of the pupils to the school.

Same Average daily attendance

7212. The average daily attendance of pupils residing in any county of this State and attending an elementary school or high school in an adjoining state shall be credited to the county school tuition fund of said county and reported by the county superintendent of schools in his annual report to the Superintendent of Public Instruction, who shall include such average daily attendance in his report of average daily attendance in all the duly established schools of the State for the last preceding school year certified by him to the State Controller.

Same Payment of tuition

7213. The county superintendent of schools shall pay for the tuition of pupils residing in his county and attending school in an adjoining state from the county school tuition fund of his county pursuant to this article.

Same Transportation

7214. The county superintendent of schools may provide for the transportation of such pupils to and from their homes and the school in an adjoining state attended by them. For this purpose the county superintendent of schools is authorized to purchase, maintain, and operate one or more school busses and

to contract with a responsible party or parties for the providing of such transportation by such party or parties.

In lieu of providing such transportation for any such pupil, the county superintendent of schools may pay the parent or guardian of each such pupil five cents ($0.05) per mile for each mile necessarily traveled by such pupil in going to and from his home and school except that if there is more than one such pupil in the household of the parent or guardian the county superintendent of schools may pay two and one-half cents ($0.025) for each such mile for each additional pupil in the household. The total amount paid to any parent or guardian hereunder shall not in any month exceed the sum of fifty dollars ($50) for the one pupil in the household of such parent or guardian and twenty-five dollars ($25) for each additional pupil in the same household.

Same Cost of transportation

7215. Any costs incurred by the county superintendent of schools for the transportation of pupils to a school in an adjoining state shall be paid by him by requisition drawn against the county school tuition fund.

Same Certification of attendance and expenditure

7216. The superintendent of schools of any school district, or the principal of any school, in an adjoining state attended by pupils residing in an adjoining county in this State shall certify to the county superintendent of schools of the county not later than July 2d of each year the average daily attendance of pupils from the county attending the school and the current expenditure, including transportation, incurred for the education of the pupils. Certification shall be made on forms furnished by the Superintendent of Public Instruction.

Verification of attendance and cost

7217. The county superintendent of schools shall verify the certificates of attendance and cost of education of pupils attending schools in adjoining states and shall certify to the county auditor and the board of supervisors the amount of money required to be levied as a county school tuition tax. The amount shall not include any costs for the transportation of the pupils in excess of the amounts permitted by this article. The amount shall be determined by subtracting from the total cost of the tuition and transportation allowed under this article, the amount to be apportioned by the Superintendent of Public Instruction to the county school tuition fund during the fiscal year.

County school tuition tax

7218. The board of supervisors shall levy a county school tuition tax upon the taxable property of the county sufficient to produce the amount required by this article.

Reports

7219. The county auditor shall report to the county superintendent of schools all amounts received from county school tuition taxes.

Payment of transportation, etc., costs

7220. The county superintendent of schools shall pay all costs of transportation and all verified claims for tuition of pupils attending school in adjoining states allowed under this article, by requisition drawn against the county school tuition fund.

Approval of requisitions

7221. All requisitions drawn by the county superintendent of schools under this article shall be approved by the county auditor and paid by the county treasurer.

Transfer of surplus

7222. The county superintendent of schools may with the approval of the county auditor transfer any unnecessary surplus in the county school tuition fund to the county school service fund whenever in his judgment the surplus will not be needed for the payment of tuition.

SEC. 9. Article 3 is added to Chapter 16 of Division 3 of said code, to read:

Article 3. Junior College Tuition Fund

Counties not having a junior college

7231. Not later than July 20th of each year the superintendent of schools of each county in which there is not a county junior college shall certify to the board of supervisors and to the county auditor of the county the total cost of education during the next preceding fiscal year of all junior college pupils residing in the county and not in any junior college district, nor in any high school district maintaining junior college courses, and the estimated amount needed for that purpose for the current year.

The total cost shall not include outlays for permanent construction or improvements, or moneys received from the State School Fund or from the Federal Government, but shall include one hundred dollars ($100) per unit of average daily attendance for the use of buildings and equipment.

Special tax

7232. The board of supervisors with whom the certificate is filed shall at the time of making the tax levy for that year for county purposes, levy a special tax upon all taxable property in the county not situated in any junior college district nor in any high school district maintaining a junior college, sufficient in amount to defray the costs, during the preceding fiscal year, of educating all junior college students residing in the county and not in any junior college district nor in any high school district maintaining a junior college.

Same Levy

7233. If the board of supervisors fails to make the tax levy, the auditor of the county shall make the levy.

Same: Disposition

7234. The tax when collected shall be paid into the county treasury and placed in the junior college tuition fund which fund is continued in existence.

Apportionment of funds

7235. The auditor shall, not later than the last Monday in December and the last Monday in May of each year, notify the superintendent of schools of the amount in the funds, and the superintendent of schools shall thereupon apportion the funds to the several junior college districts, and high school districts maintaining junior colleges, in his county or in other counties, in proportion to the total cost to each of the districts of educating junior college students who reside in his county but not in any junior college district nor in any high school district maintaining a junior college as shown in his report for

the preceding school year, and certify the apportionment to the auditor.

Disposition of apportioned amount

7236. The amount apportioned to each junior college district or high school district under this article shall be paid into the treasury of the county whose superintendent of schools has jurisdiction over the district to the credit of the district.

Payment to other county

7237. The superintendent of schools of a county having junior college pupils attending junior college in another county shall draw his order on the county auditor in favor of the superintendent of schools of the county in which the students attend junior college for any money belonging to any district outside of his county as provided in this article.

Same

7238. The county auditor shall draw his warrant as directed by the superintendent of schools and the county treasurer shall pay it.

Same
Disposition

7239. A superintendent of schools in whose favor the order is drawn shall pay the money into the county treasury to the credit of the districts educating the students from the county paying the money.

SEC. 10. Section 8704 is added to said code, to read:

Evening high schools and junior colleges

8704. Evening high schools and evening junior colleges may consist of classes for adults.

SEC. 11. Section 8761 is added to said code, to read:

Attending junior high school in another district

8761. The governing board of any elementary school district not situated in a high school district maintaining a junior high school may permit pupils of their district who have completed the sixth year of the elementary school to attend any junior high school in any high school district, and shall pay to the high school district for the education of the pupils by order of the county superintendent of schools, a tuition charge which shall be agreed upon by the governing board of the elementary school district and the governing board of the high school district maintaining the junior high school.

Urgency

SEC. 12. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

The existing law providing for the apportionment of the State School Fund for the support of the public kindergarten schools, elementary schools, and secondary schools will, because of Section 10 of Chapter 74, Statutes 1950 First Extraordinary Session, remain in effect only until July 1, 1951. It is essential that provision be made for the support of such schools beginning July 1, 1951, and it is therefore necessary that this act take effect immediately

CHAPTER 229

An act to amend Sections 131.5 and 133 of the Civil Code, relating to interlocutory and final judgments of divorce.

In effect September 22, 1951

[Approved by Governor May 1, 1951 Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 131.5 of the Civil Code is amended to read:

Entry of interlocutory decree nunc pro tunc

131.5. In cases in which the court has determined that a divorce ought to be granted, but by mistake, negligence or inadvertence, the interlocutory judgment has not been signed, filed and entered, the court may cause the interlocutory judgment to be signed, dated, filed and entered therein as of the date when the same could have been signed, dated, filed and entered originally; provided, however, that it shall appear to the satisfaction of the court that no appeal is to be taken in the action or motion made for a new trial, to annul or set aside the judgment or for relief under Chapter 8, Title 6 of Part 2 of the Code of Civil Procedure. Such action may be taken by the court on its own motion or upon the motion of either party thereto. In contested cases, the motion of a party shall be with notice to the other party. The court may cause such interlocutory judgment to be entered nunc pro tunc as aforesaid, even though an interlocutory judgment or final judgment or both judgments may have been previously entered, where by mistake, negligence or inadvertence the interlocutory judgment was not entered as soon as it could have been entered under the law if applied for. Upon the entry of such interlocutory judgment, the parties shall have the same rights to a final judgment that they would have had, had the interlocutory judgment been entered upon the date when it could have been entered originally.

SEC. 2. Section 133 of the Civil Code is amended to read:

Entry of final judgment nunc pro tunc

133. Whenever either of the parties in a divorce action is, under the law, entitled to a final judgment, but by mistake, negligence or inadvertence the same has not been signed, filed and entered, if no appeal has been taken from the interlocutory judgment or motion made for a new trial to annul or set aside the judgment or for relief under Chapter 8, Title 6 of Part 2 of the Code of Civil Procedure, the court, on the motion of either party thereto or upon its own motion, may cause a final judgment to be signed, dated, filed and entered therein granting the divorce as of the date when the same could have been given or made by the court if applied for. The court may cause such final judgment to be signed, dated, filed and entered nunc pro tunc as aforesaid, even though a final judgment may have been previously entered where by mistake, negligence or inadvertence the same has not been signed, filed or entered as soon as it could have been entered under the law if applied for. Upon the filing of such final judgment, the parties to such action shall be deemed

to have been restored to the status of single persons as of the date affixed to such judgment, and any marriage of either of such parties subsequent to one year after the granting of the interlocutory judgment as shown by the minutes of the court, and after the final judgment could have been entered under the law if applied for, shall be valid for all purposes as of the date affixed to such final judgment, upon the filing thereof.

CHAPTER 230

An act to amend Section 84 of the Civil Code, relating to award of custody of children of annulled marriage.

[Approved by Governor May 1, 1951 Filed with Secretary of State May 3, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 84 of the Civil Code is amended to read:

84. A judgment of nullity of marriage does not affect the legitimacy of children conceived or born before the judgment, and the court may during the pendency of the action, or at the time judgment is rendered or at any time thereafter make such order for the custody, care, education, maintenance and support of such children during their minority as may seem necessary or proper.

Children of annulled marriage

CHAPTER 231

An act to add Section 8.01 to the Bank and Corporation Franchise Tax Act and Section 7.01 to the Corporation Income Tax Act and Section 24203 to the Revenue and Taxation Code, relating to deductions in computing net income for taxation purposes, to take effect immediately.

Stats 1929, p 19, amended Stats 1937, p 2184, amended

[Approved by Governor May 3, 1951. Filed with Secretary of State May 3, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 8.01 is added to the Bank and Corporation Franchise Tax Act, to read:

Sec. 8.01. In computing net income, no deductions shall be allowed to any taxpayer on any of its gross income derived from illegal activities as defined in Chapters 9, 10 or 10.5 of Title 9 of Part 1 of the Penal Code of California; nor shall any deduction be allowed to any taxpayer on any of its gross income derived from any other activities which tend to promote or to further, or are connected or associated with, such illegal activities.

Income from illegal activities

SEC 2. Section 7.01 is added to the Corporation Income Tax Act, to read:

Same

Sec. 7.01. In computing net income, no deductions shall be allowed to any taxpayer on any of its gross income derived from illegal activities as defined in Chapters 9, 10 or 10.5 of Title 9 of Part 1 of the Penal Code of California; nor shall any deduction be allowed to any taxpayer on any of its gross income derived from any other activities which tend to promote or to further, or are connected or associated with, such illegal activities.

SEC. 3. Section 24203 is added to the Revenue and Taxation Code, to read:

Same

24203. In computing net income, no deductions shall be allowed to any taxpayer on any of its gross income derived from illegal activities as defined in Chapters 9, 10 or 10.5 of Title 9 of Part 1 of the Penal Code of California; nor shall any deduction be allowed to any taxpayer on any of its gross income derived from any other activities which tend to promote or to further, or are connected or associated with, such illegal activities.

Tax levy

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. Sections 1 and 2 of this act shall become operative when this act takes effect. Section 3 of this act shall become operative when Part 11 of Division 2 of the Revenue and Taxation Code becomes effective, at which time the sections added by Sections 1 and 2 of this act are repealed.

Operative date

CHAPTER 232

An act to add Section 17359 to the Revenue and Taxation Code, relating to the personal income tax, to take effect immediately.

In effect immediately

[Approved by Governor May 3, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 17359 is added to the Revenue and Taxation Code, to read:

Income from illegal activities

17359. In computing net income, no deductions shall be allowed to any taxpayer on any of his gross income derived from illegal activities as defined in Chapters 9, 10 or 10.5 of Title 9 of Part 1 of the Penal Code of California; nor shall any deductions be allowed to any taxpayer on any of his gross income derived from any other activities which tend to promote or to further, or are connected or associated with, such illegal activities.

Tax levy

SEC 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 233

An act to add Section 88 to the Civil Code, relating to restoration of name in action to annul or void marriage.

[Approved by Governor May 2, 1951. Filed with Secretary of State May 3, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 88 is added to the Civil Code, to read:

88. If the court determines that a marriage is void or that a judgment of nullity ought to be granted, the court may, in its discretion and regardless of whether or not a request therefor was included in the prayer of the complaint, as a part of such judgment, restore the maiden name of the wife or the name under which she was married. Restoration of name

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CHAPTER 234

An act to amend Sections 963 and 983 of the Code of Civil Procedure, relating to appeals.

[Approved by Governor May 2, 1951. Filed with Secretary of State May 3, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 963 of the Code of Civil Procedure is amended to read:

963. An appeal may be taken from a superior court in the following cases: Appeals from superior court

1. From a final judgment entered in an action, or special proceeding, commenced in a superior court, or brought into a superior court from another court;

2 From an order granting a new trial or denying a motion for judgment notwithstanding the verdict, or granting or dissolving an injunction, or refusing to grant or dissolve an injunction, or appointing a receiver, or dissolving or refusing to dissolve an attachment, or changing or refusing to change the place of trial, from any special order made after final judgment, from any interlocutory judgment, order, or decree, hereafter made or entered in actions to redeem real or personal property from a mortgage thereof, or a lien thereon, determining such right to redeem and directing an accounting; and from such interlocutory judgment in actions for partition as determines the rights and interests of the respective parties and directs partition to be made, and interlocutory decrees of divorce;

3. From such probate orders and decrees as are made appealable by the provisions of the Probate Code.

4. From an order granting a motion to quash service of summons

SEC. 2. Section 983 of the Code of Civil Procedure is amended to read:

Appeals from municipal court

983. An appeal may be taken from a municipal court on questions of law alone, in the following cases:

1. From a final judgment entered in an action or special proceeding commenced therein or transferred thereto from another court;

2. From an order granting a new trial or denying a motion for judgment notwithstanding the verdict;

3. From an order discharging or refusing to discharge an attachment;

4. From an order changing or refusing to change the place of trial;

5. From an order granting or dissolving an injunction, or refusing to grant or dissolve an injunction;

6. From an order appointing a receiver;

7. From any special order made after final judgment;

8. From an order granting a motion to quash service of summons.

CHAPTER 235

An act to amend Section 2142 of the Business and Professions Code, relating to violations under the chapter on medicine and surgery.

In effect September 22, 1951

[Approved by Governor May 2, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2142 of the Business and Professions Code is amended to read:

Use of word "doctor," etc

2142. Any person, who uses in any sign, business card, letterhead or in an advertisement the word "doctor", the letters or prefix "Dr.", the letters "M.D.", or any other term or letters indicating or implying that he is a physician and surgeon, physician, surgeon or practitioner under the terms of this or any other law, or that he is entitled to practice hereunder, or under any other law, without having at the time of so doing a valid, unrevoked certificate as provided in this chapter, is guilty of a misdemeanor.

CHAPTER 236

An act to amend Section 2385 of the Business and Professions Code, relating to the grounds for denial, suspension or revocation of certificates issued under the chapter on medicine of the Business and Professions Code.

In effect September 22, 1951

[Approved by Governor May 2, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2385 of the Business and Professions Code is amended to read:

2385. The adjudication of insanity or mental illness, or the voluntary commitment or admission to a state hospital of any licentiate for a mental illness shall operate as a suspension of the right to practice of any certificate holder under this chapter, such suspension to continue until restoration to or declaration of sanity or mental competence. The record of adjudication, judgment or order of voluntary commitment is conclusive evidence of such insanity or mental illness, and upon receipt of a certified copy of any such adjudication, judgment, voluntary commitment or order by the board it shall immediately suspend the certificate of the person adjudicated or committed and shall not restore such certificate to good standing until it shall receive competent evidence of restoration to or declaration of sanity and until it is satisfied that, with due regard for the public interest, said person's right to practice may be safely reinstated. Suspension of certificate

CHAPTER 237

An act to amend Section 2288 of the Business and Professions Code, relating to subjects of examination for a physician's and surgeon's certificate.

[Approved by Governor May 2, 1951. Filed with Secretary of State May 3, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2288 of the Business and Professions Code is amended to read:

2288. Applicants for a physician's and surgeon's certificate under Article 5 shall pass an examination in the following subjects: Applicants' examination

(a) Anatomy—gross, microscopic, and surgical.

(b) Physiology.

(c) Bacteriology, including viral and fungal agents and immunology.

(d) Biochemistry.

(e) Obstetrics and gynecology.

(f) Pathology—gross and microscopic.

(g) General medicine, and therapeutics, including pediatrics.

(h) General surgery and the therapeutics of surgery.

(i) Public health and preventive medicine.

CHAPTER 238

An act to amend Section 2435 of the Business and Professions Code, relating to the practice of the healing arts.

[Approved by Governor May 2, 1951. Filed with Secretary of State May 3, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2435 of the Business and Professions Code is amended to read:

Intoxication of physician

2435. Every physician who, while in actual attendance on patients, is intoxicated to such an extent as to impair his ability to conduct the practice authorized by his certificate with safety to the public and his patients, is guilty of a misdemeanor and upon conviction thereof, shall be punished as provided in the Penal Code.

CHAPTER 239

An act to amend Section 2193 of the Business and Professions Code, relating to applicants for a physician's and surgeon's certificate.

In effect September 22, 1951

[Approved by Governor May 2, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2193 of the Business and Professions Code is amended to read:

Applicants from foreign medical schools

2193. An applicant, whose application is based on a diploma issued to him by a foreign medical school, except a Canadian school, shall furnish documentary evidence, satisfactory to the board, that:

(a) He has completed in a medical school or schools a resident course of professional instruction equivalent to that required in this article for a physician and surgeon applicant.

(b) Subsequent thereto, he has had issued to him by such medical school, a medical diploma, as evidence of the completion of the course of medical instructions required in this chapter.

(c) He has been admitted or licensed to practice medicine and surgery in the country wherein is located the institution in which he has completed the resident courses of professional instruction required under this chapter.

(d) He has served at least one year in a service satisfactory to the board in a hospital located in the United States and approved by the board for training of internes.

(e) If the applicant is not a citizen of the United States, the country in which he has been licensed to practice medicine and surgery will admit to practice therein citizens of the United States upon proof of prior admission to practice medicine and surgery in some state of the United States or upon proof of matters similar to those required in this section for graduates of foreign medical schools.

Nothing contained in this section shall prohibit the board from disapproving any foreign medical school nor from denying the application if, in the opinion of the board, the instruction received by the applicant or the courses were not equivalent to that required in this article for a physician and surgeon applicant. Applicants under this section must pass a written, clinical, and oral examination before a certificate may be issued by the board.

CHAPTER 240

An act to amend Section 13290 of the Government Code, relating to the state accounting system and the fiscal affairs of the State.

[Approved by Governor May 2, 1951. Filed with Secretary of State May 3, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 13290 of the Government Code is amended to read:

13290. The department shall devise, install, supervise, and at its discretion revise and modify a modern and complete accounting system for each agency of the State permitted or charged by law with the handling of public money or its equivalent, to the end that all revenues, expenditures, receipts, disbursements, resources, obligations, and property of the State be properly, accurately, and systematically accounted for and that there shall be obtained accurate and comparable records, reports, and statements of all the financial affairs of the State. Such system and the accounts maintained by the several agencies of the State shall be coordinated with the central accounts maintained by the State Controller, and shall provide the State Controller with all information necessary to the maintenance by the State Controller of a comprehensive system of central accounts for the entire State Government. The State Controller or the Director of Finance may submit to the State Board of Control and the Board of Control shall consider and adopt any rule or regulation required to implement this section.

Accounting system

CHAPTER 241

An act to amend Section 6107 of the Government Code, relating to issuance of certified copies of public records to veterans.

[Approved by Governor May 2, 1951. Filed with Secretary of State May 3, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6107 of the Government Code is amended to read:

6107. Neither the State nor any county, or city, nor any public officer or body acting in his official capacity on behalf of the State, any county, or city, including notaries public, shall demand or receive any fee or compensation for:

Veterans' exemption from fees

(a) Recording or indexing any discharge, certificate of service, certificate of satisfactory service, notice of separation or report of separation of any officer, commissioned warrant officer, warrant officer, flight officer, cadet, midshipman, noncommissioned officer, petty officer, soldier, sailor or marine of

the U. S. Army, Navy, Marine Corps, Coast Guard, Women's Army Corps, Women's Auxiliary Army Corps, Women's Reserve of Navy, Marine Corps or Coast Guard or of the Army or Navy Nurse Corps.

(b) Issuing certified copies of such discharges, certificates of service, certificates of satisfactory service, reports of separation or notices of separation.

(c) Any service whatever rendered in the matter of a pension claim, application, affidavit, voucher, or any claim to be presented to the Administrator of Veterans' Affairs under the World War Veterans' Act, 1924.

(d) Furnishing a certified copy of the public record of marriage, death, birth or divorce, deed of trust, mortgage, or property assessment, or making the search for them, when they are to be used in a claim for pension, or a claim for allotment, allowance, compensation, insurance, automatic insurance, or otherwise under the World War Veterans' Act, 1924 or under any other act of Congress for service in the Army, Navy, or Marine Corps, or a claim for veterans' benefits under any law of this State.

The services specified in this section shall be rendered on the request of a United States official, a claimant, or his guardian or attorney. An officer is liable on his official bond for every failure or refusal to render the services.

CHAPTER 242

An act to amend Section 214 of the Revenue and Taxation Code, relating to the welfare exemption.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 3, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 214 of the Revenue and Taxation Code is amended to read:

Religious, etc., property exempt from taxation

214. Property used exclusively for religious, hospital, scientific, or charitable purposes owned and operated by community chests, funds, foundations or corporations organized and operated for religious, hospital, scientific, or charitable purposes is exempt from taxation if:

(1) The owner is not organized or operated for profit;

(2) No part of the net earnings of the owner inures to the benefit of any private shareholder or individual;

(3) The property is not used or operated by the owner during by any other person for profit regardless of the purposes to which the profit is devoted;

(4) The property is not used or operated by the owner or with by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of

the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations or the more advantageous pursuit of their business or profession;

(5) The property is not used by the owner or members thereof for fraternal or lodge purposes, or for social club purposes except where such use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose;

(6) The property is irrevocably dedicated to religious, charitable, scientific, or hospital purposes and upon the liquidation, dissolution or abandonment of the owner will not inure to the benefit of any private person except a fund, foundation or corporation organized and operated for religious, hospital, scientific, or charitable purposes;

(7) The property, if used exclusively for scientific purposes, is used by a foundation or institution which, in addition to complying with the foregoing requirements for the exemption of charitable organizations in general, has been chartered by the Congress of the United States, and whose objects are the encouragement or conduct of scientific investigation, research and discovery for the benefit of the community at large.

"Welfare exemption"

The exemption provided for herein shall be known as the "welfare exemption." This exemption shall be in addition to any other exemption now provided by law. This section shall not be construed to enlarge the college exemption. Property used exclusively for school purposes of less than collegiate grade and owned and operated by religious, hospital or charitable funds, foundations or corporations, which property and funds, foundations or corporations meet all of the requirements of this section, shall be deemed to be within the exemption provided for in Section 1c of Article XIII of the Constitution of the State of California and this section.

CHAPTER 243

An act to amend Section 1203.7 of the Penal Code, and to amend Section 633 of the Welfare and Institutions Code, relating to the membership of the Board of Corrections.

[Approved by Governor May 2, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1203.7 of the Penal Code is amended to read:

Adult probation officers

1203.7. In any county having a population of more than 900,000 there shall be one adult probation officer and eight assistant adult probation officers who shall receive salaries as follows: One adult probation officer three hundred dollars ($300) per month; one assistant adult probation officer two hundred twenty-five dollars ($225) per month; and seven assistant adult probation officers each one hundred seventy-five dollars ($175) per month. In any city and county there shall be one adult pro-

bation officer and nine assistant adult probation officers who shall receive salaries as follows: the adult probation officer three hundred fifty dollars ($350) per month; one assistant adult probation officer two hundred seventy-five dollars ($275) per month; seven assistant adult probation officers each two hundred ten dollars ($210) per month; and one assistant adult probation officer who shall act as cashier and clerk, one hundred ninety dollars ($190) per month.

In any county or counties of more than 300,000 and under 500,000, there shall be one adult probation officer, one assistant adult probation officer, and two deputy probation officers who shall receive salaries as follows: the adult probation officer two hundred fifty dollars ($250) per month; one assistant probation officer two hundred dollars ($200) per month; one deputy adult probation officer one hundred seventy-five dollars ($175) per month, and one deputy adult probation officer fifty dollars ($50) per month. One deputy adult probation officer in such county shall be a woman and shall be a competent stenographer and typist of sufficient ability to perform the clerical and stenographic work of the office in addition to her other duties.

In any county or counties of more than 100,000 and under 110,000, there shall be one adult probation officer and one deputy adult probation officer who shall receive salaries as follows: the adult probation officer two hundred dollars ($200) per month and one deputy adult probation officer one hundred twenty-five dollars ($125) per month; provided, however, that if in the judgment of the majority of the judges regularly sitting in or assigned to the criminal department or department of superior court in any county or city and county herein mentioned, the services of any assistant adult probation officer or deputy adult probation officer are not required, such assistant or deputy shall not be appointed until the efficiency of the probation system and number of probationers in such county or city and county require such appointment.

The salaries of the adult probation officer, assistant and deputies herein provided shall be paid out of the treasury the county or city and county in which they are appointed in the same manner as the salaries of other county or city and county officers. The adult probation officer, assistants and deputies and members of the adult probation board shall be allowed such necessary incidental expenses incurred in the performance of their duties as required by any law of the State of California as may be authorized by a judge designated for the hearing and disposition of criminal cases and proceedings, or by the judge of a department to which criminal actions and proceedings are assigned, and the same shall be a charge upon the county or city and county and said expenses shall be paid out of the county or city and county treasury upon the written order of said judge, directing the county auditor to deliver his warrant upon the treasurer for the specified amount of such expenses and the adult probation officer shall keep a list of expenses and file a copy monthly with the board of supervisors.

Notwithstanding any other provision of law, any adult probation officer may accept appointment as member of the Board of Corrections and serve in that capacity in addition to his duties as adult probation officer and may receive the per diem allowance authorized in Section 6025.1. Same: As members of Board of Corrections

SEC. 2. Section 633 of the Welfare and Institutions Code is amended to read:

633. The term of office of the probation officers shall be two years from the date of their appointments, or until their successors are appointed and qualify. Probation officers Same Term

All probation officers receiving a salary in excess of two hundred fifty dollars ($250) per month shall devote their entire time and attention to the duties of their offices, and no such probation officer, while holding such office and receiving salary therefor, shall be a candidate for or seek the nomination for any other public office or employment; provided, however, that in counties having a population in excess of 2,000,000, such probation officer, if so directed by the probation committee, may administer, subject to the supervision and direction of the probation committee, without extra compensation therefor, the management and control of the internal affairs of the detention home; and provided, further, that any probation officer may accept appointment as member of the Board of Corrections and serve in that capacity in addition to his duties as probation officer and may receive the per diem allowance authorized in Section 6025.1. In all counties except counties having a population in excess of 2,000,000 such probation officer without extra compensation therefor, shall have the management and control of the internal affairs of the detention home.

CHAPTER 244

An act to amend Sections 14795, 14796, and 14797 of the Revenue and Taxation Code, relating to inheritance tax commissions of county treasurers.

[Approved by Governor May 2, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 14795 of the Revenue and Taxation Code is amended to read:

14795. In addition to any other compensation to which he is entitled by law, for the services performed by him pursuant to this part, the county treasurer may retain out of the inheritance taxes paid to and accounted for by him each year commissions equal to the following: County Treasurer Compensation

(a) Three percent of the first two hundred thousand dollars ($200,000).

(b) Two percent of the next one hundred thousand dollars ($100,000).

(c) One percent of the amount exceeding three hundred thousand dollars ($300,000).

SEC. 2. Section 14796 of said code is amended to read:

Maximum commissions

14796. The maximum commissions that may be retained by the county treasurer out of the inheritance taxes paid in respect to any transfer or transfers made by or resulting from the death of any one decedent is five hundred dollars ($500).

No portion of the tax or taxes paid on the transfer or transfers in excess of the sum entitling the county treasurer to maximum commissions shall be considered in computing his commissions.

SEC. 3. Section 14797 of said code is amended to read:

Same

14797. The maximum commissions that may be retained by the county treasurer out of the total inheritance taxes paid to and accounted for by him in any one year are as follows:

(a) By the county treasurer of a county of the first class, forty-five thousand dollars ($45,000).

(b) By the county treasurer of a county of the second class, forty thousand dollars ($40,000).

(c) By the county treasurer of a county of the third class, twenty-five thousand dollars ($25,000).

(d) By the county treasurer of a county of the fourth class, twenty thousand dollars ($20,000).

(e) By the county treasurer of a county of any other class, ten thousand dollars ($10,000).

CHAPTER 245

An act to amend Section 795.1 of the Agricultural Code, relating to oranges.

In effect September 22, 1951

[Approved by Governor May 2, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 795.1 of the Agricultural Code is amended to read:

Mature oranges

795.1. Oranges, except bloods, tangerines and mandarins, shall not be considered mature unless the juice contains soluble solids equal to or in excess of eight parts to every part of acid contained in the juice (the acidity of the juice to be calculated as citric acid without water of crystallization), and unless, before picking, they have attained at least 25 percent of characteristic color. No oranges may be accelerated in color unless the juice contains soluble solids equal to or in excess of eight parts to every part of acid contained in the juice (the acidity of the juice to be calculated as citric acid without water of crystallization).

"Twenty-five percent of characteristic color" in the case of oranges is defined as that color designated by the Munsell color

notation as hue one and fourteen one-hundredths green-yellow, value five and twenty-three one-hundredths chroma four and three-tenths (1.14GY5.23/4.3). Oranges shall be considered as having exceeded 25 percent color if the average hue of the surface of each fruit is numerically less than one and fourteen-hundredths green-yellow, regardless of the other components of the color.

CHAPTER 246

An act to amend Section 18852 of the Education Code, relating to school supplies and equipment.

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18852 of the Education Code is amended to read:

18852. The governing board of each school district shall, except as otherwise provided in this code, purchase school furniture, including musical instruments, and apparatus, and such other articles as are necessary for the use of schools, and may, in its discretion, purchase uniforms and other regalia for the use of school bands, orchestras and choirs, and including uniforms and equipment necessary for the use of athletic teams. Any such articles purchased shall always remain the property of the school district purchasing them. Only such books, apparatus, uniforms, and equipment shall be purchased by the governing board of an elementary school district, if the board is not a city board of education, as have been adopted by the county board of education having jurisdiction over the district.

Purchase of furniture, etc

CHAPTER 247

An act to amend Section 1714.5 of the Civil Code, relating to liability of one who owns or maintains any building or premises designated as a shelter from enemy attacks, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 1714.5 of the Civil Code, as added by Chapter 463 of the Statutes of 1943, is amended to read:

1714.5. There shall be no liability on the part of one, including the State of California, county, city and county, city or any other political subdivision of the State of California, who owns or maintains any building or premises which have been designated as a shelter from destructive operations or attacks by enemies of the United States by any council of defense or any public office, body, or officer of this State or of the United States,

Defense shelters, limitation of liability

for any injuries sustained by any person while in or upon said building or premises as a result of the condition of said building or premises or as a result of any act or omission, or in any way arising from the designation of such premises as a shelter, except a wilful act, of such owner or occupant or his servants, agents or employees when such person has entered or gone upon or into said building or premises for the purpose of seeking refuge therein during destructive operations or attacks by enemies of the United States or during tests ordered by lawful authority.

Urgency

SEC 2. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety, within the meaning of Section 1 of Article IV of the Constitution, and shall go into effect immediately. The facts constituting such necessity are as follows:

The Federal Government has adopted a comprehensive program for the civil defense of the United States. A major part of the federal legislation provides for the immediate construction of bomb shelters and the policy announced by federal authorities is that whenever possible existing shelters will be improved to meet standards established by responsible defense officials. To encourage participation in such program by owners of private structures it is necessary that this act take effect immediately.

CHAPTER 248

An act to add Section 19301.1 to the Education Code, relating to cafeterias in public schools.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 19301.1 is added to the Education Code, to read:

"Cafeteria"

19301.1. "Cafeteria" as used in this code includes all types and methods of food service.

CHAPTER 249

An act to add Section 31676.8 to the Government Code, relating to retirement allowances of retired county employees.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 31676.8 is added to the Government Code, to read:

Retirement allowance

31676.8. In any county in which Section 31676.1 applies, any member who was retired after May 6, 1949, and before the date on which Section 31676.9 took effect, and who has not elected to have his retirement allowance recalculated pursuant

to Section 31676.1, may elect to have his retirement allowance recalculated pursuant to Section 31676.9, and increased to the amount it would be if Section 31676.9 had been in effect on the date of his retirement.

This section shall be retroactively applied so as to extend its benefits to every such member in respect to all payments for time after the effective date of his retirement and prior to the effective date of this section, as well as to payments for time after the effective date of this section.

CHAPTER 250

An act to amend Section 637.5 of the Agricultural Code, relating to yogurt.

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 637.5 of the Agricultural Code is amended to read:

637.5. Market milk, with or without added milk solids, flavoring or seasoning, which has been pasteurized and afterwards fermented by one or more strains of Lactobacillus bulgaricus (including yogurt strains), Streptococcus thermophilus and Lactobacillus acidophilus may be sold as yogurt, mazun, or such names as may be characteristic for the product and approved by the director. Such product shall be free of molds, yeasts and other fungi, as well as coliform, and other objectional bacteria which may impair the quality of the product. Name, quality, etc

When offered for sale it shall be labeled with its name and with the name and address of the manufacturer or distributor and shall contain not less than 3.5 percent of milk fat.

CHAPTER 251

An act to amend Section 526 of the Agricultural Code, relating to milk products plants.

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 526 of the Agricultural Code is amended to read:

526. "Milk products plant" means a building or structure wherein milk, or any products thereof are processed, manufactured, altered, changed or compounded, except a room wherein cheese and cheese products are cut, wrapped and packaged into individual consumer packages. Such room, however, must be maintained in accordance with the sanitary requirements of Article 3, Chapter 5, of this division, except "Milk products plant"

that foods which do not affect the flavor or quality of such cheese and cheese products may be handled therein.

CHAPTER 252

An act to amend Section 606 of the Agricultural Code, relating to whole milk cheese.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 606 of the Agricultural Code is amended to read:

Whole milk cheese

606. Except as otherwise provided in this division whole milk cheese must contain not less than 50 percent of pure milk fat in its water-free substance. Part skim cheese must contain not less than 30 percent of pure milk fat in its water-free substance. Skim cheese is cheese that contains less than 30 percent of pure milk fat in its water-free substance.

CHAPTER 253

An act to amend Section 205.5 of the Agricultural Code, relating to livestock, including provisions for the protection thereof.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 205.5 of the Agricultural Code is amended to read:

State Livestock Sanitary Committee

205.5. For the purpose of protecting the agricultural industry of this State and to coordinate livestock sanitary activities within this State and among the several states having common or similar problems in the field of livestock disease prevention, quarantine, eradication or control, there is hereby created a State Livestock Sanitary Committee.

Said committee shall be comprised of three members who shall be appointed by the Governor and who shall serve for a term of two years and until their successors are appointed after the expiration of said term. One such member shall be recommended by the director to represent the official livestock sanitary services of the State and the other members shall be representatives of the livestock industry of the State. Any member who is not in the employ of the State shall be compensated at the rate of twelve dollars and fifty cents ($12.50) per diem for each day of official service rendered in behalf of the committee. Each member of the committee shall be allowed necessary traveling and incidental expenses incurred in the discharge of any of his duties under this section.

The State Livestock Sanitary Committee shall meet periodically with the livestock sanitary officials and/or duly authorized agricultural representatives of the several states and of the Federal Government and with members of any like committee from other states. The members of the State Livestock Sanitary Committee shall cooperate with the director and shall keep both the Governor and the director advised of important and significant developments in phases of work in connection with which the committee is appointed. All matters pertaining to budgetary allotments and fiscal procedures in connection with the work of the committee shall be handled by the department.

The provisions of this section shall be effective until the ninety-first day after final adjournment of the 1953 Regular Session of the Legislature. Duration

CHAPTER 254

An act to repeal Section 32401 and to amend Section 32441 of the Water Code, relating to county water districts.

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 32401 of the Water Code is repealed.

SEC. 2. Section 32441 of the Water Code is hereby amended to read:

32441. The board after the hearing of any inclusion petition shall by ordinance order the inclusion of all or any part of the land described in the petition when as to the land to be included the board finds that the following are true: Conditions for inclusion

(a) The petition complies with this chapter.

(b) The inclusion of the land is authorized by this chapter.

(c) The inclusion will be for the best interest of the district.

(d) Either the inclusion of the land will be for the interest of the land or the owner consents to the inclusion.

CHAPTER 255

An act to amend Section 25806 of the Corporations Code, relating to the renewal of investment counsels' certificates under the provisions of the Corporate Securities Law.

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 25806 of the Corporations Code is amended to read:

25806. Every investment counsel's certificate expires on the thirty-first day of December next after its issuance unless sooner suspended or revoked, or unless the holder of the certificate files an application for the renewal thereof and pays the annual license fee for the next succeeding calendar year on or Certificate expiration

before the fifteenth day of December prior to the expiration of the certificate.

CHAPTER 256

Stats 1947, p 2113 amended

An act to add Section 19.1 to the Check Sellers and Cashers Act and Section 12103 to the Financial Code, relating to the issuance of desist and refrain orders.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 19.1 is added to the act cited in the title hereof, to read:

Desist and refrain order

Sec. 19.1. Whenever in the opinion of the commissioner any person is engaged in business as a check seller or casher as defined in this act without a license from the commissioner, or any licensee is violating any provision of this act, the commissioner may order said person or licensee to desist and to refrain from engaging in such business or further violating said act. If, after such an order is made, a request for a hearing is filed in writing and no hearing is held within 30 days thereafter, such order shall be deemed to have been rescinded.

NOTE The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code

Effect Stats 1951, Ch 364

SEC. 3. Section 2 of this act becomes operative only if Division 3 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as Division 3 of said code takes effect, at which time Section 19.1 added to the Check Sellers and Cashers Act by this act is repealed.

CHAPTER 257

Stats 1947, p 2113, amended

An act to add Section 16.1 to the Check Sellers and Cashers Act and Section 12311 to the Financial Code, relating to advertising.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 16.1 is added to the act cited in the title hereof, to read:

Advertising, etc., by licensee

Sec. 16.1. No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner whatsoever, any statement or representation which is false, misleading, or deceptive, or which omits to state material information, or which refers to the supervision of such licensee by the State of California or any department or official thereof. The commissioner may order any licensee to

desist from any conduct which he shall find to be a violation of the foregoing provisions.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 3. Section 2 of this act becomes operative only if Division 3 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as Division 3 of said code takes effect, at which time Section 16.1 added to the Check Sellers and Cashers Act by this act is repealed. Effect Stats 1951, Ch 364

CHAPTER 258

An act to amend Sections 4 and 9 of the Check Sellers and Cashers Act and Sections 12204 and 12217 of the Financial Code, relating to types of business licensed under said act. Stats 1947, p 2113, amended

[Approved by Governor May 2, 1951. Filed with Secretary of State May 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4 of the act cited in the title hereof is amended to read:

Sec. 4. An application for such a license shall be in writing, under oath, and in a form prescribed by the commissioner and shall contain the name, and the address both of the residence and place of business, of the applicant and if the applicant is a partnership or association, of every member thereof, and if a corporation, of every officer and director thereof; also if the business is to be conducted at a specific address or addresses, the address or addresses at which the business is to be conducted, and if the business is to be conducted from a mobile unit, the California state registration number or other identification of such mobile unit and the area in which the applicant proposes to operate such mobile unit; the application shall specify the type of business for which a license is requested and also such other information as the commissioner may require. Application for license

SEC. 2. Section 9 of the act cited in the title hereof is amended to read:

Sec. 9. Such license shall state the name of the licensee and the type of business licensed; and if the licensee is a partnership or association the names of the members thereof; and if the licensee is a corporation the date and place of its incorporation; and if the business is to be conducted at a specific address, the address at which such business is to be conducted; and if the business is to be conducted through the use of a mobile unit, the California state registration number or other identification of such mobile unit and the area in which such mobile unit is authorized to do business. Application for license

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch. 364

SEC. 5. Sections 3 and 4 of this act become operative only if Division 3 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as Division 3 of said code takes effect, at which time Sections 4 and 9 of the Check Sellers and Cashers Act amended by this act are repealed.

CHAPTER 259

Stats 1947, p. 2113, amended

An act to amend Section 6 of the Check Sellers and Cashers Act and Section 12205 of the Financial Code, relating to liquid assets.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6 of the act cited in the title hereof is amended to read:

Liquid assets

Sec. 6. An applicant shall prove, in form satisfactory to the commissioner that it has available for the operation of business, if the applicant is to engage exclusively in the business of cashing checks, drafts or money orders, liquid assets of at least one thousand dollars ($1,000), and if the applicant is to engage in the sale of checks that it has liquid assets in excess of liabilities of at least five thousand dollars ($5,000).

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch. 364

SEC. 3. Section 2 of this act becomes operative only if Division 3 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as Division 3 of said code takes effect, at which time Section 6 of the Check Sellers and Cashers Act amended by this act is repealed.

CHAPTER 260

Stats 1947, p. 2113, amended

An act to add Section 7.1 to the Check Sellers and Cashers Act and Section 12223 to the Financial Code, relating to fidelity bonds.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 7.1 is added to the act cited in the title hereof, to read:

Fidelity bond

Sec. 7.1. The commissioner may require a licensee engaging in the business of selling checks or receiving money for the purpose of paying bills, invoices, or accounts of an obligor, in

addition to the bond provided in Section 7, to obtain an adequate fidelity bond for each officer, employee, or agent having access to funds collected by or for the licensee, or having authority to draw against such funds if in his opinion such a bond is necessary for the protection of the public.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 3. Section 2 of this act becomes operative only if Division 3 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as Division 3 of said code takes effect, at which time Section 7.1 added to the Check Sellers and Cashers Act by this act is repealed. Effect Stats 1951, Ch 364

CHAPTER 261

An act to amend Section 25603 of the Corporations Code, relating to advertising under the provisions of the Corporate Securities Law.

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 25603 of the Corporations Code is amended to read:

25603. No company, broker, agent, or other person shall use any advertisement concerning any security sold or offered for sale by it after notice in writing given to it by the commissioner that, in his opinion, the advertisement contains any statement that is false or misleading, or omits to state material information that is necessary to make the statements therein not misleading, or is otherwise likely to deceive a reader or hearer. Misleading, etc., advertisements

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CHAPTER 262

An act to amend Sections 7 and 12 of the California Small Loan Act and Sections 24210 and 24609 of the Financial Code, relating to the issuance, suspension or revocation of licenses. Stats 1939, p 2886, amended

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7 of the act cited in the title hereof is amended to read:

Sec. 7. Requirements for License Upon the filing of such application and the payment of such fees and the approval of such bond, the commissioner shall investigate the facts and if Requirements for license

he shall find (a) that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a copartnership or association, and of the officers and directors thereof if the applicant be a corporation, are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this act, he shall thereupon issue and deliver a license to the applicant to engage in business in accordance with the provisions of this act at the location specified in the said application, which license shall remain in full force and effect until it is surrendered, revoked or suspended. It shall expire at noon on the thirty-first day of December of any calendar year if, on or before the twentieth day of December of such year, the licensee fails to file an application to renew it and pay the annual license fee for the next succeeding calendar year.

If the commissioner finds that any applicant does not possess the requirements specified in this section, he shall, upon reasonable opportunity to be heard, deny the application and return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the one hundred dollars ($100) investigation fee to cover the costs of investigating the application. The commissioner shall within sixty (60) days from the filing of an application for a license hereunder with the said fees and the said approved bond either issue a license or file a statement of issues prepared in accordance with the provisions of Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code.

The proceedings shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted therein.

SEC. 2. Section 12 of the act cited in the title hereof is amended to read:

Revocation of license

Sec. 12. Revocation of License. The commissioner shall, upon reasonable opportunity to be heard, suspend or revoke any license issued hereunder if he shall find that:

(a) The licensee has failed to pay the annual license fee or to maintain in effect the bond or bonds required under the provisions of this act or to comply with any demand, ruling, or requirement of the commissioner lawfully made pursuant to and within the authority of this act; or that

(b) The licensee has violated any provision of this act or any rule or regulation lawfully made by the commissioner under and within the authority of this act; or that

(c) Any fact or condition exists which, if it had existed at the time of the original application for such license, clearly would have warranted the commissioner in refusing originally to issue such license.

Suspension of license

Suspension of License. The commissioner may upon three (3) days' notice and a hearing, suspend any license for a period not exceeding thirty (30) days, pending investigation.

Surrender of License. Any licensee may surrender any license by delivering to the commissioner written notice that he thereby surrenders such license, but such surrender shall not affect such licensee's civil or criminal liability for acts committed prior to such surrender. Surrender of License

No revocation or suspension or surrender of any license shall impair or affect the obligation of any pre-existing lawful contract between the licensee and any borrower.

Except in cases in which the time for setting the hearing is shortened as herein provided, the proceedings shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and in all cases the commissioner shall have all the powers granted therein.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 5. Sections 3 and 4 of this act become operative only if Division 10 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as Division 10 of said code takes effect, at which time Sections 7 and 12 of the California Small Loan Act, amended by this act are repealed. Effect Stats 1951, Ch 364

CHAPTER 263

An act to amend Section 20.1 of the California Small Loan Act, and Section 24607 of the Financial Code, relating to the issuance of desist and refrain orders. Stats 1939, p 2886, amended

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 20.1 of the act cited in the title hereof is amended to read:

Sec. 20.1. Whenever in the opinion of the commissioner any person is engaged in business as a lender or broker as defined in this act without a license from the commissioner, or any licensee is violating any provision of this act, the commissioner may order said person or licensee to desist and to refrain from engaging in such business or further violating said act. If, after such an order is made, a request for a hearing is filed in writing and no hearing is held within 30 days thereafter, such order shall be deemed to have been rescinded. Desist and refrain orders

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 3. Section 2 of this act becomes operative only if Division 10 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as Division 10 of said code takes effect, at which time Section 20.1 of the California Small Loan Act amended by this act is repealed. Effect Stats 1951, Ch 364

CHAPTER 264

Stats 1939, p 2874, amended

An act to amend Sections 13 and 16 of the Personal Property Brokers Act, to amend Section 22615 of and to add Section 22475 to the Financial Code, relating to the regulation of personal property brokers.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 13 of the act cited in the title hereof is amended to read:

Revocation of license

Sec. 13. Revocation of License. The commissioner shall, upon reasonable opportunity to be heard, suspend or revoke any license issued hereunder, if he shall find that:

(a) The licensee has failed to pay the annual license fee or to maintain in effect the bond or bonds required under the provisions of this act or to comply with any demand, ruling, or requirement of the commissioner lawfully made pursuant to and within the authority of this act; or that

(b) The licensee has violated any provision of this act or any rule or regulation lawfully made by the commissioner under and within the authority of this act; or that

(c) Any fact or condition exists which, if it had existed at the time of the original application for such license, reasonably would have warranted the commissioner in refusing originally to issue such license.

Suspension of license

The commissioner may upon three days' notice and a hearing, suspend any license for a period not exceeding 30 days, pending investigation.

Surrender of license

Any licensee may surrender any license by delivering to the commissioner written notice that he thereby surrenders such license, but such surrender shall not affect such licensee's civil or criminal liability for acts committed prior to such surrender.

No revocation or suspension or surrender of any license shall impair or affect the obligation of any pre-existing lawful contract between the licensee and any borrower.

Duration of license

Every license issued hereunder shall remain in force and effect until the same shall have been surrendered, revoked, or suspended in accordance with the provisions of this act, unless application for renewal thereof for the succeeding calendar year is not filed with the commissioner on or before December 20th of the year preceding said calendar year for which such license is sought to be in effect.

Except in cases in which the time for setting the hearing is shortened as herein provided, the proceedings shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and in all cases the commissioner shall have all the powers granted therein.

SEC. 2. Section 16 of the Personal Property Brokers Act is amended to read:

Sec. 16. Restrictions. No licensee or other person shall advertise, print, display, publish, distribute, or broadcast or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner whatsoever any statement or representation with regard to the rates, terms, or conditions for making or negotiating loans, which is false, misleading, or deceptive, or, in the case of a licensee, which refers to the supervision of such business by the State of California or any department or official thereof. The commissioner may order any licensee to desist from any conduct which he shall find to be a violation of the foregoing provisions. Restrictions

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as he may deem necessary to prevent misunderstanding thereof by prospective borrowers.

If any licensee or other person engaged in the business regulated by this act shall in any advertising refer to rates of interest or charges or cost of loans, the commissioner shall require that such rates or costs be stated fully and clearly in such a manner as he may deem necessary in order to give adequate information to prospective borrowers; and if the rates or costs advertised do not apply to loans of all classes made or negotiated by such licensee or other person, this fact shall be clearly indicated therein. No such advertising copy shall be used after the use thereof has been disapproved by the commissioner and the licensee notified in writing of such disapproval. The commissioner may require licensees to maintain a file of all advertising copy for a period of 90 days from the date of its use, to be available to the commissioner upon request.

No licensee shall take a lien upon real estate as security for any loan made under this act, except such lien as is created by law upon the recording of an abstract of judgment.

No licensee shall conduct the business of making loans under this act within any office, room or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except as may be authorized in writing by the commissioner upon his finding that the character of such other business is such that the granting of such authority would not facilitate evasions of this act or of the rules and regulations lawfully made hereunder. An authorization once granted shall remain in effect until revoked by the commissioner.

No licensee shall transact such business or make any loan provided for by this act under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney, except a power of attorney taken to effectuate the transfer of the ownership of any motor vehicle at the time of making the loan. No licensee shall take any note, promise to pay, or security that does not accurately disclose the actual amount of the loan,

Same

the time for which it is made, and the agreed rate of charge nor any instrument in which blanks are left to be filled in after execution; provided, that nothing contained in this section or in Section 18 (a) (5) of this act shall be construed to deny to any licensee hereunder the right of taking and using a chattel mortgage which, in addition to securing an original obligation, may secure the repayment of sums that may be advanced to, or expenditures that may be made at the direction of, the borrower subsequent to the execution of such mortgage and prior to the satisfaction thereof up to a maximum to be expressed in said mortgage.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch 364

SEC. 5. Sections 3 and 4 of this act become operative only if Division 9 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 9 takes effect, at which time Sections 13 and 16 of the Personal Property Brokers Act, as amended by this act are repealed.

CHAPTER 265

Stats 1939, p 2874, amended

An act to amend Section 21.1 of the Personal Property Brokers Act and Section 22613 of the Financial Code, relating to the issuance of desist and refrain orders.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 21.1 of the act cited in the title hereof is amended to read:

Desist and refrain orders

Sec. 21.1. Whenever in the opinion of the commissioner any person is engaged in business as a broker, or personal property broker as defined in this act without a license from the commissioner, or any licensee is violating any provision of this act, the commissioner may order said person or licensee to desist and to refrain from engaging in such business or further violating said act. If, after such an order is made, a request for a hearing is filed in writing and no hearing is held within 30 days thereafter, such order shall be deemed to have been rescinded.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch 364

SEC. 3. Section 2 of this act becomes operative only if Division 9 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as Division 9 of said code takes effect, at which time Section 21.1 of the Personal Property Brokers Act amended by this act is repealed.

CHAPTER 266

An act to amend Section 8 of the Personal Property Brokers Act and Section 22210 of the Financial Code, relating to the issuance of licenses.

Stats. 1939, p. 2874, amended

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 8 of the act cited in the title hereof is amended to read:

Sec. 8. Requirements for License. Upon the filing of such application and the payment of such fees and the approval of such bond, the commissioner shall investigate the facts, and if he shall find (a) that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a copartnership or association, and of the officers and directors thereof if the applicant be a corporation, are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this act, he shall thereupon issue and deliver a license to the applicant to engage in business in accordance with the provisions of this act at the location specified in the application. The license shall remain in effect until it is surrendered, revoked or suspended. It shall expire at noon on the thirty-first day of December of any calendar year if, on or before the twentieth day of December of such year, the licensee fails to file an application to renew it and pay the annual license fee for the next succeeding calendar year.

Requirements for license

If the commissioner finds that any applicant does not possess the requirements specified in this section, he shall, upon reasonable opportunity to be heard, deny the application and return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the one hundred dollars ($100) investigation fee to cover the costs of investigating the application. The commissioner shall within 60 days from the filing of an application for license hereunder with the said fees and the said approved bond either issue a license or file a statement of issues prepared in accordance with the provisions of Part 1 of Division 3 of Title 2 of the Government Code.

The proceedings shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted therein.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 3. Section 2 of this act becomes operative only if Division 9 of the Financial Code is enacted by the Legislature

Effect Stats. 1951, Ch. 364

at its 1951 Regular Session, and in such case at the same time as Division 9 of said code takes effect, at which time Section 8 of the Personal Property Brokers Act amended by this act is repealed.

CHAPTER 267

Stats 1917, p 658, amended

An act to amend Section 16 of the Industrial Loan Act and Section 18610 of the Financial Code, relating to the dissemination of financial information.

In effect September 22, 1951

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 16 of the act cited in the title hereof is amended to read:

Records, etc

Sec. 16. Each industrial loan company shall keep and use in its business such books, accounts and records as will enable the commissioner to determine whether such industrial loan company is complying with the provisions of this act and with the rules and regulations lawfully made by the commissioner hereunder. Every industrial loan company shall preserve such books, accounts and records, including cards used in the card system, if any, for at least two years after making the final entry on any loan recorded therein.

Annual report

Each industrial loan company shall annually on or before the fifteenth day of March file a report with the commissioner giving such relevant information as the commissioner reasonably may require concerning the business and operations during the preceding calendar year of each place of business conducted by such industrial loan company within the State. Such report shall be made under oath and shall be in the form prescribed by the commissioner, who shall annually make and file with the Division of Corporations as a public record a composite of such reports and any comments thereon that he may deem to be in the public interest.

The commissioner may make available to any inquirer information contained in the annual report filed by each industrial loan company pursuant to this section.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code

Effect Stats 1951, Ch 364

SEC. 3. Section 2 of this act becomes operative only if Division 7 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as Division 7 of said code takes effect, at which time Section 16 of the Industrial Loan Act amended by this act is repealed.

CHAPTER 268

An act to amend Sections 509 and 510 of the Agricultural Code, relating to market milk inspection.

[Approved by Governor May 3, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 509 of the Agricultural Code is amended to read:

509. Every person engaged in the production, sale or distribution of market milk shall pay an inspection fee to the director; provided, however, no fee shall be paid to the director on any market milk which is bottled or processed under the jurisdiction of any approved milk inspection service nor on any market milk produced for delivery to a milk product plant under the jurisdiction of any approved milk inspection service. Market milk inspection fee

An area in which the inspection and/or grading service is established and conducted by the director and wherein such service is not conducted under an "approved milk inspection service," as defined in Section 490, shall be known as an "established milk inspection area." Distributors who are subject to the provisions of this section shall deduct from payments due producers for market milk and shall pay to the director the fee required to be paid by said producers.

Said inspection fee shall be payable during the first week of January, April, July and October of each year. Said inspection fee is hereby fixed at:

(a) For producers who sell market milk at wholesale to be sold as graded market milk, three mills ($0.003) for each gallon of graded market milk sold during the quarter-year period preceding the date such inspection fee becomes due and payable;

(b) For distributors who purchase market milk from producers to be sold as graded market milk or who distribute their own graded market milk, three mills ($0.003) for each gallon of graded market milk received or produced during the quarter-year period preceding the date such inspection fee becomes due and payable;

(c) For producers who sell market milk at wholesale, two mills ($0.002) for each gallon of ungraded market milk sold during the quarter-year period preceding the date such inspection fee becomes due and payable;

(d) For distributors who purchase market milk from producers or who distribute their own market milk, two mills ($0.002) for each gallon of ungraded market milk received or produced during the quarter-year period preceding the date such inspection fee becomes due and payable.

SEC. 2. Section 510 of the Agricultural Code is amended to read:

510. Whenever applications for permits to be issued by the director are received from applicants totaling fifty-one percent (51%) or more in number of the persons desiring to engage Establishment and withdrawal of service

in the business of producing, processing, selling or distributing any grade of market milk in an area in which no inspection service has been established by the director, then the director shall establish and conduct a milk inspection service; provided, however, that whenever the funds derived under the provisions of Section 509 are inadequate to maintain such milk inspection service subject to establishment by the director, then the establishment of such milk inspection service shall not be required. Whenever the funds derived from an area wherein a milk inspection service has been established by the director are insufficient to defray the added cost of inspection for a graded milk supply, the director on 30 days notice may withdraw such graded inspection service, and the producers and distributors of market milk in that area shall thereafter be required to pay only the inspection fee or fees specified in paragraphs (c) and (d) of Section 509.

If within the 30-day period prior to withdrawal of such graded inspection service petitions are filed with the director by fifty-one percent (51%) or more of the persons engaged in the business of producing, processing, selling or distributing graded market milk within the area, praying that the graded inspection service be continued and agreeing to pay the added cost of maintaining such service within the area, the director shall, after hearing, establish the amount necessary for augmentation of the inspection fees for producers and distributors within the area, which fees shall be reasonably calculated to defray the additional cost of maintaining such graded inspection service, and shall continue such service so long as the funds derived from the area are sufficient to defray the cost of such inspection.

CHAPTER 269

An act to amend Section 681 of the Agricultural Code, relating to licenses.

In effect September 22, 1951

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 681 of the Agricultural Code is amended to read:

Tester's license

681. (a) Persons who test milk or cream or fluid derivatives thereof, purchased, received or sold on the basis of milk fat contained therein must hold a tester's license. Methods or processes of testing must be approved by the director. A separate license is required for each of the methods or processes of testing.

(b) Persons, other than licensed testers, who take samples of milk or cream or fluid derivatives thereof purchased, received or sold on the basis of milk fat contained therein, on which sample tests are to be made as a basis of payment, and all persons who weigh milk or cream or fluid derivatives thereof, the weight to

be used as a basis of payment must hold a sampler's and weigher's license. When one person does both sampling and weighing only one license is required. In cases of emergency a person may weigh or sample for a period not exceeding one week, without a license. Any person who takes samples of milk or cream or fluid derivatives thereof for testing shall hold the same in an unchanged condition until delivered to a licensed tester.

(c) Persons who make bacteriological determinations of milk or cream to be used as a basis of payment or determining value must hold a technician's license.

(d) Persons operating equipment wherein milk or products thereof are pasteurized must hold a pasteurizer's license to be known as general and limited licenses. The general license shall apply to pasteurization by all of the approved methods or processes of pasteurization, and the limited license shall apply only to the pasteurization by the process or method known as the holding or vat method.

CHAPTER 270

An act to amend Section 18973 of the Government Code, relating to civil service rights of veterans and widows of veterans.

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18973 of the Government Code is amended to read:

18973. In the case of all other entrance examinations, a veteran with 30 days or more of service and widows of veterans who become eligible for certification from eligible lists by attaining the passing mark established for the examination, shall be allowed one of the following additional credits: Veteran's credits

(a) Disabled veterans, 15 points.

(b) All other veterans and widows of veterans, 10 points.

(c) In promotional examinations, three points, irrespective of physical condition.

For the purpose of this section, "veteran" means any person who has served full time for 30 days or more in the armed forces in time of war or in time of peace in a campaign or expedition for service in which a medal has been authorized by the Government of the United States, or during the period September 16, 1940, to December 6, 1941, inclusive, or during the period June 27, 1950, to a future date to be established by proclamation of the Governor, and who has been discharged or released under conditions other than dishonorable, but does not include any person who served only in auxiliary or reserve components of the armed forces whose service therein did not exempt him from the operation of the Selective Training and Service Act of 1940. "Veteran"

For the purpose of this section the termination of World War II shall be considered as of midnight, December 31, 1946.

Whenever the Governor, after June 27, 1950, finds that the United States is no longer engaged in any type of campaign involving persons in active duty in the armed forces, he shall issue a proclamation establishing the date after which persons on active duty in the armed forces shall not be considered veterans for the purposes of this section.

"Disabled veteran"

For the purpose of this section "disabled veteran" means any veteran as defined herein who is currently declared by the United States Veterans Administration to be 10 percent or more disabled as a result of his service. Proof of such disability shall be deemed conclusive if it is of record in the United States Veterans Administration.

CHAPTER 271

An act to amend Section 5050 of the Insurance Code, relating to county mutual fire insurance.

In effect September 22, 1951

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5050 of the Insurance Code is amended to read:

Mutual fire insurance

5050. One hundred or more persons residing in one county of this State, owning insurable real property aggregating not less than five hundred thousand dollars ($500,000) in value, and desiring to insure such property, agreeing to insure such property in the newly formed corporation and to advance to the corporation a deposit premium of at least twenty-five cents ($0.25) on each one hundred dollars ($100) of insurance, may incorporate for the purpose of mutual fire insurance.

Operative date

SEC. 2. This act shall become operative January 1, 1952.

CHAPTER 272

An act to amend Section 6040 of the Insurance Code, relating to county mutual fire insurance.

In effect September 22, 1951

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6040 of the Insurance Code is amended to read:

Coverage of policies

6040. Such insurer may issue policies on dwellings, schoolhouses, churches, community, creamery, or farm buildings and property contained in or on such premises or owned by the insured and stored in public or private warehouses.

CHAPTER 273

An act to amend Section 6047 of the Insurance Code, relating to county mutual fire insurance.

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6047 of the Insurance Code is amended to read:

6047. Except as provided in this section, such insurer shall not issue policies to an amount in excess of six thousand dollars ($6,000) on any one risk, whether under one or more policies, without immediately reinsuring the excess amount in some other insurer. Any such insurer having more than ten million dollars ($10,000,000) direct insurance in force as shown by its books may, for each one million dollars ($1,000,000) in excess of ten million dollars ($10,000,000), write five hundred dollars ($500) additional insurance in excess of six thousand dollars ($6,000) on each such risk. Any such insurer issuing nonassessable policies as provided in Section 7015 (c) (3) hereof, may issue policies in accordance with Section 3080 of this code

Policies
Extent of risk

CHAPTER 274

An act to add Section 15106 to the Government Code, relating to the leasing of facilities for connection with the State's Teletypewriter System.

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 15106 is added to the Government Code, to read:

15106. The Attorney General may lease facilities and equipment for the purpose of connecting the State's Teletypewriter System with any county, city, or district, if the county, city, or district pays the installation and maintenance costs.

Teletypewriter system

CHAPTER 275

An act to add Sections 9131, 9132, and 9133 to the Government Code, creating the Joint Committee on Interhouse Cooperation and to prescribe its membership, powers, and duties.

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 9131 is added to the Government Code, to read:

Committee on Interhouse Cooperation

9131. The Joint Committee on Interhouse Cooperation is hereby created. The committee shall ascertain facts and make recommendations to the Legislature and to the houses thereof concerning the relationship between the two houses and procedures calculated to expedite the affairs of the Legislature by improving that relationship. Any matter of business of either house, the transaction of which would affect the interests of the other house, may be referred to the committee for action if the Legislature is in session, and shall be referred to the committee for action if the Legislature is not in session. The committee has a continuing existence and may meet, act and conduct its business at any place within the State, during sessions of the Legislature or any recess thereof, and in the interim period between sessions.

SEC. 2. Section 9132 is added to said code, to read:

Same: Membership

9132. The Joint Committee on Interhouse Cooperation shall consist of five Members of the Senate and five Members of the Assembly. The Senate membership shall consist of the President pro Tempore of the Senate, and four Members of the Senate appointed by the Senate Committee on Rules. The Assembly membership of the committee shall consist of the Speaker, the Chairman of the Assembly Committee on Rules, and three other Members of the Assembly appointed by the Speaker. The committee shall select its own chairman. Vacancies occurring between sessions in the Senate membership of the committee shall be filled by the Senate Committee on Rules. Vacancies occurring in the Assembly membership shall be filled by appointment by the Speaker.

SEC. 3 Section 9133 is added to said code, to read:

Rules and powers

9133. The committee is authorized to make rules governing its own proceedings and to create subcommittees from its membership and assign to such subcommittees any study, inquiry, investigation, or hearing which the committee itself has authority to undertake or hold. The provisions of Rule 36 of the Joint Rules of the Senate and Assembly shall apply to the committee and it shall have all the powers conferred upon committees by that rule or by Article IV, Section 37, of the Constitution.

CHAPTER 276

An act to amend Sections 274, 275, 276, and 285.3 of, and to add Section 275.5 to, the Agricultural Code, relating to apiary inspection and equipment brands.

In effect September 22, 1951

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 274 of the Agricultural Code is amended to read:

Apiary inspection

274. It is unlawful to import or transport into the State any bees or used hives or appliances, except used package bee cages returning empty, unless each hive of bees, used hive or

appliance in the load, lot or shipment has been stamped with an indelible official stamp showing the state of origin and date of inspection, and unless each separate load, lot or shipment is accompanied by a valid certificate signed by the State Entomologist or State Apiary Inspector or comparable officer in charge of apiary inspection for the state of origin, certifying the following facts:

(1) The name and address of the owner or shipper, the county of destination and method of transportation.

(2) The number of hives or nuclei containing bees, the number of used hives either empty or containing frames or combs, and a complete list of any other used beekeeping equipment in the shipment.

(3) The county and state of origin.

(4) The date on which inspection was last made of the apiary in which the bees, used hives and equipment originated.

(5) That such inspection was made at a time when sufficient brood was present to establish the actual presence or absence of disease.

(6) The total number of colonies in the apiary at the time of inspection, and the number of colonies found diseased.

(7) That all diseased colonies of bees found upon said inspection were destroyed prior to the issuance of the certificate

(8) Any other facts which the certifying officer may deem pertinent to the condition and disease history of the bees during the two-year period immediately preceding the inspection.

Any shipment of bees, used hives or appliances arriving in this State which is not stamped, or which is not accompanied by a valid certificate, as required by this section, shall be refused entry and returned to the shipper or destroyed, at the option and expense of the owner or person in charge of the shipment.

Each certificate required by this section shall be delivered by the person importing or transporting the bees or the used hives or appliances to the commissioner in the county of destination within forty-eight (48) hours of the arrival of the bees or used hives or appliances No such certificate shall be valid longer than sixty (60) days after the last date of inspection of the apiary shown on the certificate, except that a certificate covering a shipment arriving prior to April 1st from a locality having severe winters shall be valid if it shows the last inspection of the apiary to have been made on or after September 15th of the preceding year.

When any bees or used hives or appliances entering California are found to be infected with disease at time of inspection in this State, the lot or shipment shall be placed under a hold notice as prescribed in Section 275 and shall, at the option and expense of the owner or bailee, be destroyed or shipped out of this State within forty-eight (48) hours of the time of such inspection unless in the opinion of the director or commissioner same can be handled in accordance with the provisions of Sections 275 and 276 without menace or harm from disease to the apicultural industry of this State.

SEC. 2. Section 275 of the Agricultural Code is amended to read:

Moving of bees

275. It is unlawful for any person to move bees within the State unless he files with the commissioner or county inspector of apiaries in the county of destination, within five days from the date of moving, a statement of the number of colonies of bees moved, and the definite point of destination to which said bees have been moved. The commissioner in the county of origin shall also be notified of such movement within five days thereof.

Whenever the director or the commissioner finds disease in more than 1 percent of the colonies in any apiary of 100 or more colonies, or in more than one colony in any apiary of less than 100 colonies, he shall hold such apiary, giving notice thereof to the owner or bailee and posting a copy of said notice in a conspicuous place in said apiary. When any such notice has been given as herein provided, it is unlawful to move such apiary, or any part thereof, or any other bee equipment from the location until all diseased bees have been destroyed as provided in Section 276. When in the opinion of the director or the commissioner the disease has been eradicated, he shall issue a permit to move such apiary. Any permit issued under the conditions specified in this paragraph shall state thereon that the apiary had been under a hold order at the point of origin, and had been released therefrom, giving the date of release. The commissioner shall mail a copy of such permit to the commissioner of the county to which such apiary is being moved.

SEC. 3. Section 275 5 is added to the Agricultural Code, to read:

Shipment

275.5. It is unlawful to place in any combless package of bees or queens, offered for sale or shipment, any food containing honey.

It is unlawful to ship any package bees or queens within the State unless the shipment is accompanied by a certificate of inspection showing that the bees from which such package bees or queens have been taken were inspected immediately prior to shipment and found free from disease.

SEC. 4. Section 276 of the Agricultural Code is amended to read:

Inspection of apiaries

276. The commissioner shall, whenever he deems it necessary, make or cause to be made an inspection of any apiary within his jurisdiction. If any disease exists therein the inspector making the inspection shall plainly mark the hives containing diseased bees, and shall report his inspection and findings to the commissioner. The inspector shall destroy the diseased bees and the contents of the hives so marked on written consent signed by the owner or bailee in the manner hereinafter specified; or the commissioner shall in writing notify the owner or person in charge or in possession of such apiary, stating in the notice the nature of the disease found in each colony respectively, identifying such colony by reference to the mark placed upon the hive thereof, and ordering the eradication of such disease within a specified time. The notice may be served upon

the person having possession or owning such diseased apiaries, personally or by registered mail to his last-known address. When the owner or person in charge or possession of any apiary is not known, the notice shall be served by posting in a conspicuous place in the apiary. Such person must eradicate such disease within a certain time specified in the notice. If the disease be American foulbrood the time specified in the notice shall not be less than 24 hours nor more than 48 hours from the time of serving the notice, and the eradication of said American foulbrood shall be by killing the bees in the hives and burning the diseased colonies, including the bees, combs, frames, honey, and wax, in a pit or in an incinerator approved by the director, burying the ashes no less than two feet below the surface of the ground and disinfecting by scorching the hives, bodies, bottom boards, cover, and supers associated therewith.

SEC. 5. Section 285.3 of the Agricultural Code is amended to read:

285 3. Serial number brands shall be transferable and if the purchaser does not have a registered brand number he may use the same, providing a bill of sale on such registered brand number has been forwarded by registered mail to the director. In case the purchaser has a registered brand number, he may have other such brand numbers transferred to his name, as above, but shall destroy any and all branding irons or branding devices acquired by such transfer and notify the director of such destruction. In the case of transfer of ownership of branded equipment, a bill of sale specifying the equipment shall be forwarded by registered mail to the Director of Agriculture. In case of such transfer the original brand shall not be defaced or obliterated. The brand, if any, of the new owner shall be placed below the original brand and as near thereto as possible. Serial number brands

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CHAPTER 277

An act to add Section 32131 to the Health and Safety Code, relating to the powers of local hospital districts.

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 32131 is added to the Health and Safety Code, to read:

32131. The board of directors may maintain membership in any local, state or national group or association organized and operated for the promotion of the public health and welfare or the advancement of the efficiency of hospital administration, and in connection therewith pay dues and fees thereto. Membership in groups, etc

CHAPTER 278

An act to amend Sections 30507 and 30508 of the Water Code, relating to county water districts.

In effect September 22, 1951

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 30507 of the Water Code is amended to read:

Compensation of directors

30507. Each director shall receive such sum as may be fixed by the board not exceeding twenty dollars ($20) for each meeting of the board attended by him, not exceeding three meetings in any calendar month.

SEC. 2. Section 30508 of the Water Code is amended to read:

Same

30508. If allowed by the board a director shall also receive for performing duties for the district other than attending board meetings:

(a) Not to exceed twenty dollars ($20) for each day.

(b) Traveling and other expenses incurred by him in his employment.

CHAPTER 279

An act to amend Section 10202.8 of the Insurance Code, relating to group life insurance.

In effect September 22, 1951

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10202.8 of the Insurance Code is amended to read:

Group life policy

10202.8. A group life policy conforming to all of the following conditions may be issued to the trustees of a fund established by one employer, or by two or more employers in the same industry, or by one or more labor unions, or by one or more employers and one or more labor unions, to insure employees of the employers or members of the unions for the benefit of persons other than the employers or the unions:

(a) The persons eligible for insurance shall be all of the employees of the employers or all of the members of the unions, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the unions, or to both. The policy may provide that the term "employees" shall include retired employees, and the individual proprietor or partners if an employer is an individual proprietor or a partnership. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise

"Employees"

eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. The policy may provide that the term "employees" shall include the trustees or their employees, or both, if their duties are principally connected with such trusteeship. Same

(b) The premium for the policy shall be paid by the trustees either: (a) wholly from funds contributed by the employer or employers of the insured persons, or by the union or unions, or by both; or (b) partly from such funds and partly from funds contributed by either all of the insured persons or by one or more classes thereof. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured persons specifically for their insurance.

A policy on which part of the premium is to be derived from funds contributed by all of the insured persons may be placed in force only if at least 75 percent of the then eligible employees of any employer unit participating in the trust, or 75 percent of the then eligible members of any participating union if no employer unit is participating in the trust, elect to make the required contributions A policy on which no part of the premium is to be derived from funds contributed by the insured persons must insure all eligible persons. A policy on which part of the premium is to be derived from funds contributed by one or more classes of insured persons but not from all the insured persons, must insure all eligible persons from whom no contributions are required and must extend insurance to each class from whom contributions are required when 75 percent of the then eligible persons of any such class elect to make the required contributions. Any eligible person as to whom evidence of individual insurability is not satisfactory to the insurer shall be excluded

(c) The policy must cover at date of issue at least 100 persons. If the fund is established by the members of an association of employers the policy may be issued only if (i) either (a) the participating employers constitute at date of issue at least 60 percent of those employer members whose employees are not already covered for group life insurance or (b) the total number of persons covered at date of issue exceeds 600; and (ii) the policy shall not require that, if a participating employer discontinues membership in the association, the insurance of his employees shall cease solely by reason of such discontinuance.

(d) The amounts of insurance under the policy must be based upon some plan precluding individual selection by the insured persons or by the trustees, employers or unions. No policy may be issued which provides term insurance on any person which together with any other term insurance under

any group life insurance policy or policies issued to the employers, or any of them, or to the trustees of a fund established in whole or in part by the employers, or any of them, exceeds twenty thousand dollars ($20,000).

"Industry" Such insurance may be issued with or without medical examination. For the purpose of this section the word "industry" shall not include licensed professions, such as medicine, dentistry, pharmacy, law and accountancy.

CHAPTER 280

An act to amend Section 10203 of the Insurance Code, relating to group life insurance.

In effect September 22, 1951

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10203 of the Insurance Code is amended to read:

Group life insurance

10203. Life insurance conforming to all the following conditions is another form of group life insurance:

(a) Written under a policy covering, when issued, not less than 25 members of any of the following:

(1) Any labor union or unions.

(2) The National Guard.

(3) Any association of governmental or public employees.

(4) Any credit union organized and operating under the Federal Credit Union Act of 1934 or Chapter 36 of the California Statutes of 1927 as amended.

(5) Any association of private employees of a common employer, formed for purposes other than obtaining insurance and having been in existence for two years or longer prior to issuance of the policy, and having a membership not less than 75 percent of the number of employees eligible for membership in such association.

(b) Written under a policy issued to one or more such unions, credit union or association.

(c) The premium on the policy to be paid by the union, credit union, or association or by the union or association and the members thereof jointly or by the insured members alone. Payment of such premium by a third party on behalf of the union member shall be considered payment by the union member.

(d) Insuring only members of such union or unions or members of such credit union or association.

(e) Insuring for amounts of insurance based upon some plan which will preclude individual selection.

(f) Insuring for the benefit of persons other than the union, credit union or association or its officials.

(g) Written under a policy insuring, when issued, not less than 75 percent of all members eligible for insurance under the policy, or 75 percent of such members of any class thereof reasonably determined by conditions pertaining to employment or of any established unit thereof not formed for the purpose of procuring insurance; provided, that if a group policy is intended to insure several such classes or units it may be issued as respects any such class or unit of which 75 percent are covered and extended to other such units or classes as 75 percent thereof express the desire to be covered. In such case, when members apply and pay for additional amounts of insurance, a smaller percentage of members may be insured for such additional amounts of insurance. If any member fails to become insured under an existing policy when he becomes eligible and later wishes to become insured thereunder, the insurer may require satisfactory evidence of insurability before insurance is granted on such member.

(h) No policy of group life insurance shall be issued to an association of private employees of a common employer unless the employer consents in writing to deduct premiums from wages or salary of insured members.

CHAPTER 281

An act to amend Sections 10203.5, 10209 and 10213 of, and to add Section 10203.8 to, the Insurance Code, relating to group life insurance.

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 10203.5 of the Insurance Code is amended to read:

10203.5. (a) Life insurance conforming to all the following conditions is another form of group life insurance: Group life insurance

(1) Covering one of the following groups:

(A) All members are or become borrowers from one financial institution, including subsidiary or affiliated persons, under an agreement to repay the sum borrowed.

(B) All members are or become purchasers of merchandise or other property (exclusive of securities, investment certificates and bank deposits) under an agreement to pay the balance of the purchase price.

(2) The group numbers not less than 100 new entrants yearly.

(3) The amount insured on any one borrower or purchaser does not exceed the balance of the indebtedness to the institution or vendor and does not exceed ten thousand dollars ($10,000) on any one life.

(4) The repayment or payment of purchase price is to be made, under the agreement of loan or purchase, in installments over a period not exceeding 32 years.

(5) The policy is issued upon application of and made payable to the institution, vendor, or a creditor to whom such vendor may transfer title to the indebtedness, as beneficiary, and the premiums are paid by or through the institution, vendor, or such creditor.

(b) A policy of insurance conforming to the provisions of this section is not subject to the provisions of Section 10209 or 10213.

SEC. 2. Section 10203.8 is added to the Insurance Code, to read:

Same

10203.8. Life insurance conforming to all of the following conditions is another form of group life insurance:

(a) Covering the lives of every eligible member of a group of persons who become or are named depositors under a savings account plan, established by a financial institution including subsidiary or affiliated persons, which plan provides for periodic deposits of like amounts

(b) The period during which such deposits may be made under the plan does not exceed 60 consecutive months, and the total amount of insurance under the policy on any one depositor does not exceed the difference between the amounts deposited and the maximum amount which may be deposited under the plan and does not exceed one thousand five hundred dollars ($1,500) on any one life.

(c) The group numbers 100 new entrants yearly.

(d) The policy is issued upon application of and made payable to the financial institution as beneficiary, and the premiums are paid by or through the financial institution.

(e) The policy of insurance conforming to the provisions of this section is not subject to the provisions of Section 10209 or 10213.

SEC. 3. Section 10209 of the Insurance Code is amended to read:

Certificates

10209. Except as provided by Sections 10203.5, 10203.6 and 10203.8, the policy shall contain a provision that the insurer will issue to the employer for delivery to the insured employee an individual certificate setting forth:

(a) A statement as to the insurance protection to which the employee is entitled and to whom payable.

(b) A provision that if the employment terminates for any reason whatsoever and the employee applies to the insurer within 31 days after such termination, paying the premium applicable to the class of risk to which he belongs and to the form and amount of the policy at his then attained age, he is entitled, without producing evidence of insurability, to the issue by the insurer of any individual life policy in any one of the forms, other than term insurance, customarily issued by the insurer. This provision shall apply to any insurance issued

pursuant to Section 10203.4 on the life of the spouse of an employee.

(c) A statement that such policy in lieu of group insurance will be in an amount equal to the amount of his protection under such group insurance at the time of such termination.

SEC. 4. Section 10213 of the Insurance Code is amended to read:

10213. Except as provided by Sections 10203.5, 10203.6 and 10203.8, a policy of group life insurance or the proceeds thereof paid to the insured employee or the beneficiary thereunder shall not be liable, either before or after payment, to be applied by any legal or equitable process to pay any liability of any person having a right under the policy. The proceeds thereof, when not made payable to a named beneficiary, shall not constitute a part of the estate of the employee for the payment of his debts. Exemption from debt claims

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CHAPTER 282

An act to amend Section 10206 of the Insurance Code, relating to group life insurance.

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 10206 of the Insurance Code is amended to read:

10206. The policy shall provide that the validity of the policy shall not be contested, except for nonpayment of premiums, after it has been in force for two years from its date of issue; and that no statement made by any employee insured under the policy relating to his insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two years during such employee's lifetime nor unless it is contained in a written application signed by him. Validity of policy

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CHAPTER 283

An act to amend Section 1240 of the Insurance Code, relating to investments.

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1240 of the Insurance Code is amended to read:

1240. Any domestic incorporated insurer which is authorized to do business in a territory or possession of the United States or in a foreign country, or which has outstanding insurance, annuity or reinsurance contracts on lives or risks resident Investments

or located in a territory or possession of the United States or in a foreign country, may invest in or otherwise acquire or loan upon securities and investments in such territory, possession or foreign country which are substantially of the same kinds, classes and investment grades as those eligible for investment under this code; but the aggregate amount of such investments in a territory or possession of the United States or in a foreign country and of cash in the currency of such territory, possession or foreign country which is at any time held by such insurer shall not exceed the amount which such insurer is required by law to invest in such territory, possession or foreign country or one and one-half times the amount of its reserves and other obligations under such contracts, whichever shall be greater. Such investments shall be subject to the limitations imposed by this code. Nothing herein shall in any way restrict or limit Canadian investments otherwise permitted by this code.

CHAPTER 284

An act to amend Section 10270.5 of the Insurance Code, relating to group disability insurance.

In effect September 22, 1951

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10270.5 of the Insurance Code is amended to read:

Group disability insurance

10270.5. Group disability insurance is that form of disability insurance conforming to all of the following conditions:

(a) Written under a master policy.

(1) Issued either to the Federal or State Government, or to any federal or state agency, political subdivision or district, or to any public, governmental, or municipal corporation, or to any unit, agency or department thereof, or to any corporation, copartnership or individual employer, or to the trustee of any association of employers, offering insurance to all the employees of any such employer or of the employer members of such association or to all of any class or classes thereof determined by conditions pertaining to employment and covering not less than 10 such employees or such employees together with their dependents or spouses for amounts of insurance based upon some plan which will preclude individual selection by the employee as to the amount of his insurance coverage thereunder; or

(2) Issued to a principal eligible to have issued to him a policy of group life insurance under the provisions of Section 10203.7 and insuring not less than 10 agents as defined in that section and eligible thereunder to be insured; or

(3) Issued to any association having a constitution and by-laws and formed in good faith for purposes other than

that of obtaining insurance offering insurance to all the eligible members of such association and covering not less than 10 such members or such members together with their dependents or spouses and not less than 50 percent of all eligible members for amounts of insurance based upon some plan which will preclude individual selection by the member as to the amount of his insurance coverage thereunder. If the master policy is to be issued to cover members of labor unions, it may be issued to more than one such union. Any such master policy shall by its terms require the premium to be paid to the insurer either by means of pay roll deductions or periodically by some designated person acting on behalf of the association insured; or

(4) Issued to any trustees eligible to have issued to them a policy of group life insurance under the provisions of Section 10202.8 and insuring not less than 10 employees or members eligible thereunder to be insured or such employees or members together with their dependents or spouses; and under which

(b) For delivery to each person insured thereunder, other than dependents or spouses of an insured employee or person, there is issued to the holder of the master policy by the insurer an individual certificate setting forth the benefits and the exceptions under, and referring to, the master policy under which the certificate is issued.

Such certificates are not subject to the provisions of this chapter relating to the master policy, but the forms thereof shall be submitted to the commissioner for his approval and shall not be issued without such approval of such forms in the manner provided in the case of the master policy.

CHAPTER 285

An act to amend Section 4103 of the Education Code, relating to the election of members of governing boards of junior college districts.

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4103 of the Education Code is amended to read:

4103. In every junior college district composed of two or more high school districts, excepting in districts in which the governing board is a city board of education elected under a city charter, the junior college board may divide the district into five wards of nearly equal population and provide that one member of the board shall be elected from each ward by the electors of the ward.

Junior college districts

CHAPTER 286

An act to add Section 8678 to the Water Code and to repeal Section 692.5 of the Political Code, relating to the approval of agreements of the Reclamation Board relating to real property.

In effect September 22, 1951

[Approved by Governor May 4, 1951. Filed with Secretary of State May 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 8678 is added to the Water Code, to read:

Real property, leasing, etc

8678. Every lease, rental, letting or license to use real property for any purpose whatsoever executed by the board shall be subject to the approval of the Director of Finance.

Repeal

SEC. 2. Section 692.5 of the Political Code is repealed.

CHAPTER 287

An act to amend Section 94.5 of the Agricultural Code, relating to the exemption of citrus fruit fairs from taxation.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 94.5 of the Agricultural Code is amended to read:

Citrus fruit fairs

94.5. Associations mentioned in Section 94 of this code and citrus fruit fairs eligible to receive allocations under Section 19624 of the Business and Professions Code shall be deemed instrumentalities of the State for the purposes therein mentioned and upon dissolution of any such association or fair, all property thereof, after payment of outstanding debts, shall escheat to the State. Property of "associations," as defined in Section 94 of this code, and of citrus fruit fairs, as mentioned in this section, used exclusively in conducting citrus fruit fairs, shall be exempt from taxation, and no affidavit need be filed to claim this exemption.

"Associations"

CHAPTER 288

Stats 1947, p 2126, amended

An act to add Section 16.1 to the Escrow Act and Section 17416 to the Financial Code, relating to the issuance of desist and refrain orders by the Commissioner of Corporations.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 16.1 is added to the Escrow Act, to read:

Desist and refrain orders

SEC. 16.1. Whenever in the opinion of the commissioner any person is engaged in the business of receiving escrows for

deposit or delivery for compensation as defined in this act, without a license from the commissioner the commissioner may order said person to desist and to refrain from engaging in such business. If, after such an order is made, a request for a hearing is filed in writing and hearing is not held within 60 days thereafter, the order is rescinded.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 3. Section 2 of this act becomes operative only if the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said act takes effect; at which time Section 1 of this act is repealed. Effect Stats 1951, Ch 364

CHAPTER 289

An act to amend Sections 6 and 13 of the Escrow Act, and Sections 17207 and 17407 of the Financial Code, relating to penalty for failure to file reports required by law, and filing fees for escrow companies. Stats 1947, p 2126 amended

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 13 of the Escrow Act is amended to read:

Sec. 13. Should any escrow agent fail to make the reports required by law or by the commissioner within ten (10) days from the day designated for the making thereof, or any extension of time granted by the commissioner, or to include therein any matter required by law or by the commissioner, such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent. In the event of the failure of any such agent to make the report required from it by law or by the commissioner, the latter shall immediately cause the books, records, papers and affairs of such agent to be thoroughly examined Failure to file report

The actual cost of such investigation, inspection or examination of a licensee under this section by the commissioner shall be paid to the commissioner by the licensee investigated, inspected or examined and the commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

SEC. 2. Section 6 of the Escrow Act is amended to read:

Sec. 6. The commissioner shall charge and collect the following fees: Filing fees

(a) For filing an original or a renewal application for an escrow agent's license, one hundred dollars ($100) for the first office or location and thirty-five dollars ($35) for each additional office or location.

(b) For filing an application for a duplicate of an escrow agent's license lost, stolen, or destroyed, upon a satisfactory showing of such loss, theft or destruction, ten dollars ($10).

All moneys received by the commissioner shall be paid by him into the State Treasury to the credit of the General Fund.

NOTE The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code

Effect Stats 1951, Ch 364

SEC. 5. Sections 3 and 4 of this act become operative only if the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said code takes effect; at which time Sections 1 and 2 of this act are repealed.

CHAPTER 290

Stats 1947, p 2126, amended

An act to amend Section 5 of the Escrow Act and Section 17209 of the Financial Code, relating to financial responsibility of escrow companies.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5 of the Escrow Act is amended to read:

Financial responsibility

Sec. 5. Applications for licenses shall be in writing and verified under oath in such form as may be prescribed by the commissioner. Every escrow agent at the time of filing an application shall deposit with the commissioner a bond satisfactory to the commissioner in the amount of five thousand dollars ($5,000), with one or more sureties whose liability as such sureties shall not exceed the said sum in the aggregate. The bond shall run to the State of California for the use thereof and of any person or persons who may have a cause of action against the obligor of said bond under the provisions of this act and shall furthermore be conditioned that the obligor will faithfully conform to and abide by the provisions of this act and all the rules and regulations made by the commissioner hereunder, and will honestly and faithfully apply all funds received and will faithfully and honestly perform all obligations and undertakings under this act, and will pay the State and to any such person or persons any and all amounts which may become due or owing to the State or to such person or persons under and by virtue of the provisions of this act. Said bond shall remain in force and effect until the surety is released from liability by said commissioner, or until said bond is canceled by the surety. The surety may cancel said bond and be relieved of further liability thereunder by delivering 30 days' written notice to the commissioner. Such cancellation shall not affect any liability incurred or accrued thereunder prior to the termination of said 30-day period. Any person who sustains an injury covered by such bond may, in

Bonds

addition to any other remedy that he may have, bring an action in his own name upon said bond for the recovery of any damages sustained by him; provided, however, that no such action may be brought after the expiration of two years from and after the time when the act or default complained of may have occurred. Upon such action being commenced the Commissioner of Corporations may in his discretion require the filing of a new bond, and immediately upon the recovery of any action on such bond the licensee shall file a new bond, and upon failure to file the same within 10 days in either case such failure shall constitute sufficient grounds for the suspension or revocation of such license.

Issuance of license

Upon the filing of such application for such license and the acceptance of the bond and the payment of the filing fee hereinafter provided, the commissioner shall, if he finds that the experience, character, financial solvency, business reputation and general fitness of the applicant or the members thereof, if the applicant be a copartnership or association, or the trustees thereof, if the applicant be a trust, or of the officers and directors thereof, if the applicant be a corporation, and employees of any applicant are such as to command the confidence of the community and to warrant the belief that the business proposed to be conducted will be operated honestly and fairly and for the protection and safety of the public within the purposes of this act, thereupon issue and deliver a license to the applicant to engage in business in accordance with the provisions of this act at the location set forth in the license. If the commissioner finds that any applicant does not possess the requirements specified in this section, he shall, upon reasonable opportunity to be heard, deny the application.

Duration of license

A license shall remain in effect until it is surrendered, revoked or suspended. It shall expire at noon on the thirty-first day of December of any calendar year if, on or before the twentieth day of December of such year, the licensee fails to file an application to renew it and pay the annual license fee for the next succeeding calendar year; provided, that such license may be reinstated by a licensee at any time prior to the following thirtieth day of January upon the payment to the commissioner of the annual license fee and a penalty equal to one-half of said annual fee.

No license issued by the commissioner shall either be transferable or assignable except to a duly appointed, acting and qualified administrator or executor of a licensee.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch 364

SEC. 3. Section 2 of this act becomes operative only if the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said code takes effect; at which time Section 1 of this act is repealed.

CHAPTER 291

An act to add Section 11007.5 to the Government Code, relating to the insurance of state property.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11007.5 is added to the Government Code, to read:

Insurance of state property

11007.5. Any state agency, with the approval of the Department of Finance, may secure insurance protecting the State against loss by burglary, robbery, theft, or embezzlement of funds or securities belonging to the State which are in the possession or control of the agency.

CHAPTER 292

Stats 1946 (1st Ex Sess), p 30, amended

An act to amend Section 26 of the Construction and Employment Act, relating to allocation of state funds to local agencies for the construction of public works.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 26 of the Construction and Employment Act is amended to read:

Reversion of funds

Sec. 26. Any money appropriated by this act for allocation to local agencies which is not obligated for expenditure by the State or for which application is not made on or before December 31, 1953, shall revert to the General Fund in the State Treasury; provided, however, that encumbrances made against said money during its period of availability may be paid at any time until December 31, 1954. Any money appropriated by this act for support of the Controller and for support of the director and the department shall be available for expenditure until December 31, 1954; provided, however, that encumbrances made against said money during its period of availability may be paid at any time until December 31, 1955.

CHAPTER 293

Stats 1945 (4th Ex Sess), p 196, amended

An act to amend Section 27 of an act entitled "An act making an appropriation for allocation to cities, counties, and cities and counties to develop a postwar public works program comprising the preparation of surveys and plans and specifications for proposed public works and the acquisition of rights of way and sites for major streets, roads,

bridges, sewerage and other public facilities, and providing the procedure for making such allocations," approved June 20, 1944, relating to public works programs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 27 of the act cited in the title hereof is amended to read:

Sec. 27. Any money appropriated by this act for allocation to local agencies which is not expended by the State or for which application is not made on or before June 30, 1953, shall revert to the General Fund in the State Treasury. No claims for payment in connection with such applications shall be allowed unless the same are presented to the Director of Finance on or before June 30, 1954, except in cases of condemnation proceedings to acquire real property instituted prior to and pending on the latter date. Reversion of funds

SEC. 2. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows: Urgency

In order that needed public works may be constructed, including public works necessary for civil defense purposes, it is necessary that land be acquired and plans prepared. Rising costs of construction materials, lack of professional assistance and the accumulation of local matching funds have caused many cities, counties and districts to defer the preparation of plans, thus delaying their requests for state matching funds. Plans can now be prepared which will result in requests from local political subdivisions for the funds made available on a matching basis by this act.

It is essential that the preparation of plans and the acquisition of sites for the public works program contemplated by the act cited in the title hereof proceed without delay and therefore it is necessary that this act go into effect immediately.

CHAPTER 294

An act to add Sections 5473 to 5473.11, inclusive, to the Health and Safety Code, relating to the authority of cities, cities and counties, sanitary districts, county sanitation districts, or sewer maintenance districts to fix fees, tolls, rates, rentals, or other charges for sanitation and sewerage services and to make the amount of said fees, tolls, rates, rentals,

and charges a lien upon lots or parcels of land to which services are furnished, and the use of the money received therefrom.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Sections 5473 to 5473.11, inclusive, are added to the Health and Safety Code, to read:

Sanitation and sewerage service fees, etc

5473. Any city, or city and county, sanitary district, county sanitation district or sewer maintenance district shall have power by an ordinance approved by a two-thirds vote of the members of the legislative body thereof, to fix fees, tolls, rates, rentals, or other charges for services and facilities furnished by it in connection with its sanitation or sewerage system, in July of each year for the next ensuing calendar year, to be payable in two equal installments, one on or before December 5th of each year and one on or before April 5th of each year; and to provide in said ordinance that the amount of said fees, tolls, rates, rentals or other charges, shall constitute a lien against the respective lots or parcels of land to which said services and facilities are furnished. The legislative body shall first give notice to the owners of said lots or parcels of land, which notice shall be substantially in the following form:

NOTICE OF LIEN

Pursuant to the authority of Section 5473 of the Health and Safety Code, the undersigned legislative body will cause an assessment to be levied against the lots or parcels of land to which sanitation or sewerage services have been furnished by the undersigned, in an amount appearing opposite the name of the owner of said lot or parcel of land hereinafter in this notice specified;

You are further notified that the undersigned legislative body will hold a hearing on the _____ day of _____, at the hour of ____ at _____, to determine if the fees, tolls, rates, rentals or other charges for services and facilities furnished by the undersigned in connection with its sanitation and sewerage system shall constitute a lien upon said lots or parcels of land. The persons hereinafter named shall have the right to appear at said hearing and to file any and all objections they may have to the levy of said assessments against said lots or parcels of land at which time said legislative body, after due consideration will determine whether said fees, tolls, rates, rentals or other charges, shall constitute a lien against said lots or parcels of land.

_____

(Title of Officer of Legislative Body causing notice to be given)

A description of the owners of lots or parcels of land and the amount of assessment against the same are as follows, to wit:

Owner. Amount of Assessment

Notice

5473.1. The notice shall be published once a week for three successive weeks prior to the date set for hearing, in a newspaper of general circulation, and written notice thereof shall be mailed to each person whose name appears in said notice as published, at least 10 days prior to the date of hearing.

Protests

5473.2. At the time stated in the notice, the legislative body shall hear and consider all objections or protests, if any, to the levy of said assessments referred to in said notice and may continue the hearing from time to time.

Assessment

5473.3. Upon the conclusion of the hearing, the legislative body may adopt, revise, change, reduce or modify any assessment or overrule any or all objections and shall make its determination upon each assessment as described in said notice which determination shall be final.

Entry of assessment

5473.4. On or before the tenth day of August of each year following such final determination, the legislative body, shall direct the auditor to enter the amounts of the assessments against the respective lots or parcels of land as they appear on the current assessment roll.

Lien

5473.4a. The amount of the assessment shall constitute a lien against the lot or parcel of land against which the assessment has been levied as of noon on the first Monday in March immediately preceding the date of levy.

Levy

5473.5. The tax collector shall include the amount of the assessment on bills for taxes levied against the respective lots and parcels of land.

Collection

5473.6. Thereafter the amount of the assessments shall be collected at the same time and in the same manner as county and city taxes are collected, and shall be delinquent on the twentieth day of April of each year, at 5 p.m. of said day and thereafter a delinquent penalty of 6 percent attaches to them.

Redemption of property

5473.7. All laws applicable to the levy, collection and enforcement of county and city taxes are applicable to such assessments; provided, except, that in the event of a sale of any lot or parcel of land because of a delinquency as provided in Section 5473.6, the period of time within which said property may be redeemed is two years from the date of sale.

Separate bills, etc

5473.8. The county or city tax collector may, in his discretion, issue separate bills for such assessments and separate receipts for collection on account of such assessments. The county shall be compensated for services rendered in connection with the levy, collection and enforcement of such assessments in an amount to be fixed by agreement between the board of supervisors and the legislative body of the city, city and county, sanitary district, county sanitation district or sewer maintenance district. The compensation shall not exceed 1 percent of all money collected for the city, city and county, county sani-

tation district or sewer maintenance district. The compensation shall be paid into the county salary fund.

Cancellation of assessment

5473.9. All or any portion of any such assessment, penalty or costs heretofore or hereafter entered, shall on order of the legislative body of the city or city and county, sanitary district, county sanitation district or sewer maintenance district be canceled by its auditor if uncollected, or, except in the case provided for in subdivision (d) hereof, refunded by the county treasurer if collected, if it or they were entered, charged or paid:

(a) More than once;

(b) Through clerical error;

(c) Illegally;

(d) On property acquired after the lien date by the State or by any county, city, school district or other political subdivision and because of this public ownership not subject to sale for delinquent taxes.

Refunds

5473.10. No order for a refund under the foregoing section shall be made except on a claim:

(a) Verified by the person who paid the special assessment, his guardian, executor, or administrator;

(b) Filed within one year after making of the payment sought to be refunded.

The provisions of this section do not apply to cancellations.

Use of revenues

5473.11. Revenues derived by cities, cities and counties, sanitary districts, county sanitation districts and sewer maintenance districts under the provisions of Section 5473 hereof shall be used only for the acquisition, construction, reconstruction, maintenance and operation of sanitation or sewerage facilities, to pay municipalities for sewer service collection charges, to repay principal and interest on bonds issued for construction or reconstruction of such sanitary or sewerage facilities and repay federal or state loans or advances made to such city or city and county, sanitary districts, county sanitation districts, and sewer maintenance districts for the construction or reconstruction of sanitary or sewerage facilities; provided, however, that such revenue shall not be used for the acquisition or construction of new local street sewers or laterals as distinguished from main trunk, interceptor and outfall sewers.

CHAPTER 295

An act to add Section 4766 to the Health and Safety Code, relating to the authority of a county sanitation district to adopt ordinances.

In effect September 22, 1951

[Approved by Governor May 5, 1951 Filed with Secretary of State May 5, 1951]

The people of the State of California do enact as follows:

SECTION 1. Section 4766 is added to the Health and Safety Code, to read:

4766. The district board may adopt ordinances to carry out the provisions of Sections 5473 to 5473.11, inclusive, of the Health and Safety Code and this chapter; the procedure for the adoption of said ordinances shall be the same as is provided for in Article 7 of Chapter 1, Part 2, Division 2, Title 3 of the Government Code for counties. Ordinances

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CHAPTER 296

An act to amend Sections 860, 865, 880, and 903 and to repeal Sections 861 and 881 of the Fish and Game Code, relating to taking fish with nets.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 860 of the Fish and Game Code is amended to read:

860. In District 12B, except those portions of said district lying in the Sacramento and San Joaquin Rivers and connected waters upstream from a line drawn from Stake Point to Simmons Point thence northeasterly along the westerly shore of Chipps Island and thence easterly across Spoonbill Creek to Van Sickle Island, salmon may be taken with nets allowed to be used in said district, as follows: Salmon

(a) Between November 15th and June 15th.

(b) Between August 10th and sunrise on September 26th.

SEC. 2. Section 861 of said code is repealed.

SEC. 3. Section 865 of said code is amended to read:

865. Unless otherwise provided, it is unlawful to use any net except a gill net or a trammel net to take shad. Such nets may be used to take shad only as follows: Use of nets

(1) They may be used in District 12B, except those portions of said district lying in the Sacramento and San Joaquin Rivers and connected waters upstream from a line drawn from Stake Point to Simmons Point thence northeasterly along the westerly shore of Chipps Island and thence easterly across Spoonbill Creek to Van Sickle Island, between March 15th and May 31st.

(2) They may not be used between sunrise Saturday and sunset of the following Sunday.

SEC. 4. Section 880 of said code is amended to read:

880. In District 12B, except those portions of said district lying in the Sacramento and San Joaquin Rivers and connected waters upstream from a line drawn from Stake Point to Simmons Point, thence northeasterly along the westerly shore of Chipps Island and thence easterly across Spoonbill Creek to Van Sickle Island, drift gill nets may be used, subject to the restrictions contained in this chapter, and the following restrictions: Drift gill nets

(a) The cork line must not be submerged more than two fathoms below the surface of the water, the lines attaching the buoys or floats to the cork line must not be more than two fathoms in length, and the points of attachment of said lines on the cork line must not be more than 10 fathoms apart.

(b) The meshes of any gill net must be at least seven and one-half inches in length, except that between March 15th and May 31st the meshes of such nets may be not less than five and one-half inches in length.

SEC. 5. Section 881 of said code is repealed.

SEC. 6. Section 903 of said code is amended to read:

Trammel nets

903. In District 12B, except those portions of said district lying in the Sacramento and San Joaquin Rivers and connected waters upstream from a line drawn from Stake Point to Simmons Point, thence northeasterly along the westerly shore of Chipps Island, thence easterly across Spoonbill Creek to Van Sickle Island, trammel nets may be used subject to the provisions of this chapter, and the following restrictions:

(a) The cork lines must not be submerged more than two fathoms below the surface of the water; the lines attaching the buoys or floats to the cork line must not be more than two fathoms in length; and the points of attachment of said lines on the cork line must not be more than 10 fathoms apart.

(b) The meshes of any trammel net must be at least seven and one-half inches in length except that between February 15th and May 15th the meshes of such nets may be not less than five and one-half inches in length.

CHAPTER 297

An act to add Article 1.3, constituting Sections 3210 through 3216, to Chapter 2 of Part 1 of Division 5 of the Welfare and Institutions Code, relating to the establishment of a Coordinating Council on State Programs for the Blind.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

Article 1.3, constituting Sections 3210 through 3216, is added to Chapter 2 of Part 1 of Division 5 of the Welfare and Institutions Code, to read:

Article 1.3. Coordinating Council on State Programs for the Blind

Coordinating Council on State Programs for the Blind

3210. There is established a Coordinating Council on State Programs for the Blind, the membership of such council to consist of the Director of Education, the Director of Social Welfare, and the Director of Public Health. The council shall

consider and recommend policies for coordination of the various state programs for the adult blind, and for the coordination of the functions and programs of the various state departments insofar as such functions and programs affect the adult blind.

Recommendations

3211. The council shall recommend policies to the various state departments, and shall make recommendations to the Legislature. The council shall report annually to the boards of Social Welfare, Education, and Public Health, and to the Legislature.

Chairman

3212. The council shall elect a chairman from among its membership, who shall be replaced at the end of six months by another member of the council, who in turn shall be replaced in six months by the third member of the council. Upon the expiration of a six-month term for such third member of the council, the director from the department originally elected shall again become chairman, to be succeeded in turn in the same order at six-month intervals.

Committees

3213. The council may establish such interdepartmental committees as may be necessary to coordinate the programs of the three departments and advise the council on matters of general or specific interest. Persons appointed to these interdepartmental committees shall be employees of the respective departments of Education, Public Health, and Social Welfare.

Meetings

3214. The council shall meet quarterly, or on call of the chairman, and may invite other persons to attend its meetings in an advisory capacity, and may accept and act upon the advice and counsel of such persons.

Secretary

3215. The council may designate a secretary, who need not be a member of the council, but who shall be an employee of one of the three departments above mentioned.

Expenses

3216. Expenses entailed in carrying out the functions of this act shall be borne by the respective departments incurring such expenses.

CHAPTER 298

An act to amend Section 2008 of the Business and Professions Code, relating to professional rights, privileges or powers.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2008 of the Business and Professions Code is amended to read:

Corporations, professional rights, etc

2008. Corporations and other artificial legal entities have no professional rights, privileges or powers; provided, however, that the board may in its sole discretion, after such examination, investigation and documentary evidence as it may require, and under rules and regulations adopted by it, grant approval of

the employment of physicians and surgeons on a salary basis by licensed charitable and eleemosynary institutions, foundations or clinics or by approved medical schools operating clinics therewith, if no charge for professional services rendered patients is made by any such institution, foundation, clinic or school.

CHAPTER 299

An act to add Section 1078 to the Fish and Game Code, relating to net fishing.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1078 is added to the Fish and Game Code, to read:

Trawl nets

1078. No trawl net shall be used in any district or part of a district comprising the waters of Monterey Bay from December 1st to March 31st, inclusive.

CHAPTER 300

An act to add Section 850 to the Fish and Game Code, relating to fishing in District 15.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 850 is added to the Fish and Game Code, to read:

Use of nets

850. Nothing in this chapter authorizing the use of nets in District 15 shall make it lawful to use any net in that district during the period of time when sardines may be taken for canning and reduction purposes in waters of adjacent districts.

CHAPTER 301

An act to add Section 958 to the Fish and Game Code, relating to nets.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 958 is added to the Fish and Game Code, to read:

958. It is unlawful to use any dragnet containing more than one cod-end in the waters of this State. Nothing in this section shall prohibit the use of chafing gear; provided, such chafing gear does not cover more than the bottom one-third of the cod-end. Dragnet Unlawful use

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CHAPTER 302

An act to amend Section 602 of the Welfare and Institutions Code, relating to compensation and expenses of the probation committee.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 602 of the Welfare and Institutions Code is amended to read:

602. Members of the probation committee shall serve without compensation, but shall be allowed their reasonable expenses as approved by the judge of the juvenile court. Such expenses shall be a charge upon the county in which the court has jurisdiction, and shall be paid out of the county treasury upon a written order of the judge of the juvenile court directing the county auditor to draw his warrant upon the county treasurer for the specified amount of such expenses. All orders by the juvenile court judge upon the county treasury shall be filed in duplicate with the county board of supervisors. Probation committee Expenses of members

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CHAPTER 303

An act relating to the financing, construction, maintenance and operation of sanitary sewerage and storm drainage systems for the Cities of Fairfield and Suisun City, creating the Fairfield-Suisun Sewer District and prescribing its boundaries, change of boundaries, organization, operation, management, financing and powers, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect immediately

The people of the State of California do enact as follows:

Article 1. General Provisions

SECTION 1. The Fairfield-Suisun Sewer District is hereby created to consist of the territory in Solano County now contained within the Cities of Fairfield and Suisun City. Any territory hereafter annexed to either city shall be a part of the district upon annexation. No property shall become a part of Fairfield-Suisun Sewer District

the district unless it is a part of either the City of Fairfield or the City of Suisun City.

Short title

SEC. 2. This act shall be known and may be cited as "Fairfield-Suisun Sewer District Act."

Severability

SEC. 3. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of this act, or the application of such provision to other persons or circumstances, shall not be affected thereby.

Article 2. Definitions

Construction

SEC. 10. Unless the context otherwise requires, the provisions of this article shall govern the construction of this act.

"District"

SEC. 11. "District" means the Fairfield-Suisun Sewer District.

"Board"

SEC. 12. "Board" means the board of directors of the district.

"Cities"

SEC. 13. "Cities" refers to the Cities of Fairfield and Suisun City.

"Charges"

SEC. 14. "Charges" includes fees, tolls, rates and rentals.

"County"

SEC. 15. "County" means the County of Solano.

"Board of supervisors"

SEC. 16. "Board of supervisors" means the Board of Supervisors of the County of Solano.

"Clerk"

SEC. 17. "Clerk" means the clerk of the district.

Meaning of terms in applicable laws

SEC 18. In the application to the district of laws, the procedure of which is made applicable to proceedings of the district, terms used in those laws shall have the following meanings:

(a) "City council," "council" and "legislative body" mean board.

(b) "City," "municipality" and "local agency" mean district.

(c) "Clerk" and "city clerk" mean the clerk of the district.

(d) "Superintendent of streets," "street superintendent" and "city engineer" mean the engineer of the district or any other person appointed to perform such duties, to be called district engineer.

(e) "Tax collector" means county tax collector.

(f) "Treasurer" and "city treasurer" mean the County Treasurer of the County of Solano.

(g) "Auditor" and "city auditor" mean the County Auditor of the County of Solano.

Article 3. General Administrative Provisions

Directors

SEC. 25. The district shall be governed by a board of directors of 10 members who shall be ex officio, all members of the city councils of the cities.

Quorum

SEC. 26. A quorum for the transaction of business shall consist of any six members of the board. No action shall be taken without the affirmative vote of at least six members.

SEC. 27. At its first meeting, and thereafter at the first meeting following such election of councilmen for the cities, the board shall choose one of its members as president. President

SEC. 28. At its first meeting, or as soon thereafter as may be practicable, the board shall appoint a clerk, who may be a city clerk. He shall serve at the pleasure of the board and his compensation shall be fixed by it. Clerk

SEC. 29. All contracts, deeds, warrants, releases, receipts and documents shall be signed in the name of the district by the president and countersigned by the clerk. Execution of documents

SEC. 30. Each board member shall receive seven dollars and fifty cents ($7.50) for each day of his actual attendance of the meetings of the board. No member shall, however, receive more than fifteen dollars ($15) in any calendar month. Compensation of directors

SEC. 31. Each board member shall be reimbursed for actual expenses incurred on behalf of the district including seven cents ($0.07) for each mile of actual travel with his automobile. Expenses

SEC. 32. The county treasurer, county auditor, county assessor and county tax collector of the County of Solano are ex officio officers of the district. Ex officio officers

SEC. 33. All district elections other than bond elections shall be conducted in accordance with the general law applicable to sixth-class cities. Elections

SEC. 34. All county officers shall be liable upon their several official bonds for the faithful discharge of the duties imposed upon them by this act. Liability of officers

Article 4. Powers

SEC. 40. The district may adopt and use a seal which shall be alterable at the pleasure of the board. Seal

SEC. 41. The district may sue and be sued. Action

SEC. 42. The district may acquire, construct, reconstruct, alter, enlarge, lay, repair, renew, replace, maintain and operate such sewers, drains, septic tanks and sewage collection, outfall, treatment works and other sanitary disposal systems, and storm water and storm water collection, outfall and disposal systems, within or without the district, as in the judgment of the board shall be necessary and proper. Sewer work

SEC. 43. The district may take, acquire, hold, use and dispose of property of every kind within or without the district necessary, expedient, or advantageous to the full exercise and economic enjoyment of its purposes and powers. Property acquisition, etc

SEC. 44. The district has and may exercise the right of eminent domain pursuant to the provisions of Title 7, Part 3 of the Code of Civil Procedure. The board has the same rights and powers with respect to such taking of property for the public uses of the district as are now or may hereafter be conferred by general law on the legislative body of a city. Eminent domain

SEC. 45. The district may make and accept contracts, deeds, releases and documents that, in the judgment of the board, Contracts, etc.

are necessary or proper in the exercise of any of the powers of the district.

Cooperation and contracts

SEC. 46. The district may cooperate and contract with the United States, or any agency thereof, with the State, or with either of the cities for the joint acquisition, construction or use or aid in the construction of any facilities which the district may be empowered to construct under this act, including assignment to the district of any subventions of either of the cities.

Assumption of contracts

SEC. 47. All existing contracts of either of the cities relating to the collection and disposal of sewage may be assumed by the district.

Limitation

SEC. 48. The district shall not contract for disposal of any sewage emanating from outside the district except sewage from public buildings or buildings of a public utility subject to regulation by the Public Utilities Commission.

Borrowing money

SEC. 49. The district may borrow money and provide for its repayment without regard to any limitation by reason of any budget law or otherwise.

Guaranteed performance

SEC. 50. The district may guarantee the performance of any of its transactions, including the payment of local improvement bonds issued pursuant to any general law, without regard to any limitation by reason of any budget law or otherwise.

Refund, etc., of indebtedness or lien

SEC. 51. The district may refund or retire any public indebtedness or lien that may exist or be created against the district or any property therein which shall have arisen out of the transaction of the affairs of the district.

Indebtedness

SEC. 52. The district may incur indebtedness and issue bonds in the manner herein provided.

Warrants

SEC. 53. The district may issue warrants in payment of district obligations. When not paid for want of funds, the warrants shall be registerable as provided in the Government Code for registration of county warrants when not paid for want of funds. Demands allowed by the board shall be prepared, presented, and audited in the same manner as demands upon the funds of the county, but free of the limitation of any budget law.

Assessments

SEC. 54. The district may cause special assessments to be levied and collected on the basis of benefit to the properties assessed for the purpose of financing the acquisition and construction of local improvements. If all or any portion of such assessment remains unpaid, the district may issue bonds, not in excess of the amount of the assessment remaining unpaid, secured by the assessment.

Employees, etc

SEC. 55. The district may appoint, employ, and fix the compensation of such engineers, attorneys, assistants and other employees as it deems proper.

Sale of effluent

SEC. 56. The district may sell any effluent resulting from the operation of any sewage treatment plant constructed by or for the district.

Insurance

SEC. 57. The district may obtain insurance in such form and in such amounts as the board may deem necessary for the adequate protection of the district's property, officers, employees and interests.

Sanitation regulations

SEC. 59. The district may adopt all necessary and proper regulations for all sanitary purposes not in conflict with the laws of this State. Any person who violates any regulation of the district is guilty of a misdemeanor. A regulation of the board shall be adopted by ordinance and shall be posted for one week in three public places in each of the cities and shall take effect upon expiration of the week of such posting. A subsequent finding of the board, entered in its minutes, that posting has been made is conclusive evidence that the posting has been properly made.

Compulsory connections

SEC. 60. The district may compel all residents and property owners in the district to connect their houses and habitations and structures requiring sewage or drainage disposal service with the sewer and storm drains in streets.

Charges

SEC. 61. The district may prescribe, revise and collect charges for services and facilities furnished by it.

Contracts with cities

SEC. 62. The district may contract with the cities for the collection of charges for any sewer enterprise or service together with and not separately from the charges for any other utility service rendered by the cities, and that all charges shall be billed upon the same bill and collected as one item. If all or any part of the bill is not paid, the district or either of the cities may discontinue its utility service until the said bill is paid. Such contract shall provide for the payment of a reasonable collection charge to the city involved.

Advance payment of charges

SEC. 63. The district may require that its charges be payable in advance. In case any such charges remain unpaid at the time specified for fixing the tax rate of the district, if the property is owned, controlled, or in the possession of the same person who owned, controlled, or was in possession of it during the time such charges were incurred, or if the only transfers made of the property since the date such charges were incurred, have been transfers by gift, descent, bequest, or devise, the amount due for such charges may be added to and become a part of the annual taxes levied against the land served by the district facilities. Such charges so added shall constitute a lien on said land. If the taxes are divided and made payable in two installments, the unpaid charges may be added to and become a part of the first installment. The board shall include in the statement of tax rate transmitted to the county auditor the amount of such charges to be levied against the land served, and the county auditor shall include such charges in the tax bills.

Legislative representation

SEC. 64. The district, directly or through a representative, may attend the Legislature and any committees thereof and present information to aid the passage of legislation which the board deems beneficial or to prevent the passage of legislation which the board deems detrimental to the district. Expenses incident thereto are proper charges against the district.

Association membership

SEC. 65. The district may enter into associations. Through a representative of the associations, it may also attend the Legislature to accomplish the purposes outlined in the next preceding section.

Limitation: Letting of contracts

SEC. 66. All contracts for the construction of any unit of work, except as hereinafter provided, estimated to cost in excess of two thousand five hundred dollars ($2,500) shall be let to the lowest responsible bidder in the manner hereinafter provided. The board shall advertise by three insertions in a daily newspaper of general circulation or two insertions in a weekly newspaper of general circulation published in the district inviting sealed proposals for the construction of the work before any contract shall be made therefor, and may let by contract separately any part of said work. The board shall require the successful bidder to file with the board good and sufficient bonds to be approved by the board conditioned upon the faithful performance of the contract and upon the payment of the claims for labor and material in connection therewith, such bonds to contain the terms and conditions set forth in Chapter 3 of Division 5 of Title 1 of the Government Code, and to be subject to the provisions of that chapter. The board shall also have the right to reject any and all bids, in which case the board may advertise for new bids. In the event no proposals are received pursuant to advertisement therefor, or where the estimated cost of such work does not exceed the sum of two thousand five hundred dollars ($2,500), or where the work consists of emergency work necessary in order to protect life and property, the board of directors, by unanimous vote of all members present, may without advertising for bids therefor have said work done by force account. The district shall have the power to purchase in the open market without advertisement for bids thereof, materials and supplies for use in any work therewith either under contract or by force account; provided, however, that materials and supplies for use in any new construction work or improvement, except work referred to in the preceding sentence, may not be purchased if the cost thereof exceeds two thousand five hundred dollars ($2,500), without advertising for bids and awarding the contract therefor to the lowest responsible bidder.

The provisions of this section shall have no application to a contract entered into with the United States under the authority of Section 46, or to a contract authorized by a vote of the electorate of the district.

Article 5. General Obligation Bonds

Power to issue

SEC. 80. The district may issue bonds as provided in this article.

Purposes

SEC. 81. The district may issue bonds for any of the purposes stated in Sections 42 and 51 of this act.

Election

SEC. 82. When in its judgment it is advisable, the board may, and, upon a petition of 10 percent of the registered voters residing in the district shall, adopt a resolution calling an election to submit to the voters of the district the question whether bonds shall be issued.

Same Question

SEC. 83. The resolution calling the election may submit as one proposal the question of issuing bonds to make all of the outlays or so many of them as may be selected, or the resolution may submit at the election as separate questions the issuance of bonds for any of the outlays singly or in combination.

Same Notice

SEC. 84. Notice of bond elections shall be given by posting notices, signed by the clerk of the board, in three public places in the district, not less than 20 days before the election, and by publishing the notice not less than once a week for three successive weeks before the election in a newspaper printed and published in the district, if there is one, and if not, in a newspaper printed and published in the county.

Notice Content

SEC. 85. The notice shall contain:

(a) Time and place of holding the election.

(b) The names of the officers of election appointed to conduct it.

(c) The hours during the day in which the polls will be open.

(d) A statement of the purpose for which the election is held.

(e) The amount and denomination of the proposed bonds, the rate of interest and the number of years, the whole or any part of the bonds are to run.

Ballot

SEC 86. The vote shall be by ballot, without reference to the general law in regard to the form of ballot.

The ballot shall contain the words "Bonds—Yes" and "Bonds—No," and the person voting at the election shall put a cross (+) upon his ballot after the "Yes" or "No" to indicate whether he has voted for or against the bonds.

Canvass of votes

SEC. 87. After the votes have been announced the ballots shall be sealed and delivered to the clerk or president of the board, which board shall on the seventh day after the election, at 8 o'clock p.m., meet and canvass them and enter the returns in its minutes.

The entry is conclusive evidence of the fact and regularity of all prior proceedings, and of the facts stated in the entry. No informality shall affect the validity of said bonds

Conduct of election

SEC. 88. Except as herein provided, the election shall be conducted as nearly as practicable in accordance with laws relating to general elections.

Majority vote

SEC. 89. If, at the election, a majority of the votes cast are in favor of the issuance of bonds, the board may issue and dispose of the bonds as proposed in the resolution calling the election.

Denomination of bonds

SEC. 90. Bonds issued by the district under the provisions of this article shall be of such denominations as the board determines except that no bonds shall be of a denomination less than one hundred dollars ($100) or greater than one thousand dollars ($1,000).

Interest rate

SEC. 91. The bonds shall be payable in lawful money of the United States at the office of the treasurer and bear interest

at a rate not exceeding 6 percent per year, payable semiannually in like lawful money.

Maturity

SEC. 92. No bonds shall be payable in installments, but each shall be payable in full on the date specified therein by the board. The board may provide that all bonds issued by the district may be subject to retirement at any time prior to maturity.

Execution

SEC. 93. Each bond shall be signed by the president and countersigned by the clerk.

Numbers, coupons

SEC. 94. The bonds shall be numbered consecutively, beginning with number one, and shall have coupons attached referring to the number of the bond.

Disposal

SEC. 95. The bonds shall be disposed of by the board in such manner and in such quantities as may be determined by it in its discretion. No bond may be disposed of for less than its face value.

Term

SEC. 96. The term of bonds issued shall not exceed 40 years.

Validation action

SEC. 97. The board may, in its discretion, before issuance, commence in the superior court of the county, a special proceeding to determine its right to issue the bonds and their validity, similar to the proceeding in relation to irrigation district bonds, provided for by Division 11 of the Water Code, and its provisions apply to and govern the proceedings to be commenced by the board, so far as applicable. The judgment has the same effect as a judgment in relation to irrigation district bonds under the provisions of Division 11 of the Water Code. The board may use the same procedure to validate the creation of the district and any annexations thereto.

"Issue of bonds"

SEC. 98. An issue of bonds is hereby defined to be the aggregate principal amount of all of the bonds authorized to be issued in accordance with a proposal submitted to and approved by the electors of the district, but no indebtedness will be deemed to have been contracted until bonds shall have been sold and delivered and then only to the extent of the principal amount of bonds so sold and delivered.

Same Divisions, series

SEC. 99. The board may, in its discretion, divide the aggregate principal amount of such issue into two or more divisions or series and fix different dates for the bonds of each separate division or series. In the event any authorized issue is divided into two or more divisions or series, the bonds of each division or series may be made payable at such time or times as may be fixed by the board separate and distinct from the time or times of payment of bonds of any other division or series of the same issue.

Article 6. Revenue Bonds

Proceedings for authorization, etc.

SEC. 105. Proceedings for the authorization, issuance, sale, security, and payment of revenue bonds of the district shall be conducted in substantial accordance with and with like

legal effect as is now or hereafter provided in the Sanitation, Sewer and Water Revenue Bond Law of 1941. Gov C., §54300, ff

SEC. 106. The board shall have and exercise for the district the powers and duties of local agencies under the said law, and the bondholders shall have the rights and remedies therein provided. Powers of board

SEC. 107. The board may guarantee the payment of any part of the principal and interest of said bonds which are not paid for want of sufficient revenues of the enterprise. For that purpose it may pledge all revenues of the district, including tax revenues. Guarantees, pledges

Article 7. Assessment Bonds

Applicable statutes

SEC 110. The Municipal Improvement Act of 1913, the Improvement Act of 1911, the Street Opening Act of 1903 and the Improvement Bond Act of 1915 are applicable to the district. Stats 1913, p 421, S & H C., §5000, ff., S & H C., §4000, ff., S & H. C., §8500, ff

SEC. 111. In its resolution of intention adopted pursuant to any of the acts mentioned in Section 110, the board may determine and declare that bonds will be issued and paid, and the assessments therefor levied, collected and augmented in accordance with the applicable provisions of Sections 14, 15, 16, 17, 20, 21, 22, 24, 25, 26, 27, and 28 of the Refunding Assessment Bond Act of 1935, as now or hereafter provided, in which case the applicable provisions of said act are incorporated herein and made a part hereof by reference. Appropriate changes shall be made in the form of the bond to show that it is for a public improvement or acquisition under this act. Resolution of intention

Stats 1935, p. 2023

The list of unpaid assessments shall be filed, noticed, heard, and the bonds ordered issued, interest shall accrue from the date, the assessments thereafter paid before maturity, bonds called, premium paid, and illegal assessments and bonds reassessed, all as provided in the Improvement Bond Act of 1915. The bond shall be entitled "Improvement Bond." The provisions for payment of the bond before maturity, as contained in the bond form in the Improvement Bond Act of 1915, shall be inserted in the place of the similar provision in said refunding bond form. There shall also be inserted in the bond form after the title of the refunding act the words "as modified in the Fairfield-Suisun Sewer District Act."

SEC. 112. The improvements authorized to be constructed or acquired by this article are restricted to those permitted to be constructed or acquired by the district under Article 4 of this act. Limitation

SEC. 113. Notwithstanding the provisions of any act to the contrary, it shall not be necessary to obtain the consent of either of the cities to conduct assessment proceedings. It shall only be necessary to record the assessment in the office of the district engineer and in the office of the county surveyor or county engineer of the county. No assessment or bond hereafter levied or issued shall become a lien and no person shall be deemed to have notice thereof until a certified copy of said assessment and the diagram thereto attached shall be recorded Consent unnecessary

in the office of the district engineer and in the office of the county surveyor or county engineer of the county.

Exemption

SEC. 114. Division 4 of the Streets and Highways Code shall not apply to proceedings under this act.

Article 8. Finances and Taxation

Tax lien

SEC. 120. The lien for taxes for the first fiscal year after the district is formed shall attach on the first Monday in March or on the date the district is created, whichever is later.

Statement of board

SEC. 121. Annually, at least 15 days before the first day of the month in which the board of supervisors is required by law to levy the amount of taxes required by law for county purposes, the board shall furnish to the board of supervisors a written statement of the following:

1. The amount necessary to pay the interest on bonds for that year, and the portion of the principal that is to become due before the time for making the next general tax levy.

2. The amount necessary to maintain, operate, extend, or repair any work or improvements of the district, and to defray all other expenses incidental to the exercise of any of the district powers or to pay any existing obligations of the district.

Levy

SEC. 122. The board of supervisors shall at the time and in the manner of levying other county taxes, levy and cause to be collected a tax upon the taxable property in the district, based upon the last equalized assessment roll of the county, sufficient to pay the amounts set forth in the statement of the board.

Failure to furnish statement

SEC. 123. If the board fails to furnish the written statement, the board of supervisors shall ascertain the amount necessary to pay the interest on the bonds for that year and the portion of the principal that is to become due before the proceeds of the next general tax levy shall become available, and shall levy and cause to be collected the amount.

Collection of tax

SEC. 124. The tax shall be collected at the same time and in the same manner as the general tax levy for county purposes, and when collected shall be paid into the county treasury of Solano County to the credit of the proper district fund, as provided in Article 9 hereof. The board shall control and order its expenditure.

Lien

SEC. 125. The tax is a lien on all property within the district and of the same force and effect as other liens for taxes, and its collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

Payment of bonds

SEC. 126. The principal and interest on district bonds shall be paid by the treasurer in the manner now or hereafter provided by law for the payment of principal and interest on the bonds of the county.

Compensation for services

SEC. 127. Compensation to the county for the performance of services described in this article is hereby fixed at one-half of 1 percent of all money collected for the district.

SEC. 128. Sections 54900 to 54903, inclusive, of the Government Code shall not apply to the district. Exemptions

Article 9. Funds

SEC. 150. There is created in the county treasury of Solano County a fund entitled the "Fairfield-Suisun Sewer District General Fund," and the treasurer shall place and keep the money levied by the board in that fund. "Fairfield-Suisun Sewer District General Fund"

SEC. 151. The proceeds of the sale of revenue bonds or general obligation bonds or proceeds of special assessments levied by the board shall be deposited with the treasurer and shall be by him placed in the fund to be called the "Fairfield-Suisun Sewer District Construction Fund No. ____." (inserting number) Construction fund

SEC. 152. The money in any construction fund shall be used for the purpose indicated in the resolution calling the election upon the question of the issuance of bonds, or for the purpose described in the resolution of intention in the assessment proceedings, or for repayment of money borrowed for the purpose of financing the improvement for which bonds were subsequently issued, or the assessment levied, and for no other purpose, except that any money in the construction fund determined by resolution of the board to be in excess of the amounts required for completion of the improvement authorized may, by the resolution so determining, be transferred to any other fund of the district and be used for any lawful purpose. Same Use

SEC. 153. There is created in the county treasury of Solano County a fund called the "Fairfield-Suisun Sewer District Bond Fund, Series____," (inserting series number) in which the treasurer shall keep money levied by the board for that fund. Bond fund

SEC. 154. No part of the money in the bond fund may be transferred to any other fund or be used for any purpose other than the payment of principal and interest of the bonds of the district, or for repayment of money borrowed for the purpose of paying the principal and interest of the bonds of the district, until said bonds are fully paid, at which time it may be transferred to any other fund. Same Use

SEC. 155. The budget laws do not apply to the district. Budget laws

Article 10. Urgency

SEC. 160. The purpose of this act is to form the Fairfield-Suisun Sewer District in order that the area benefited may be served with sewer and storm drain facilities; special facts and circumstances, applicable to the area in which the district lies and not generally, makes the accomplishment of this purpose impossible under existing general laws, and therefore special legislation is necessary. The special facts are as follows: Purpose

a. The area has no facilities for the treatment and disposal of sewage and is consequently contaminating and polluting the waters of Suisun Bay.

b. Recent increases have resulted in a population disproportionate to the assessed valuation of taxable property in the area, and construction of adequate facilities cannot therefore be financed within the framework of existing general laws.

c. The area is of strategic importance during times of war or threatened war because of the proximity of the Travis Air Force Base, formerly known as the Fairfield-Suisun Army Air Base, center of military air operations on the Pacific Coast. Influx of military men and their families has greatly aggravated the problem of sewage disposal in the area.

Urgency

SEC. 161. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall take effect immediately. The facts constituting such necessity are:

Water pollution and contamination are critical problems in the proposed district. State and local health authorities are agreed on the urgent need for immediate sewage treatment facilities in the area if a serious health condition is to be avoided. Inadequacy of existing law makes it necessary that this legislation take immediate effect so that necessary facilities may be provided.

CHAPTER 304

An act to amend Section 736 of the Fish and Game Code, relating to fish, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 736 of the Fish and Game Code is amended to read:

Tuna Permissible size

736. No yellowfin tuna or bluefin tuna weighing less than seven and one-half pounds may be sold. On and after December 31, 1953, no yellowfin tuna or bluefin tuna weighing less than seven and one-half pounds or more than 150 pounds may be sold.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

This act will delete a limitation on the maximum size of yellowfin or bluefin tuna which may be sold. This limitation would become operative on June 30, 1951.

Due to the condition of the present and prospective available supply of yellowfin and bluefin tuna weighing less than

150 pounds, it is apparent that if this limitation becomes operative it will seriously curtail the available amount of this valuable sea food.

It is therefore necessary that this act go into immediate effect so that it will delete the limitation from the law before such limitation becomes operative.

CHAPTER 305

An act to amend Section 2 of an act entitled "An act to make an appropriation to provide housing and equipment for the education of cerebral palsied children," approved July 25, 1949, relating to audit of expenditures from such appropriation.

Stats 1949, p. 2087

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2 of the act cited in the title hereof is amended to read:

Sec. 2. Expenditures from this appropriation shall be audited by the State Controller.

Audit of expenditures

CHAPTER 306

An act to amend Section 179 of the Vehicle Code, relating to the transfer and renewal of licenses for vehicles.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 179 of the Vehicle Code is amended to read:

179. Transferee to Apply for Transfer. (a) Whenever any person has received as transferee a properly endorsed certificate of ownership and the registration card of the vehicle described in said certificate and card, such transferee shall within 10 days thereafter forward such certificate and card with the proper transfer fee to the department and thereby make application for a transfer of registration, except as provided in the next section.

Transferee to apply

(b) Whenever any application for transfer is filed with the department between December 1st and February 4th, inclusive, of the following year the application for transfer shall be accompanied by the full annual renewal fees in addition to any other fees then due and payable.

CHAPTER 307

An act to amend Section 248 of the Vehicle Code, relating to automobile wreckers.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 248 of the Vehicle Code is amended to read:

Automobile wreckers' fees

248. Fees to Be Paid by Automobile Wreckers: When Payable. (a) All fees required to be paid by an automobile wrecker, in accordance with this code, for any certificate or license, or special set of plates, shall be paid at the time application is made to the department therefor.

(b) The fees for a license or certificate and special plates issued to automobile wreckers shall be:

(1) For the certificate or license and the first set of special plates hereafter obtained $55.00

(2) Upon annual renewal, for the first set of special plates 5.00

(3) For each additional set of special plates 3.00

(c) Should an automobile wrecker make application for registration or special plates as a dealer, then in that event he shall pay such additional fees as are set forth under Section 375.

CHAPTER 308

An act authorizing the investment of moneys derived from rentals, royalties, and other payments received by the State from lessees of tide and submerged lands lying along the coast of California and impounded in the Special Deposit Fund in the State Treasury pursuant to stipulations between the State of California and the United States of America; providing for the disposition of interest earned or other increment derived from such investments; making an appropriation; and declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

"Impounded funds"

SECTION 1. For the purposes of this act, "impounded funds" means all rentals, royalties, and other payments received by the State of California from lessees of tide and submerged lands lying along the coast of California and impounded in the Special Deposit Fund in the State Treasury before or after the effective date of this act pursuant to any stipulation

heretofore or hereafter entered into by and between the State of California and the United States Government, or by and between any officials thereof acting on behalf of their respective governments, including all interest earned or other increment derived from the investments authorized by, and deposited in the Special Deposit Fund under the provisions of, this act.

Permissible investments

SEC. 2. The impounded funds may be invested and reinvested by the Director of Finance in bonds or other obligations of the United States. Such securities may be sold or exchanged by the Director of Finance if, in his opinion, such sale or exchange is in the best interests of the State in effectuating the purposes of this act, and shall be sold by him whenever, and to the extent, necessary to effect any required transfer or other disposition of the impounded funds.

Securities purchased or otherwise acquired under the authority of this act shall be deposited and held in the custody and safekeeping of the State Treasurer, in the name of the account in the Special Deposit Fund from which the investments were made.

Deposit of interest

SEC. 3. Interest earned or other increment derived from investments made pursuant to this act shall, on order of the State Controller, be deposited in the Special Deposit Fund to the credit of the account covering the impounded funds, in augmentation of such impounded funds.

Severability

SEC. 4. If any provision of this act is held invalid, such invalidity shall not affect other provisions of the act which can be given effect without the invalid provision, and to this end the provisions of this act are declared to be severable. No state officer or employee acting in good faith under apparent authority of this act shall be held civilly liable to any greater extent than he would be if this act pertained to ordinary state funds in the treasury. Any liability against any state officer or employee finally adjudicated by the federal courts or other competent authority contrary to, or notwithstanding, the provisions of this section is assumed and, upon approval of the State Board of Control, shall be paid by the State. The moneys in the State Lands Act Fund are appropriated to carry out the provisions of this section.

Liability

Urgency

SEC. 5. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety, within the meaning of Section 1 of Article IV of the Constitution, and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

Pursuant to stipulation by the United States of America and the State of California through their respective counsel, certain royalties received by the State of California from certain oil and gas leases covered by such stipulations have been, and are being, impounded in a special fund in the State Treasury until such time as the area or areas from which such royalties were derived shall be finally determined, by court order or

decree, or by agreement, to be within or without the three-mile marginal belt.

There is, at present, no provision of law authorizing the investment of these impounded funds, which now exceed $27,000,000 in amount. In order to permit the immediate investment of these impounded funds, and thus to obtain, for the benefit of the ultimate distributees of such funds, the interest income that will be derived from such investments, it is necessary that this act go into effect immediately.

CHAPTER 309

An act to amend Sections 160 and 161 of the Welfare and Institutions Code, relating to the return of mental patients to the states of their residence.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 160 of the Welfare and Institutions Code is amended to read:

Return of nonresidents

160. The Department of Mental Hygiene shall investigate and examine all nonresident persons who are confined in, admitted, or committed to any state hospital or state home for the mentally deficient, and shall cause such persons, when found to be nonresidents as defined in this chapter, to be promptly and humanely returned under proper supervision to the states in which they have legal residence. The department may defer such action by reason of a patient's medical condition or where such return would cause the patient grievous hardship.

For the purpose of facilitating the prompt and humane return of such persons the Department of Mental Hygiene may enter into reciprocal agreements with the proper boards, commissions, or officers of other states or political subdivision thereof for the mutual exchange or return of such persons confined in, admitted, or committed to any state hospital in one state whose legal residence is in the other, and it may in such reciprocal agreements vary the period of residence as defined in this chapter to meet the requirements or laws of the other states.

The department may give written permission for the return of any resident of this State confined in a public institution in another state, corresponding to any state hospital for the mentally ill or to any state home for the mentally deficient of this State. When a resident is returned to this State pursuant to this chapter, he may be delivered to any institution of the department as designated by the Director of Mental Hygiene. Such person shall be admitted by the superintendent of the institution for care and treatment for a period not exceeding

30 days during which time the person shall be released at the earliest possible time or committed in accordance with law.

SEC. 2. Section 161 of said code is amended to read:

Determination of residence

161. In determining residence for purposes of being entitled to hospitalization in this State and for purposes of returning patients to the states of their residence, a person who has lived continuously in this State for a period of one year and who has not acquired residence in another state by living continuously therein for at least one year subsequent to his residence in this State shall be deemed to be a resident of this State. Time spent in a public institution for the care of the mentally ill or mental defectives or on parole or leave of absence therefrom shall not be counted in determining the matter of residence in this or another state.

CHAPTER 310

An act to amend Section 2804 of the Streets and Highways Code, relating to special assessment proceedings for financing the cost of local improvements.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2804 of the Streets and Highways Code is amended to read as follows:

Application of division

2804. This division shall not apply to irrigation districts, irrigation district improvement districts, fire districts, fire protection districts or to public cemetery districts, or to any proceeding otherwise subject hereto when one or more of the following situations exist: (1) when the proceedings are undertaken by a district or public corporation within one year of its incorporation, and the proposed improvements are substantially described in an investigation proceeding had under the District Investigation Act of 1933 for the incorporation of said district or public corporation; or (2) when said improvement proceedings are by a charter city, and said city has complied with the provisions of Section 17 of Article XIII of the Constitution; or (3) when all of the owners of more than 60 percent in area of the property subject to assessment for said proposed improvement have signed and filed with the clerk or secretary of the legislative body undertaking said proceedings a written petition for said improvements and waiver of said investigation proceedings. The words "substantially described" as used herein shall be deemed to mean that additional improvements of the same or similar nature may not be provided unless the estimated cost thereof shall not exceed 10 percent of the estimated cost of the improvements provided in said former report. Owners of land within the meaning of this section are those, and those only, who appear to be such upon the last equalized assessment

Stats 1933, p 2141

roll on the day said petition is filed with the clerk or secretary of said legislative body. If any person signing said petition appears on said roll as an owner of property as a joint tenant or tenant in common, said property shall be counted as if all such tenants had duly signed.

CHAPTER 311

An act to amend Section 10202 of the Insurance Code, relating to group life insurance.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10202 of the Insurance Code is amended to read:

Group life insurance One form

10202. Life insurance conforming to all the following conditions is one form of group life insurance:

(a) Written under a policy covering when issued not less than 10 public or private employees.

(b) Written under a policy issued to the employer, the premium on which is to be paid by the employer or by the employer and employees jointly, and insuring either all of the employees or all of any class or classes thereof, determined by conditions pertaining to the employment; provided, that if a policy is intended to insure several such classes it may be issued to insure any such class of which 75 percent are covered and extended to other classes as 75 percent thereof express the desire to be covered.

(c) For amounts of insurance based upon some plan which will preclude individual selection.

(d) For the benefit of persons other than the employer.

(e) When the premium is to be paid by the employer and employee jointly and the benefits of the policy are offered to all eligible employees, written under a policy insuring, when issued, not less than 75 percent of such employees.

(f) Terminating if, subsequent to issue, (1) the number of employees insured falls below 10 lives or 75 percent of the number of employees eligible and, (2) the employee contributions, if the premiums for the insurance are on a renewable term insurance basis, exceed one dollar ($1) per month per one thousand dollars ($1,000) of insurance coverage plus an amount equal to any additional premium per one thousand dollars ($1,000) of insurance coverage charged to cover one or more hazardous occupations.

(g) If the number of employees insured on the effective date of the policy is less than 25, the maximum amount of insurance on any one life shall not exceed two and a half times the minimum amount of insurance on any one life.

Such insurance may be issued either with or without medical examinations.

CHAPTER 312

An act to add Sections 13560 and 13085.1 to the Education Code, relating to certificated employees of school districts.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 13560 is added to the Education Code, to read:

13560. In the event a permanent employee of a school district has tenure as a full-time employee of the district, any assignment or employment of such employee in addition to his full-time assignment may be terminated by the governing board of the district at any time. Termination of extra assignment

SEC. 2. Section 13085.1 is added to said code, to read:

13085.1. When a teacher of classes for adults serves sufficient probationary time as provided in Sections 13081 to 13085 and 13099 to be eligible for election to permanent classification in that district, his tenure shall be for such service as is equivalent to the average number of hours per week which he has served during his probationary years. In no case shall such an employee be classified as permanent for more than one full-time assignment. The service for which such a person has acquired tenure may be reduced in conformity with Sections 13651 and 13652. Tenure

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CHAPTER 313

An act to add Section 37394 to the Government Code, relating to the leasing of property for off-street parking purposes, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 37394 is added to the Government Code, to read:

37394. A city or city and county may lease property owned, held or controlled by it for not to exceed 50 years, if the contemplated use thereof shall be for off-street parking purposes. Off-street parking leases

SEC. 3. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution, and therefore shall go into immediate effect. The following is a statement of the facts constituting such necessity: Urgency

The recent threat of total warfare in the world, has caused great concern for the safety of the civilian population in urban areas, which presently have no adequate bomb shelters. This act makes it possible to immediately build underground off-street parking facilities which may be bomb-proofed, and used as bomb shelters for the protection of the civilian population in urban areas.

CHAPTER 314

An act to amend Sections 5058 and 5105.1 of, and to add Section 5103.1 to, the Education Code, relating to state school building aid.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5058 of the Education Code is amended to read:

Public school Building Loan Fund Annual repayments

5058. The State Controller shall, during the next fiscal year following that in which he determines the annual repayment as herein provided, deduct the total amount of the annual repayment of each district in equal amounts from each installment of the apportionments made to such district from the State School Fund under Chapter 15 of this division; and, on order of the State Controller, the amount so deducted shall be transferred to the Public School Building Loan Fund. All money transferred to the Public School Building Loan Fund under the provisions of this section shall be available only for transfer to the General Fund under the provisions of Section 5103.

SEC. 2. Section 5105.1 of the Education Code is amended to read:

Bond premiums and interest

5105.1. All money deposited in the Public School Building Loan Fund under the provisions of Section 5105 which is derived from premium and accrued interest on bonds sold pursuant to said section shall be reserved in said fund and shall be available only for transfer to the General Fund, as provided by Section 5103. When transferred to the General Fund, such money shall be applied as a reimbursement to the General Fund on account of principal and interest due and payable or paid from the General Fund on the particular issue of school building bonds from the sale of which such premium and accrued interest were derived.

SEC. 3. Section 5103.1 is added to the Education Code, to read:

Transfer to General Fund

5103.1. All money deposited in the Public School Building Loan Fund under Sections 5058, 5071, 5072, 5073, and 5107, shall be available only for transfer to the General Fund, as provided in Section 5103. When transferred to the General Fund, such money shall be applied as a reimbursement to the

General Fund on account of principal and interest due and payable or paid from the General Fund on the earliest issue of school building bonds for which the General Fund has not been fully reimbursed by such transfer of funds.

CHAPTER 315

An act to amend Section 5103 of the Education Code, relating to state school building aid.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5103 of the Education Code is amended to read:

Bonds: Effect

5103. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof. There is hereby appropriated from the General Fund in the State Treasury such sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this chapter, as said principal and interest become due and payable.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the State, as shall be required to pay the principal and interest on said bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of said revenue, to do and perform each and every act which shall be necessary to collect such additional sum.

On the several dates of maturity of said principal and interest in each fiscal year, there shall be transferred to the General Fund in the State Treasury, on order of the State Controller, all of the money in the Public School Building Loan Fund which was transferred into or deposited in said fund in accordance with the provisions of Sections 5058, 5071, 5072, 5073, and 5107, together with all of the money deposited in the Public School Building Loan Fund under Section 5105 which was derived from premium and accrued interest on bonds sold pursuant to said Section 5105; but the amount to be transferred to the General Fund pursuant to this section shall not exceed the principal of and interest on the said bonds then due and payable, except as hereinafter provided for the prior redemption of said bonds, and, in the event such money so returned on said dates of maturity being less than the said principal and interest then due and payable, then the balance remaining unpaid shall be returned into the General Fund in the State Treasury out

of said Public School Building Loan Fund as soon thereafter as it shall become available.

Both principal and interest of said bonds shall be paid when due upon warrants duly drawn against said appropriation from the General Fund by the State Controller in favor of the State Treasurer, or his duly authorized agent, upon claims audited by the State Controller. The State Allocation Board, by resolution approved by the State School Building Finance Committee, shall direct the State Treasurer to call bonds (which Redemption are then subject to redemption) if such call is desirable and whenever funds are available to effect such redemption, the part of each issue so called to be not less than all of the bonds maturing in any one year. Notice of such redemption shall be given by the State Treasurer in the manner provided in the resolution authorizing the issuance of said bonds.

CHAPTER 316

An act to amend Section 818 of the Agricultural Code, relating to standards for potatoes, declaring the urgency thereof, to take effect immediately.

In effect immediately [Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 818 of the Agricultural Code is amended to read:

Potatoes 818. Potatoes shall be free from mold, decay, soft and wet rots, black heart, and hollow heart; and free from serious damage due to insect injury, freezing, sun scald, dry rots, scab, growth cracks, sunburn, second growth, cuts, bruises, grass roots, nematodes, or other causes. Damage to any one potato is not serious unless it causes a waste of 10 percent, by weight, of the individual potato.

Damage by cuts shall also be considered serious when both ends are clipped or when more than an estimated one-fourth of the potato is cut away, or in the case of long varieties when the remaining portion of the clipped potato weighs less than six ounces.

Not more than 5 percent, by weight, of the potatoes in any one container or bulk lot may be below these requirements.

Marking of containers Containers of potatoes shall not bear any marking, brand or designation of quality such as "extra selected," "selected," "select," "extra fancy," "fancy," "choice," "No. 1," or other similar superlative designations which imply a reasonably high quality, unless the contents of the container conform at least to the requirements of the U. S. No. 1 grade established for potatoes by the United States Department of Agriculture.

Urgency SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall

go into immediate effect. The facts constituting such necessity are:

In accordance with the current provisions of the Agricultural Code, it is possible to ship and sell potatoes damaged to the extent that they fail to give consumer satisfaction. During recent years substantial quantities of such low grade potatoes have been placed in local and out-of-state markets. Improvement in the quality of California potatoes being shipped to an increasing number of markets in the United States, is necessary to provide for the orderly marketing thereof, to prevent the marketing of low quality potatoes for the protection of both consumers and producers and the prevention of the demoralization of the market for potatoes which are a desirable and valuable food source. Because the marketing season for the 1951 crop has just commenced and large volumes will be harvested prior to the time this act would otherwise become effective it is necessary that it take effect immediately in order that the benefits thereof be obtained by the people during the current year.

CHAPTER 317

An act to add Section 28231 to the Health and Safety Code, relating to bread and its preparation.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 28231 is added to the Health and Safety Code, to read:

28231. The provisions of Section 28230 do not apply to hearth-baked loaves of bread or rolls which are kept in showcases and are protected from flies, dust, and dirt and are not accessible to the public. Showcase loaves, etc

CHAPTER 318

An act to amend Sections 2191 and 2192 of the Business and Professions Code, relating to qualification for admittance to examination.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2191 of the Business and Professions Code is amended to read:

2191. Each applicant shall present evidence satisfactory to the board that he has completed a two-year resident course of college grade, including the subjects of physics, chemistry, and biology, before commencing the study of medicine. An applicant graduating after January 1, 1955, shall present evidence satisfactory to the board of having completed a three-year resident course of college grade, including the subjects of Premedical training

physics, chemistry, and biology, before commencing the study of medicine.

SEC. 2. Section 2192 of the Business and Professions Code is amended to read:

Medical training

2192. Each applicant shall show by evidence satisfactory to the board that he has successfully completed a medical curriculum extending over a period of at least four academic years in a school or schools located in the United States or Canada, approved by the board, and total number of hours of all courses shall consist of a minimum of 4,000 hours. The curriculum shall provide for adequate instruction in the following:

Anatomy	Medicine
Embryology	Pediatrics
Histology	Psychiatry
Neuro-anatomy	Neurology
	Dermatology
Physiology	Physical Medicine
	Therapeutics
Psycho-biology	Tropical Medicine
Biochemistry	Surgery, including
	Orthopedic Surgery
Pathology, Bacteriology and	Urology
Immunology	Ophthalmology
	Radiology
Pharmacology	Anesthesia
	Otolaryngology
Preventive Medicine	Obstetrics and
Hygiene and Sanitation	Gynecology

Interneship

Before a physician's and surgeon's license may be issued each applicant must show by evidence satisfactory to the board that he has completed a year's interneship in a hospital approved by the board. At the discretion of the board the written

Time of examination

examination provided for in Section 2288 may be taken following completion of his medical course and prior to the granting of a degree by the school; provided, that a certificate shall not be issued to any applicant until satisfactory evidence is filed with the board that a degree has been issued to him by the school.

CHAPTER 319

An act to amend Section 11044 of the Government Code, relating to charges for services against agencies supported other than from the General Fund.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11044 of the Government Code is amended to read:

11044. The cost of all legal services rendered by the Attorney General or his deputies or assistants for a state agency which is supported otherwise than by appropriations from the General Fund is a charge against, and shall be paid from funds available by law for the support of the agency, and shall be fixed and determined by the Attorney General. Such payments shall be paid into the State Treasury to the credit and in augmentation of the current appropriation for the support of the Attorney General's Office. Such costs may be prorated under a formula approved by the Department of Finance. Attorney General's services

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CHAPTER 320

An act to add Section 3354 to the Welfare and Institutions Code, relating to the sale of raw materials purchased for state institutions for the blind.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3354 is added to the Welfare and Institutions Code, to read:

3354. Notwithstanding any provision of this chapter to the contrary, the Director of Education may authorize the sale of raw materials from stocks ordinarily maintained for use in manufacture and assembly in the training center for adult blind or in workshops for the blind, when the sale is to a blind person for his own use in manufacturing or in assembling, or to a manufacturing establishment in which at least 75 percent of the direct labor of production of such commodity, including preparation of material, processing and packing, is performed by the blind in producing the commodity. Sale of raw materials

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CHAPTER 321

An act to add Article 13.5 to Chapter 11 of Division 2 of the Education Code, relating to the annexation of territory of a joint elementary school district to a high school district.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Article 13.5 is added to Chapter 11 of Division 2 of the Education Code, to read:

Article 13.5. Annexation of Portion of Joint Elementary School District to a High School District

3751. When a joint elementary school district is situated partly in a high school district and partly in no high school district, that portion of the district not situated in a high school Annexation

district may be annexed to any contiguous high school district as provided in this article.

Petition

3752. The governing boards of the joint elementary school district and a contiguous high school district may present to the county superintendent of schools having jurisdiction over the high school district a petition signed by a majority of the members of each of said boards requesting that that portion of the joint elementary school district not situated in any high school district be annexed to the high school district. The county superintendent of schools shall verify the signatures on the petition and if he finds them sufficient the petition shall be acted upon in the same manner as a petition for a change of boundaries of school districts presented to the county superintendent of schools under Article 5 of Chapter 7 of this division.

CHAPTER 322

An act to amend Sections 9763 and 9767 of the Government Code, relating to the preparation of the statutes.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9763 of the Government Code is amended to read:

Preparation of statutes

9763. The Department of Finance shall direct the preparation of the statutes of each session of the Legislature after each general session. The statutes for each budget or extra session shall be cumulated and prepared with the statutes for the next succeeding general session; provided, that upon the written request of the Legislative Budget Committee the department shall direct the preparation of the statutes of a particular budget or extra session after such budget or extra session.

SEC. 2. Section 9767 of the Government Code is amended to read:

Number of copies

9767. The State Printing Office shall print at least 1,500 copies of the statutes of each session prepared at the direction of the Department of Finance.

CHAPTER 323

An act to amend Section 9485 of the Education Code, relating to the sale or other disposition of property of emergency schools.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9485 of the Education Code is amended to read:

9485. The county superintendent of schools may transfer or sell the real and personal property of any emergency school maintained by him to any elementary school district under his jurisdiction, or to any other political subdivision of the State within which the school is located, upon such terms and conditions as are agreed upon by the county superintendent of schools and the governing board or authority of the district or other political subdivision. Districts and other political subdivisions may enter into such agreements and acquire such property. Any funds received by the county superintendent of schools under this section shall be paid by him into the county school service fund. Sale, etc., of emergency school property

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CHAPTER 324

An act to amend Section 1086.1 of the Military and Veterans Code, relating to the hospitalization and medical aid for physically ill members of the Woman's Relief Corps Home of California and for the reimbursement of hospitals and physicians rendering this aid.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1086.1 of the Military and Veterans Code is amended to read:

1086.1. As rapidly as facilities for their reception and care become available therein, all members of the Woman's Relief Corps Home who are physically ill and in need of hospitalization (except such members as are believed to be mentally ill or mentally deficient) shall be transferred to the county hospital of the county in which the home is located, and shall be admitted thereto and cared for therein until they are no longer in need of hospitalization, at which time each such member shall be returned to the home. Whenever thereafter any member of the home becomes physically ill and in need of hospitalization, she shall be taken to the said hospital, admitted thereto, and cared for therein for the duration of her illness, and upon her recovery therefrom shall be returned to the home. In the event the facilities of the said county hospital are unavailable and immediate hospitalization is required, the member shall be taken to a private hospital, admitted thereto, and cared for therein for the duration of her illness, and upon her recovery therefrom shall be returned to the home. The superintendent or other person in charge of the hospital, county or private, shall make a monthly report to the manager of the Division of Veterans Homes concerning each member of the home in the hospital, on Hospitalization of members

such form as the Department of Veterans Affairs shall prescribe, setting forth such facts concerning such member as the department requires to ascertain whether such member is being suitably cared for and maintained in security and comfort.

Where the member requires the services of a specialist, and the hospital caring for her does not have such a specialist on its staff, the services of a physician not connected with the hospital may be secured.

Where a member residing in the Women's Relief Corps Home requires the services of a specialist, the services of such a physician may be secured.

The Department of Veterans Affairs shall reimburse:

a. The said county for the cost of the care of such persons at the rates established by the county as the cost of care of patients receiving care in the county hospital.

b. The said private hospital for the cost of the care of such persons at the rates established by the private hospital as the cost of care of patients receiving care in that hospital.

c. The said physician for the cost of the specialized medical aid.

Claims for such reimbursement shall be filed with the department at such times and in such manner, and shall contain such information, as the department may prescribe.

CHAPTER 325

An act to amend Section 1760.7 of the Welfare and Institutions Code, relating to the duties of the Director of the Youth Authority.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1760.7 of the Welfare and Institutions Code is amended to read:

Adult and juvenile probation investigations, etc

1760 7. The director shall investigate, examine, and make reports upon adult and juvenile probation.

The director may establish standards for the performance of probation duties, and upon request consult with and make investigations and recommendations to probation officers, probation committees and to judges of the superior courts, including such judges as are designated juvenile court judges of any county.

CHAPTER 326

An act to amend Sections 20371 and 20372 of the Education Code, relating to the appointment of state college employees.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 20371 of the Education Code is amended to read:

20371. The president of each state college shall be appointed by the Director of Education subject to the approval of the State Board of Education.

Appointment of president

SEC. 2. Section 20372 of said code is amended to read:

20372. Except as otherwise provided, the members of the teaching staff of each state college and all officers and employees of the college shall be appointed by the Director of Education, subject to the approval of the State Board of Education, only upon the recommendation of the president of the college. Temporary appointments may be made by the director to remain in force until the next meeting of the Board of Education. Student assistants, instructors for extension service, and members of the teaching staff of a state college summer session and officers and employees of such session shall be appointed by the Director of Education upon the recommendation of the president of the college.

Other officers, etc. Recommendation by president

CHAPTER 327

An act to amend Sections 11270 and 11271 and to repeal Sections 18750, 18751, 18752, and 18753 of the Government Code, relating to charges for administrative costs.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 11270 of the Government Code is amended to read:

11270. As used in this article "administrative costs" means the amounts expended by the Controller, Treasurer, the State Personnel Board, the State Employees Retirement System, and the State Department of Finance for supervision or administration of the State Government or for services to the various state agencies, other than those for which the Department of Finance may charge and collect pursuant to Article 3.

"Administrative costs"

SEC. 2. Section 11271 of the Government Code is amended to read:

Determination by Board of Control

11271. The Board of Control shall determine, and may, at any time prior to the transfer to the General Fund of the amount thereof, redetermine the amount of administrative costs and the percentage of administrative costs which is the fair share of each state agency which is not entirely supported from the General Fund.

SEC. 3. Sections 18750, 18751, 18752, and 18753 of the Government Code are hereby repealed.

CHAPTER 328

Stats. 1897, p. 45, repealed

An act to add Section 38304 to the Government Code, and to repeal an act entitled "An act to authorize cities and towns owning public parks outside of their limits, to lay out, construct, and maintain roads, streets, and boulevards from the boundaries of such cities or towns to, into, and through such parks, and to acquire lands for that purpose," effective March 1, 1897, without the Governor's approval, relating to access to city parks.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 38304 is added to Chapter 8, Part 2, Division 3, Title 4 of the Government Code, to read:

Access to city-owned parks, etc

38304. The legislative body of any city may lay out, open, construct, maintain, and control all roads, streets, and boulevards necessary or requisite for the purpose of connecting the city with any city-owned public park or playground situated wholly or partly outside of the limits of the city. For such purpose it may acquire by gift, purchase, or eminent domain any land or rights of way lying between the limits of the city and the exterior limits of the park or playground.

Repeal

SEC. 2. Chapter 49 of the Statutes of 1897 is repealed.

CHAPTER 329

Stats 1923, p. 316, repealed

An act to add Article 5.5, comprising Sections 38750 to 38759, inclusive, to Chapter 10, Part 2, Division 3, Title 4 of the Government Code, and to repeal an act entitled "An act to enable municipal corporations to sell, lease, or otherwise transfer the control or management of waterworks or parts

thereof belonging to such municipality to municipal water districts," approved May 15, 1923, relating to the transfer of city waterwork systems.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Article 5.5, comprising Sections 38750 to 38759, inclusive, is added to Chapter 10, Part 2, Division 3, Title 4 of the Government Code, to read:

Article 5.5. Transfer of City Waterworks Systems

Transfer to water district

38750. Any city which owns and operates a waterworks system, or any part of such a system, may sell, lease, or otherwise transfer the control or management of the system, or the portion thereof, to any municipal water district which is engaged in supplying the inhabitants of the city with water for domestic and general purposes, if the city lies wholly within the boundaries of the district.

Ordinance

38751. If the legislative body of the city determines that it is for the best interests of the city to sell, lease, or otherwise transfer the control or management of its waterworks system, or portion thereof, to such a municipal water district, by a four-fifths vote of all its members, it shall pass an ordinance, authorizing the sale, lease, or other transfer.

Same Contents

38752. The ordinance shall specify the price, the yearly or monthly rental, or if the transfer and control of the waterworks system is to be made upon terms, the ordinance shall briefly state the terms.

Same

38753. The ordinance shall also state such conditions and stipulations as the legislative body determines necessary to a proper understanding of the transaction, and may refer to the proposed form of contract for further particulars.

Publication

38754. The ordinance shall be published weekly for at least four weeks in a newspaper published in the city, or if there is no such newspaper it shall be posted in three public places in the city for three weeks.

Referendum

38755. The ordinance is subject to referendum in the same manner as other ordinances.

Consideration

38756. The sale, lease, or transfer on terms shall be for a valuable consideration, which shall be agreed upon between the legislative body of the city and the board of directors of the municipal water district.

Execution of contract, etc

38757. The contract or deed shall be executed on behalf of the city by its mayor.

Title

38758. If the transaction is a sale, either for cash or after the completion of installment payments, the deed conveys to the municipal water district the full title to the property described.

Judgment conditioned

38759. If an action or proceeding is brought in any court by the city, or any taxpayer or other person on its behalf, or by

any person having an interest in the transaction, for the purpose of setting the transfer aside or avoiding it, any judgment setting aside or avoiding the transfer is void, unless it provides for the restoration to the municipal water district of the consideration paid for the waterworks. The municipal water district shall not be compelled to surrender possession of the waterworks until the consideration is restored.

Repeal

SEC. 2. The act cited in the title hereof is hereby repealed.

CHAPTER 330

Stats 1897, p 217, repealed

An act to amend and renumber Section 39793 of, to add a new Section 39793 to, the Government Code, and to repeal an act entitled "An act authorizing municipal corporations to lease, purchase, own, and operate gravel beds and quarries, and to transport gravel and rock therefrom to such municipal corporations, for the purpose of making, improving, and repairing roads," approved March 27, 1897, relating to facilities in aid of city works and improvements.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 39793 of the Government Code is amended and renumbered to read:

Effect of article

39794. This article does not extend or enlarge any limitation prescribed by law or charter upon taxation, expenditure of public funds, or the incurring of indebtedness by a city.

SEC. 2. Section 39793 is added to Article 4, Chapter 14, Part 2, Division 3, Title 4 of the Government Code, to read:

Acquisition of gravel or rock facilities

39793. When authorized by a two-thirds vote of the members of its legislative body at a regular meeting, a city, for the purpose of breaking, crushing, or otherwise preparing gravel or rock to be used in making, paving, improving, or repairing its streets, may do any and all of the following:

(a) Acquire, lease, purchase, and operate any gravel bed or quarry within the county where the city is situated.

(b) Equip and operate a plant for preparing gravel or rock at the gravel bed or quarry, or within the city.

(c) Acquire, lease, or purchase and maintain all necessary roads, rights of way, and tramways over which to transport gravel or rock from the gravel bed or quarry to the city, and all necessary appliances for that purpose.

Repeal

SEC. 3. Chapter 160 of the Statutes of 1897 is repealed.

CHAPTER 331

An act to add Title 6 and Section 500048 to the Government Code, to consolidate and revise the law relating to the organization, operation, and maintenance of a system of state and local government, and to repeal acts specified therein.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Title 6 is added to the Government Code, to read:

TITLE 6. DISTRICTS

CHAPTER 1. THE DISTRICT ORGANIZATION LAW

Article 1. General

58000. This chapter may be cited as the District Organization Law. Short title

58001. It is the purpose of this chapter to make available a procedure for the organization, operation, government, consolidation, and dissolution of districts. Purpose

58002. Except as provided in Section 58003, this chapter does not repeal or affect any statute or district existing on August 21, 1933. Except as provided in Section 58003, this chapter applies only when and to the extent that it is adopted or incorporated by reference in a law providing for a particular district or type of district. Effect

58003. This chapter applies to all districts authorized to be formed by the following laws, their predecessors, or any re-enactment of them: Application

Type of Districts	Citation
Highway lighting	Streets and Highways Code, Part 4, Division 14.
Library	Education Code, Chapter 4, Division 11.
Mosquito abatement	Health and Safety Code, Chapter 5, Division 3.
Sanitary	Chapter 480 of the Statutes of 1919.
Sanitary	Health and Safety Code, Part 1, Division 6.
County fire protection	Health and Safety Code, Chapter 2, Part 3, Division 12.
Garbage disposal	Health and Safety Code, Chapter 1, Part 2, Division 5.

Type of Districts	Citation
Park, recreation and parkway	Public Resources Code, Article 1, Chapter 3, Division 5.
Park, recreation and parkway	Public Resources Code, Article 4, Chapter 3, Division 5.

Definitions

58004. As used in this chapter, unless the context otherwise requires:

(a) "District" means a tax or assessment district.

(b) "Governing body" means the board of directors of a district or equivalent board or body.

(c) "Principal act" means the law providing for the creation of a particular district or type of district.

(d) "Supervising authority" means the board of supervisors of the county in which is situated all or most of the land in a district, or body authorized by law to initiate or hear proceedings for the creation of a district.

(e) "Project" means the work, improvement, or acquisition, or any combination thereof undertaken by a district.

(f) "Owner" includes joint owner, co-owner, guardian, executor, administrator, or other person holding property in trust under court appointment.

(g) "Requisite number of petitioners" means the number of qualified petitioners prescribed by the principal act.

(h) "Requisite number of protestants" means the number of qualified protestants prescribed by the principal act.

(i) "Clerk" means the clerk of the supervising authority.

Reference to principal act

58005. Whenever in this chapter a petition, order, resolution, complaint, or other document refers to a principal act, the name, if any, of the principal act, with its citation shall be set forth in such document.

Notice

58006. When this chapter or the principal act requires publication of a notice, publication shall be in a newspaper of general circulation published and circulated within the district, or if there is none, in the newspaper of general circulation published nearest to the district.

Same

58007. Unless otherwise expressly provided, each notice shall be published once a week for three successive weeks prior to the date set for the event of which notice is given.

Same

58008. Proof of publication may be by affidavit of the owner, publisher, printer, or clerk of the newspaper. The affidavit is prima facie evidence of the facts stated in it.

Same

58009. If a district is situated in a county in which no newspaper of general circulation is published, the notice shall be posted in three public places in the district for the same period as if published.

Same

58010. Proof of posting may be by affidavit of the person posting the notice. The affidavit is prima facie evidence of the facts stated in it.

Article 2. Petition for Formation

58030. When the principal act authorizes or requires a petition, formation proceedings shall be commenced by petition. Commencement by petition

58031. The petition shall be signed by the requisite number of petitioners and addressed to and filed with the supervising authority. Signatures, etc

58032. The petition may be filed in sections. Each section shall comply with all the requirements for a petition, except that it need not contain all the signatures required for the petition. Filing

58033. Before publication of the petition, a petitioner may withdraw his signature by filing with the clerk a signed statement of his intention to withdraw his signature from the petition. Withdrawal

58034. The petition shall: Contents

(a) State the proposed name for the district.

(b) Set forth the district boundaries or describe the land situated in the district.

(c) Request that the district be formed pursuant to the principal act.

(d) Describe generally the nature of the proposed project.

(e) Comply with any additional requirements of the principal act.

Article 3. Preliminary Hearing

58060. Upon presentation and filing of the formation petition the supervising authority shall fix a time and place for its hearing. The hearing shall not be less than 20 nor more than 40 days after presentation and filing. Time

58061. If the principal act or any other law applicable to the formation of the district requires the making of an investigation of and a report on the project, the hearing may be continued from time to time to enable the making of such investigation and report. Such continuance shall not exceed three months. Continuance

Article 4. Final Hearing

58090. The supervising authority shall fix the time and place for the final hearing on the petition and shall order the clerk to give notice of the hearing. Time and place

58091. The notice of final hearing shall state: Notice Contents

(a) The name and nature of the district.

(b) That the petition may be inspected at the clerk's office.

(c) The boundaries of the proposed district.

(d) The time and place for the final hearing.

(e) That protests will be considered at the hearing.

(f) That written requests for exclusion from or inclusion of land in the proposed district will be heard and considered.

58092. The clerk shall give notice of the final hearing. Same Clerk

Same
Clerical error

58093. The supervising authority is not deprived of jurisdiction to proceed with the hearing, and no action on the petition is invalid, because of clerical error in the notice.

Same
Material defect

58094. If the notice is materially defective, the supervising authority shall reset the hearing and cause new notice to be given.

Dismissal

58095. If the supervising authority determines that the petition does not comply with the law, the matter may be dismissed without prejudice to the right to present a new petition on the same matter.

Finding conclusive

58096. A finding by the supervising authority in favor of the genuineness and sufficiency of the petition and notice is conclusive against all persons except the State in a proceeding brought by the Attorney General within one year after the order establishing and describing the boundaries of the district.

Protest
Oral or written

58097. Oral or written protest may be made at the hearing by any person interested in the formation of the proposed district.

Same
Statement of defects

58098. Any protest to the regularity or sufficiency of the proceedings shall be written and shall clearly set forth the defects to which objection is made.

Same Filing

58099. Written protests shall be filed with the clerk on or before the time fixed for the final hearing.

Continuances

58100. The hearing may be continued from time to time not exceeding 60 days.

Request for exclusion

58101. At the hearing any owner of land in the proposed district may present to the supervising authority a written request for exclusion of all or part of such land.

Request for inclusion

58102. At the hearing any owner of land outside the proposed district may present to the supervising authority a written request for inclusion of such land.

Termination

58103. If the requisite number of protestants file written protests against formation with the clerk prior to the supervising authority's final determination for formation, the proceeding shall terminate. The supervising authority shall order the proceedings terminated when such protests are received.

Same Effect

58104. The supervising authority shall not consider a petition or other proceedings for the formation of the same district for the same project until after one year from the order of termination.

Boundaries

58105. If at the final hearing the supervising authority determines that the project is feasible, economically sound, and for the public interest, it shall fix the boundaries of the proposed district.

Same

58106. In so doing it shall exclude any land which it finds will not be benefited by the proposed project. It may include any land if it finds that the land will be benefited and that its inclusion will be to the interest of the district.

Same
Application or notice

58107. The supervising authority may make such inclusion upon the owner's application or upon giving him notice of and hearing on the inclusion.

58108. The clerk shall publish notice of inclusion and mail it, postage prepaid, to the address of the owner of such land as shown by the last equalized county assessment roll and to any person who has filed with the clerk his name, address, and a description of land in which he has a legal or equitable interest. Notice Publication, mailing

58109. The notice shall describe the land proposed to be included and state the time and place at which objections to inclusion will be heard. Same Description of land

58110. If the supervising authority determines that the district should be established, by resolution it shall fix and describe the boundaries, and designate a name for, the district. The name may be that proposed in the petition or any other name the supervising authority selects. Name of district

Article 5. Formation

58130. Within 20 days after the adoption of the resolution establishing the boundaries, the supervising authority shall call and give notice of an election to be held in the proposed district to determine whether the district shall be formed and to select the elective officers, if any, of the district. Call, notice of election

58131. The election shall be called and conducted, and any candidates shall be nominated as in general district elections except: Same Conduct

(a) The supervising authority shall establish election precincts, designate the polling places, publish notice, and appoint the election board.

(b) The election returns shall be forwarded to the supervising authority which shall canvass them and declare the election results at its next regular meeting following the election.

58132. If a majority of the votes cast at the election favors the organization of the district, by resolution entered on its minutes the supervising authority shall declare the district duly organized under the principal act, give the designated name of the district, and describe its boundaries. Declaration of organization

58133. Immediately after the passing of the resolution declaring the organization of the district, the clerk shall file a certified copy of the resolution with the Secretary of State and for record in the office of the county recorder of each county in which any land in the district is situated. Upon such filing the organization of the district is complete. Same Filing and effect

Article 6. Elections

58160. All elections in a district for any purpose shall be called and conducted and the results canvassed, returned, and declared pursuant to this article. Procedure

58161. The governing body shall establish a convenient number of election precincts in the district and define the precinct boundaries. Precincts

Same
Changes

58162. If the governing body deems it for the best interests of the district and the convenience of the voters, it may at any time, but not less than 30 days before the election, change the boundaries of an election precinct. When made the change shall be entered on the board minutes.

Polling place

58163. By order made more than 10 days before the election the governing body shall designate a convenient place within each precinct as the polling place.

Date

58164. Where the principal act requires the election of a governing body, an election shall be held in the district on the same day as the state general election unless otherwise provided in the principal act. Such election shall be known as the general district election.

Subject matter

58165. At the general district election a successor shall be chosen to each officer whose term is about to expire and any matter requiring a vote of the people of the district shall be submitted to the electors.

Officers

58166. The elective officers of a district are those prescribed by the principal act. The person receiving the highest number of votes for each office to be filled at the election shall be elected.

Candidates

58167. Not less than 20 days before the election any 10 or more qualified electors, as determined by the principal act, may file with the governing body a petition requesting that the names of specified persons be placed on the ballot as candidates for the office named in the petition. Only the names proposed by such petition shall be printed on the ballot, but sufficient blank spaces shall be provided in which electors may write other names.

Ex officio governing body

58168. If the principal act does not provide for a governing body, the supervising authority is, ex officio, the governing body.

Qualifications of electors

58169. Qualifications of electors shall be determined by the principal act.

Election resolution

58170. Thirty days prior to any district election, by resolution entered on its minutes, the governing body shall:

(a) Appoint for each precinct an election board of at least one inspector and two judges selected from the precinct electors.

(b) State the election time, the hours during which the polls will be open, and the purpose of the election.

(c) Prescribe the manner of voting and the form of ballot.

Same
Notice

58171. Within 10 days after the adoption of the resolution the secretary of the governing body shall cause copies of the resolution to be posted in three public places in each election precinct. The posting of the resolution is sufficient notice of the election called.

Failure to appoint board of election

58172. If the governing body fails to appoint a board of election in any precinct or if the appointed members do not attend at the opening of the polls, the precinct voters present at such time may appoint the board or supply the place of any absent member.

58173. In all particulars not provided for in this chapter and the principal act, the election shall be held pursuant to the general election laws of the State. General election laws

58174. The inspector is chairman of the election board. If during the progress of the election any judge ceases to act the inspector may appoint a substitute. Chairman of election board

58175. Any election board member may administer and certify oaths required to be administered during the progress of the election. Oaths Administration

58176. Before opening the polls each member shall take and subscribe an oath to perform faithfully the duties imposed upon him by law. Any precinct elector may administer and certify such oath. Same Who must take

58177. When the polls are closed, each precinct election board shall canvass the votes at the polling place and make up and certify the returns as nearly as practicable in accordance with the general election laws of the State. Such certificate shall immediately be delivered to the secretary of the governing body. Canvass of returns

58178. The governing body shall meet at the usual place of meeting on the first Monday after the election to canvass the returns. Same· Time

58179. If the returns from each precinct in which polls were open have been received at the time of such meeting, the governing body shall then and there proceed to canvass the returns. If all returns have not been received, the canvass shall be postponed from day to day until all are received, or until six postponements. Same. Delay

58180. The governing board shall make the canvass in public by opening the returns, determining the vote for each candidate, and declaring the election result. Same· Publication

Article 7. Suit to Determine Legality

58200. The governing body may institute and maintain a proceeding to determine the legality of the existence of the district in the superior court in the county where the greater part of the land of the district is situated. Venue

58201. The complaint shall contain: Complaint

(a) The district name.

(b) The district boundaries.

(c) The organization date.

(d) A prayer that it be adjudged a legal district formed pursuant to the principal act.

58202. The summons shall be served by publishing a copy for three weeks in a newspaper of general circulation published in each county where any of the land of the district is situated. Service of summons

58203. Within 30 days after the last publication of the summons any interested person may appear and answer the complaint. The answer shall state the facts relied upon to show the asserted invalidity of the district. Answer

Default

58204. If no answer is filed the court shall render judgment as prayed for in the complaint. If an answer is filed the court shall proceed as in any civil case.

Judgment

58205. This proceeding is a proceeding in rem and the judgment rendered is conclusive against all persons and the State.

Article 8. Annexation and Exclusion of Territory

Benefit

58230. Any tract of land may be annexed to a district if the land will be benefited and any tract of land within any district may be excluded if not benefited pursuant to this article.

Petition

58231. A petition for annexation or exclusion shall be signed by the requisite number of petitioners and addressed to and filed with the governing body.

Same
Contents

58232. The petition shall contain:

(a) The reason for annexation or exclusion of the land.

(b) A description of the boundaries of the land.

(c) The assent of the petitioners to the annexation or exclusion.

Same-Notice of filing

58233. Upon filing of the petition, the governing body shall fix a time and place for its hearing and cause notice of the filing and of the time and place of the hearing to be published.

Contents of notice

58234. The notice shall state:

(a) The date the petition was filed.

(b) The petitioners' names.

(c) The location and boundaries of land described in the petition.

(d) The prayer of the petition.

(e) The time and place fixed for hearing the petition.

(f) That all persons interested in or affected by such change in the district boundaries may appear and show cause why the change should not be made.

Hearing

58235. At the hearing the governing body shall hear all relevant evidence for or against the petition.

Failure to show cause

58236. Failure to show cause by any person interested or affected by the change is deemed his assent to any change the governing body makes in the district boundaries.

Action on petition

58237. If the governing body deems the annexation or exclusion of all or part of the land for the best interest of the district and if no protest is made against such change, the governing body shall by resolution annex or exclude all or part of the land described in the petition and shall describe the district boundaries as changed.

Election

58238. If the requisite number of petitioners protest the annexation or exclusion to the governing body, an election shall be called to decide whether the proposed annexation or exclusion shall occur.

Same
Resolution

58239. In addition to other requirements of this chapter, the resolution calling such election shall contain a description of the boundaries of the land to be annexed or excluded.

58240. If a majority of the votes cast at the election favors annexation or exclusion, the governing body shall by resolution declare the territory annexed or excluded and describe the altered district boundaries. Same · Effect

58241. The resolution describing the changed boundaries shall be entered in the minutes of the governing body and a certified copy of the resolution shall be filed in the office of the county recorder of each county in which any part of the district is situated. Filing boundary description

58242. The exclusion of territory does not release it from debts and obligations for which it was liable at the time of exclusion. Effect of exclusion

58243. The governing body may require that the owners of annexed land shall pay a sum equal to the amount of the taxes or assessments which the owners or their grantors would have been required to pay if the annexed land had been included in the district when it was formed. Liability of owners of annexed land

Article 9. Consolidation

58260. Any two or more contiguous districts organized under the same principal act may be consolidated pursuant to this article. Contiguous districts Authorization

58261. Whenever the governing body deems it is for the best interest of a district that it be consolidated with one or more other districts organized under the same principal act, it may pass a resolution reciting such fact and declaring its willingness to consolidate. Resolution

58262. When a petition for consolidation is filed with the governing body signed by the same number of petitioners required on the petition of district organization, the governing body shall adopt a resolution reciting the filing of the petition and indicating its approval or disapproval. Petition

58263. A copy of the resolution shall be forwarded to the supervising authority which formed the district and to the governing body of each of the other districts with which consolidation is proposed. Distribution of resolution

58264. If each of the other governing bodies adopts a resolution declaring its willingness to consolidate or reciting the filing of a petition for consolidation and forwards a copy to the appropriate supervising authority, the governing body of each district shall make an order calling a special election to determine whether consolidation shall be effected. Election

58265. The members of the governing body and any other officers of the consolidated district, required by the principal act, shall be elected at the election. Same Governing body and officers

58266. The governing body of each district shall cause the election results to be certified to its supervising authority and to its supervising authority of the greater portion of territory in the proposed consolidated district, if different. Same Results

58267. If a majority of votes cast in each district favors consolidation, the supervising authority or the supervising Declaration

authority of the greater portion of territory in the consolidated district by resolution entered on its minutes shall declare that the districts are consolidated into one district and give it a name.

Same: Filing

58268. Such supervising authority shall file a certified copy of the resolution with the Secretary of State and for record in the office of the county recorder of each of the counties in which any portion of the district is situated.

Effect of filing

58269. Upon such filing the territory is consolidated into a single consolidated district with all the rights, privileges, and powers of such a district.

Article 10. Dissolution

Dissolution

58300. A district may be dissolved pursuant to this article.

Petition

58301. Upon the filing of a petition with the governing body signed by 20 qualified district electors, the governing body may submit the question of dissolution of the district to the district electors.

Election

58302. The question may be submitted at the general district election or at a special election for that purpose.

Same: Time

58303. The question of dissolution shall be submitted not later than the ninetieth day after filing of the petition with the secretary of the governing body.

Resolution of dissolution

58304. If two-thirds of the votes favor dissolution, the governing body shall by resolution dissolve the district.

Same Filing

58305. The governing body shall file a certified copy of the resolution with the Secretary of State and for record in the office of the county recorder of each of the counties in which any part of the district is situated. Thereupon the district is dissolved for all purposes.

Effect of dissolution

58306. Upon dissolution the right, title, and interest to property owned or controlled by the district situate within the limits of any city vests absolutely in the city. If such property is situated outside the limits of a city, it vests in the county in which it is situated.

Winding up affairs

58307. The supervising authority is, ex officio, the governing body of any dissolved district. It may levy taxes and assessments and perform other acts necessary to wind up the district affairs and to raise money for the payment of outstanding indebtedness.

Chapter 2. The District Investigation Law of 1933

Article 1. General

Short title

58500. This chapter may be cited as the District Investigation Law of 1933.

Application

58501. This chapter applies to all districts formed under any of the following laws:

Type of districts	Citation
Fire protection	Health and Safety Code, Chapter 1, Part 3, Division 12

Type of districts	Citation
Sanitary	Chapter 161 of the Statutes of 1891
Public museum	Government Code, Article 6, Chapter 5, Part 2, Division 3, Title 4
Highway lighting	Streets and Highways Code, Part 4, Division 14
Library	Education Code, Chapter 4, Division 11
Boulevard	Streets and Highways Code, Part 2, Division 16
Mosquito abatement	Health and Safety Code, Chapter 5, Division 3
Local health	Health and Safety Code, Chapter 6, Part 2, Division 1
Sanitary	Chapter 480 of the Statutes of 1919
Cemetery	Health and Safety Code, Part 4, Division 8
Sanitary	Health and Safety Code, Part 1, Division 6
County fire protection	Health and Safety Code, Chapter 2, Part 3, Division 12
County sanitation	Health and Safety Code, Chapter 3, Part 3, Division 5
Garbage disposal	Health and Safety Code, Chapter 1, Part 2, Division 5
Police protection	Health and Safety Code, Chapter 1, Part 1, Division 14
Public service	Labor Code, Chapter 3, Part 8, Division 2
Airport	Chapter 847 of the Statutes of 1929
Transportation	Chapter 880 of the Statutes of 1929
County fire protection	Health and Safety Code, Chapter 3, Part 3, Division 12
Memorial	Military and Veterans Code, Chapter 1, Division 6
Recreation	Public Resources Code, Article 2, Chapter 3, Division 5
Resort	Public Resources Code, Division 10
Union high school library	Education Code, Chapter 6, Division 11

Exemption

58502. This chapter does not apply to any district organized under Part 1 of Division 6 of the Health and Safety Code, during the period from January 1, 1937, to July 31, 1937.

Definitions

58503. As used in this chapter, unless the context otherwise requires:

(a) "Supervisory body" means that body authorized by law to organize a district.

(b) "Project" includes the work, improvement, or acquisition, or any combination thereof, proposed to be undertaken by a district.

(c) "Assessment roll" means the last equalized assessment roll of the county available on the date the report is commenced.

(d) "True value" of land shall be determined by multiplying the assessed value as shown on the assessment roll by two.

(e) "Clerk" means the clerk of the supervisory body.

Extension of time

58504. When any law authorizing the formation of any district to which this chapter applies provides that the supervisory body shall take final action in the formation of the district within a limited time, the time stated in the law is extended to 30 days after the final hearing upon the report required by Article 3.

Article 2. Bond of Proponents

Requirement, amount

58530. When a petition is required to initiate district organization proceedings, the petition shall be accompanied by a bond approved, and in an amount fixed, by the supervisory body at double the probable cost of organizing the district.

Conditions

58531. The bond shall be conditioned that the sureties will pay all costs of the proposed organization if the district is not formed.

Additional bond

58532. If in its judgment the costs of organization will exceed one-half of the undertaking first approved, the supervisory body may require an additional bond.

Article 3. Report

"Value and liability statement"

58560. As used in this article, a "value and liability statement" means an itemized estimated statement on a particular matter covering the real property in each taxing or other area designated by the supervisory body within the proposed district and the total estimated amount of such matter within the district.

Requirement

58561. Before final action is taken in the formation of a district the supervisory body shall cause to be prepared by a competent person a written report upon the proposed district. The report shall be a comprehensive study of the project.

Information included

58562. In addition to matters required by the supervisory body, the report shall include the information required in this article.

Map

58563. The report shall include a map showing:

(a) The boundaries of the proposed district.

(b) The general nature, location, and extent of the project.

(c) The lands to be assessed or taxed to pay any part of the cost of the project.

Population data

58564. The report shall include all essential data as to the needs of present and estimated future population, in regard to the project.

Economic factors

58565. The report shall include information on the economic factors involved in the project.

Plans, etc.

58566. The report shall include preliminary plans showing the nature, type, and arrangement of all facilities to be constructed. It shall include general specifications and itemized estimates of cost based upon such plans.

58567. The report shall include the total estimated itemized cost of any alternative method recommended for obtaining the same general purpose. It shall show the advantages and disadvantages of each of such alternatives. Cost, etc., of alternative methods

58568. The report shall include a value and liability statement of: Value and liability statements

(a) The assessed value of land as shown on the assessment roll. If the assessed value of any parcel is not shown upon the roll the assessor who made it shall estimate such value and the estimate is controlling for the purpose of the report.

(b) The assessed value of the improvements on the land, as shown on the roll or such estimate when not shown.

58569. The report shall include a value and liability statement of: Same

(a) All unpaid matured special assessments.

(b) All unpaid matured special assessments and special assessment taxes to pay any bonds and interest coupons previously issued, exclusive of penalties, costs, or interest.

58570. The report shall include a value and liability statement on all special assessments and special assessment taxes, not yet due and payable, which will be levied to pay any bonds and interest coupons already issued. If such amounts constitute specific liens, they shall be tabulated from the records showing them. Otherwise, the amounts shall be apportioned pursuant to the law authorizing their levy. Same

58571. The report shall include a value and liability statement on the estimated cost of all projects already initiated or completed, for which special assessments or special assessment taxes will be levied. If there is a record of the estimated cost of such projects, that amount shall be used; if there is none, the cost shall be estimated by the person making the report. Same

58572. The report shall include a value and liability statement of all taxes to be levied to pay all outstanding unmatured general obligation bonds and interest coupons for which no levy has yet been made. The statement shall contain a tabulated estimate of such liability, designating: Same

(a) Each particular bond issue.

(b) The corporate entity issuing it.

(c) The total outstanding unmatured amount of the bonds.

(d) An estimate of the amount to be levied for unmatured interest coupons for which no levy has been made.

(e) The portion of the total for which any of the properties in the district are liable.

58573. The report shall include a value and liability statement of all other unpaid tax liens not otherwise provided for in the value and liability statements, exclusive of penalties, costs, and interest, which have already been levied, including levies to pay any outstanding matured or unmatured general obligation bonds or interest coupons. Same

58574. The report shall include a value and liability statement of the estimated cost of the project. The statement shall contain an itemized estimate of the cost and a brief explanation Same

of its apportionment in the statement between the parcels of property within the proposed district.

Summary of facts

58575. The report shall include a brief summary of the essential facts of the report in a concise and understandable form.

Prompt completion

58576. The report shall be completed as soon as practicable, with due regard to accuracy and completeness.

Filing

58577. When completed the report shall be filed with the supervisory body and shall remain on file at the clerk's office for the inspection of all persons interested.

Article 4. Hearing

Time and place

58610. Upon filing of the report, the supervisory body shall fix the time and place for the hearing on the report and shall order the clerk to give notice of the hearing.

Notice

58611. The notice of the hearing shall:

(a) State the name and nature of the district.

(b) State the title of the law under which the district is being formed.

(c) State the filing of the report on the advisability of forming the district.

(d) State that the report may be inspected at the clerk's office.

(e) Designate the district boundaries.

(f) State the time and place for the hearing.

(g) State that at the hearing protests will be considered by the supervisory body.

(h) Set out the summary of the report.

Same

58612. In mailed notices, the notice of hearing shall state that land in which the addressee is interested within the proposed district may be assessed or taxed for the project if the district is formed.

Same: Publication

58613. The clerk shall give notice of the hearing by a publication twice in a newspaper of general circulation published in each county in which any land within the proposed district is situated.

Same: By mail

58614. The clerk shall also give notice by first-class mail, postage prepaid, to:

(a) Each person to whom land in the proposed district is assessed in the assessment roll at the address shown on the roll or as known to the clerk.

(b) Any person who has filed with the clerk his name and address and a designation of the lands in which he has a legal or equitable interest.

Same Time

58615. Publication of notice shall be complete, and notices shall be mailed, at least 20 days prior to the date set for the hearing.

Appearances

58616. At the hearing any person who owns or has an interest in property which may be liable to assessment or taxation for the project or for the payment of expenses or obliga-

tions of the district, if organized, may make oral or written protests.

Protests

58617. Any protest to the regularity or sufficiency of the proceedings shall be written and shall clearly state the defect objected to.

Same Filing

58618. All written protests shall be filed with the clerk at or before the time fixed for the hearing.

Continuances

58619. The hearing may be continued from time to time, not exceeding 60 days.

Request for inclusion

58620. At or before the hearing any person who owns or has an interest in land in the proposed district may present to the supervisory body a written request for exclusion of all or part of such land and any person owning or having an interest in land outside the proposed district may present a written request for inclusion of such land in the proposed district.

Proceedings

58621. If the proceedings are not terminated pursuant to this chapter, the supervisory body may proceed pursuant to the law under which the district is to be organized.

Article 5. Tax and Assessment Limitations

Excessive assessments, etc.

58650. If the report shows that the amount to be assessed or levied for the cost of the project will exceed the limits prescribed by Section 58651, the proceedings shall terminate or the amount shall be reduced to within the limits.

Limitation

58651. The total amount of assessments and taxes, estimated under Sections 58570 to 58574, inclusive, upon all the real property within the district shall not exceed one-third of its true value.

If the separate or aggregate assessed value of any parcel or group of parcels in the district exceeds 5 percent of the total assessed value of all real property in the district, the total amount of assessments and taxes, estimated under such sections, upon such parcel or group of parcels shall not exceed one-third of its true value.

Ability to pay

58652. After the report has been filed and considered, if the supervisory body finds that the project is feasible and that the properties to be assessed will be able to carry the proposed assessment or tax, the limitations prescribed by Section 58651 may be exceeded.

Finding

58653. Such finding shall be by four-fifths vote of all members of the supervisory body entered on its minutes.

Same Conclusive

58654. A finding that the limitation may be exceeded is conclusive upon all persons in the absence of actual fraud.

Project cost excessive

58655. If the actual cost of the project exceeds the total cost estimated in the report by more than 10 percent of such estimated cost, no part of the excess over 10 percent shall be assessed or taxed upon property within the district, unless the supervisory body makes the finding provided in Section 58652.

Article 6. Proceedings Without Mailed Notice and Value and Liability Statement

Requirements for exemption

58680. The requirements of this chapter for the mailing of the notice of hearing, and for the inclusion in the report of value and liability statements provided for in Article 3, do not apply to proceedings for the formation of any district if before adopting the resolution or ordinance of intention to make such improvement, the supervisory body finds that:

(a) In its opinion the probable assessments for the contemplated acquisition and improvement or both will not exceed the limitations prescribed in this chapter.

(b) The project is feasible.

(c) The property to be assessed will be able to carry such assessments.

(d) The assessment limitations may be dispensed with.

Findings

58681. Such findings shall be by resolution adopted by four-fifths of the members of the supervisory body.

Same Conclusive

58682. Such findings are conclusive upon all persons in the absence of actual fraud.

Protest provisions

58683. The majority protest provisions of this chapter apply to the procedure for formation authorized by the article.

Article 7. Termination by Majority Protest and Abandonment

Majority protest

58700. If before the determination for formation, written protests against formation are filed with the clerk by owners of a majority of the property subject to assessment for district purposes, computed according to its assessed value on the assessment roll, the proceedings shall terminate.

Resolution of abandonment

58701. By resolution the supervisory body may abandon the proceedings at any time prior to the formation of the district.

Same Publication

58702. Notice of the intention to adopt a resolution of abandonment shall be published once a week for at least two weeks in a newspaper of general circulation published and circulated in the county.

Same Effect

58703. The supervisory body shall not consider any proceedings for the formation of the same district for the same project until after one year from the date of any order of termination.

Article 8. Protests and Actions Concerning Validity of Proceedings

Protests

58730. All protests to the validity of proceedings had under this chapter, and not otherwise provided for, shall be made in writing and filed in the manner and not later than the time at which protests to the hearing may be filed, and if not so made are waived and may not thereafter be raised in any proceeding.

58731. The adoption of a resolution finally ordering the formation of a district is conclusive evidence that the prior proceedings under this chapter are valid and sufficient. Resolution conclusive

58732. The validity of any proceedings taken under this chapter may be questioned only in an action or proceeding commenced within 30 days after the adoption of the resolution or ordinance finally acting on the report. Limitation on actions

CHAPTER 3. CHANGE OF BOUNDARIES

58850. There is in each county a county boundary commission consisting of: County boundary commission

(a) The chairman of the board of supervisors, who is chairman of the commission.

(b) The county assessor.

(c) The county auditor.

(d) The county surveyor, if any.

(e) The county planning engineer, if any.

58851. The clerk of the board of supervisors is secretary, but not a member, of the commission. Secretary

58852. The commission members and secretary serve ex officio without additional compensation for their duties performed in this capacity. Compensation

58853. As used in this chapter, "proposal" means any proposal requiring the approval of a board of supervisors for the formation of a new, or a change in the boundaries of an existing, district exercising functions that are, or may be, supported by taxes or special assessment taxes levied on property within the district and collected with county taxes. This chapter does not apply to proposals concerning school districts. "Proposal"

58854. Prior to circulation, if circulation is required, or otherwise prior to filing with the board of supervisors, the proposal shall be submitted to the boundary commission of the county in which all or part of the district is, or may be, located. Proposal Submission

58855. Upon submission of a proposal the county boundary commission shall consider the matter. If requested and if in the discretion of the chairman or a majority of the commission members it is in the public interest, the commission shall hold a public hearing. Same Consideration

58856. In considering the proposal, the county boundary commission shall: Scope of consideration

(a) Compare the proposed boundaries of the district with those of other districts within the county.

(b) Ascertain the extent to which overlapping or conflicting boundaries may result from the proposal.

(c) Ascertain other factors that the commission regards inimical to the public interest.

58857. Within 30 days after the submission of the proposal, the boundary commission shall make its report and recommendation on the proposal. The report shall be filed with the board of supervisors and a copy furnished to the proponents and the district, if in existence, affected. Report

Modification of proposal

58858. Following receipt of the report, the proponents shall consider the commission's recommendations and modify the proposal accordingly if they consider it proper.

Statement of reasons

58859. If the proponents do not accept the commission's recommendations, they shall file a statement of reasons with the board of supervisors and furnish a copy to the commission. The proposal may be circulated or filed with the board of supervisors only after such filing and furnishing.

Consideration by supervisors

58860. Before acting upon any proposal the board of supervisors shall consider the recommendations and report of the county boundary commission and give them such weight as in its judgment the public interest requires.

CHAPTER 4. DISSOLUTION OF DISTRICTS

Alternative method

58950. This chapter is an alternative method by which a district may be dissolved.

Requisites

58951. Any district whose taxes or assessments are computed and collected by county officers may be dissolved pursuant to this chapter, if:

(a) The district is not in debt, or if in debt, all claims against it are barred by the statute of limitations.

(b) The district or district officers are not exercising the powers of the district and such powers have not been exercised for three years or more.

Request

58952. Any county officer required by law to compute or collect district taxes or assessments may file a written request with the board of supervisors of his county, asking that proceedings be instituted to dissolve the district. The request shall fully express the grounds for such action.

Action by supervisors

58953. The board of supervisors shall hear and pass upon the request and may grant or deny it.

Commencement of proceedings

58954. If the board of supervisors grants the request, it shall direct the district attorney to commence proceedings in the superior court for dissolution of the district. The district attorney shall comply promptly with this direction.

Venue

58955. The district attorney shall bring an action in the name of the people of this State for the dissolution of the district for nonuser of its powers. He shall bring the action in the superior court of the county for which he is an officer and in which all or part of the district lies.

Service of complaint, etc

58956. The complaint and summons in the action shall be personally served upon the district by delivery of a copy to the presiding officer of the district board of directors or legislative body. If personal service cannot be made, an affidavit stating the reason shall be filed in lieu of personal service.

Hearing date

58957. Upon the district attorney's application after service has been made or an affidavit filed, the court shall enter an order fixing a hearing date, not less than 60 days after the date of the order.

Order directing notice

58958. The court shall also enter an order directing notice by publication to be given to all persons interested in the district:

(a) As owners of land or interests in land in the district.

(b) As district creditors.

(c) In any other capacity.

Notice Contents

58959. The notice shall require such persons to appear on the day fixed for the hearing and show cause why the district should not be dissolved.

Same Publication

58960. The notice shall be published once a week for two successive weeks in one or more newspapers of general circulation published in the county in which the land in the district is located or, if the land is located in more than one county, in one or more newspapers published in each county.

Same

58961. The last publication shall not be less than 10 days before the hearing date.

Hearing

58962. After proof that notice has been published, the court may proceed with the hearing on the date fixed or at a later date to which the cause is continued.

Appearances

58963. Any person interested in the district may file an answer or objections to the dissolution of the district. From the filing of the answer or objections the person becomes a party defendant and is entitled to all the rights of a defendant in a civil action.

District creditors

58964. Any person who is a district creditor shall file an objection to the dissolution. If he does not file, his claim is conclusively presumed to be barred by the statute of limitations.

Decree

58965. The court shall enter a decree dissolving the district if upon the trial it determines that:

(a) The district is not in debt, or if in debt, all claims against it presented by creditors who have filed objections to the dissolution are barred by the statute of limitations.

(b) The district or the district officers are not exercising the powers of the district and have not been doing so for three years prior to the commencement of dissolution proceedings

Chapter 5. Special Assessment and Bond Refunding Law of 1939

Article 1. Definitions and General Provisions

Short title

59100. This chapter may be cited as the Special Assessment and Bond Refunding Law of 1939.

Construction of provisions

59101. Unless the context otherwise requires, the definitions and general provisions contained in this article govern the construction of this chapter.

Same Cities S. & H. C., §5000, ff.

59102. If a city legislative body conducts the proceedings under this chapter, the words and phrases defined in the Improvement Act of 1911 shall be construed to have the same meaning when used in this chapter as is ascribed to them in such act so far as properly applicable.

Same Counties S. & H. C., §8500, ff.

59103. If a county or city and county legislative body conducts such proceedings the words and phrases defined in the Improvement Act of 1911 and the Improvement Bond Act of 1915 shall be construed to have the same meaning when used

in this chapter as is ascribed to them in such acts so far as properly applicable.

"Local agency" 59104. "Local agency" means city, county, or city and county.

"Legislative body" 59105. "Legislative body" means legislative body of the local agency conducting the proceedings.

"Bonds" 59106. "Bonds" includes:

(a) Bonds, their coupons, and accrued interest on matured bonds.

(b) Cash assessments and accrued interest and penalties where no bonds are issued.

"Lot" 59107. "Lot" means land, lot, part of a lot, parcel, or piece of property and includes property owned or controlled by any person as a railroad right of way or as a street or interurban railroad right of way.

"Improvement," "Special improvement district" 59108. "Improvement" where used in "special improvement district" means any public improvement. It shall be liberally construed to include:

(a) Any acquisition of land, rights of way, or easements for public use.

(b) Any acquisition or construction of buildings, structures, or public works.

(c) A combination of any or all of the foregoing.

(d) All acquisitions of land and all acquisition and construction of public works authorized by law.

"Engineer" 59109. "Engineer" means:

(a) The city engineer, if a city legislative body conducts the refunding proceedings.

(b) The county surveyor, if a county legislative body conducts the refunding proceedings.

(c) Any competent person charged by the legislative body of the local agency conducting the proceedings with the duties of the engineer under this chapter.

"Incidental expenses" 59110. In addition to other proper items, "incidental expenses" includes:

(a) Legal, engineering, and other technical services employed by the legislative body to accomplish the purposes of this chapter.

(b) The cost of printing and advertising.

(c) The cost and expenses of any bankruptcy proceeding instituted in connection with the proceedings.

"Cost of the proceedings" 59111. "Cost of the proceedings" means the cost of acquisition and cancellation of the original bonds and the incidental expenses.

"Clerk" 59112. "Clerk" means clerk of the legislative body conducting the proceedings.

"Tax-deeded land" 59113. "Tax-deeded land" means any lot deeded to the State for delinquent taxes or for delinquent taxes and assessments.

"Original bonds" 59114. "Original bonds" means the outstanding improvement district bonds which are to be acquired and canceled pursuant to this chapter.

59115. "New bonds" means refunding bonds issued pursuant to this chapter. "New bonds"

59116. "Original proceedings" means the proceedings by which the original bonds were issued. "Original proceedings"

59117. "Proceedings" means proceedings pursuant to this chapter to refund the indebtedness of a district and to levy a reassessment for such indebtedness. "Proceedings"

59118. "New district" means the assessment district proposed to be created, or created, pursuant to this chapter, and which is, or will be, assessed to pay the cost of the proceedings. "New district"

59119. "District" means the district against which the original bonds were issued and whose indebtedness is to be refunded pursuant to this chapter. "District"

59120. Whenever the legislative body determines that the public interest, convenience, or necessity requires the readjustment of assessments and the refunding of assessments or bonds of an improvement district created pursuant to any law for the acquisition or construction, or both, of any public improvement by special assessments upon the lands benefited, it may proceed pursuant to this chapter. Assessments Readjustment and refunding

59122. This chapter shall be liberally construed to effectuate its purposes. Liberal construction

59123. In any procedure taken pursuant to this chapter, if any neglect or omission of an officer of a local agency, or any error or informality, does not directly affect the jurisdiction of the legislative body to issue the assessment readjustment bonds, it does not invalidate the proceeding or any assessment for the cost of the proceedings. The exclusive remedy of any person so affected or aggrieved is by appeal to the legislative body pursuant to Article 9. Effect of neglect, omission, etc

59124. The reassessment provisions and curative clauses of the Improvement Act of 1911 apply to the proceedings and the assessment and bonds levied and issued pursuant to this chapter. Such curative clauses and those of this chapter are cumulative and each shall be given full force and effect. Reassessment provisions, etc

59125. A legislative body authorized to conduct a proceeding pursuant to this chapter may file a petition and take all actions required by any federal bankruptcy law for a district formed under any improvement or acquisition law which provides for the payment of the improvement or acquisition by special assessment upon the property benefited. Federal bankruptcy law

59126. The Special Assessment Investigation, Limitation and Majority Protest Act of 1931 does not apply to proceedings pursuant to this chapter. S. & H. C. §2800, ff

59127. When any notice or resolution is required to be published, publication shall be made in any newspaper published and circulated within the local agency in which the legislative body has jurisdiction. Notice: By publication

59128. When a notice is required to be mailed to property owners, upon the completion of the mailing of the notice, the clerk shall file with the legislative body an affidavit setting forth Same By mail

the time and manner of the compliance with the requirements of this chapter.

Rights of State, etc

59129. Wherever the State, or any county, city, school district, public corporation, or political subdivision owns or has an interest in lands within a district whose indebtedness is proposed to be refunded, it has the same right as any private landowner to appear and be heard in the proceedings or in any suit on them. All the curative clauses of this chapter apply to it.

Article 2. Authority to Conduct Proceedings

Local legislative bodies

59175. Authority to conduct proceedings is conferred upon the legislative body of a local agency pursuant to this article.

Orderer of original bonds

59176. The legislative body which ordered the original bonds issued has complete authority to conduct proceedings.

Within city

59177. If the district lies entirely within a city, the city legislative body has complete authority to conduct proceedings.

Within county

59178. If the district lies entirely within unincorporated territory of a county, the county legislative body has complete authority.

Changed status

59179. In all cases of incorporation of, annexation of territory to, consolidation of, exclusion of territory from, or the dissolution of, a city or cities, the authority, which would be vested in the legislative body which conducted the original proceedings, is vested in the legislative body which has jurisdiction over the district territory when the refunding is begun.

Within two cities

59180. If a district lies entirely within two or more cities, the legislative body of any city in which any of the district lies may conduct the proceedings.

Within city and unincorporated area

59181. If the district lies partly within unincorporated territory of a county and partly within one or more cities, the legislative body of the county, or of any such city may conduct proceedings.

Concurrent authority

59182. If more than one legislative body has authority to conduct the proceedings or if the legislative body proposing to conduct the proceeding is not that which levies the tax or assessment for the payment of principal and interest of the original bonds, the legislative body which proposes to conduct the proceeding shall obtain consent to the proceedings from the legislative body:

(a) Of each city in which any of the district lies.

(b) Of the county if a part of the district lies in unincorporated territory of the county.

(c) Which levies the tax or assessment for the payment of principal and interest of the original bonds.

Resolution of consent

59183. Such legislative bodies may grant such consent, which shall be expressed by resolution.

Same Filing

59184. The consent shall be obtained and a certified copy of the resolution filed with the clerk of the legislative body proposing to conduct the proceedings on or before the date the resolution of intention in the proceedings is adopted.

59185. When consent has been given, the legislative body to which it was granted has complete authority to conduct proceedings pursuant to this chapter. Same: Effect

Article 3. Resolution of Intention

59210. Before ordering the acquisition and cancellation of any bonds, the legislative body shall adopt a resolution declaring its intention to do so. Acquisition and cancellation of bonds

59211. The resolution shall contain a description of the boundaries of the new district. Description of boundaries

59212. If the resolution provides that the original bonds of only one district are to be acquired and canceled, the exterior boundaries of the new district shall be coterminous with the exterior boundaries of the district as fixed in the original proceedings. The property to be assessed in the new district pursuant to this chapter shall be the property assessed in the original proceedings. Property to be assessed

59213. The original bonds of contiguous or overlapping districts may be acquired and canceled in a single proceeding. All or part of each of such districts shall lie within the local agency whose legislative body proposes to conduct the proceedings. Contiguous or overlapping districts

59214. If the resolution of intention provides that original bonds of more than one contiguous or overlapping district are to be acquired and canceled, the exterior boundary of the new district shall encompass all property within the composite area formed by such contiguous or overlapping districts. The property to be assessed in the new district shall be the property assessed in the various original proceedings. Same Property to be assessed

59215. No property within the new district shall be charged in the new assessment with any of the debt of a district of which it was not formerly a part. Past debts

59216. In the resolution of intention the new district may be described or reference made to a map, pursuant to the Improvement Act of 1911. Reference to map

59217. The resolution of intention shall:

(a) Refer to the original proceedings with sufficient clarity to identify them. Contents of resolution

(b) Indicate the amount of bonds and of each series which were originally issued against each of the districts created under such proceedings.

(c) Indicate the amount of such bonds outstanding against each district when the resolution of intention is adopted.

59218. The resolution shall state: Same

(a) That it is proposed to issue bonds of the new district.

(b) The maximum amount for which and the character of the proposed new bonds.

(c) The maximum term of the bonds.

(d) The maximum rate of interest to be paid on them, not to exceed 7 percent a year.

Same

59219. The resolution of intention shall state:

(a) The amount of each sum allocated up to the date of the resolution from any source toward the payment and redemption of the original bonds.

(b) That any subsequent allocation, except contributions by way of cancellation of taxes or towards incidental expenses, will be used to reduce the reassessment to be levied.

Recital of facts

59220. The legislative body may recite in the resolution of intention the facts upon which it finds that the public interest, convenience, or necessity require the acquisition and cancellation of the original bonds and the creation of the new district.

Notice of hearing

59221. The resolution shall contain a notice of the time and place at which any person objecting to the proposed acquisition and cancellation of the original bonds, to the creation or extent of the new district, or to the issuance of bonds against it, may appear before the legislative body and show cause why the new district should not be created, or new bonds issued to acquire and cancel the original bonds and to pay the cost of the proceedings under the resolution of intention.

Limitation

59222. The time shall be not less than 15 nor more than 60 days after the adoption of the resolution.

Publication

59223. The resolution of intention shall be published twice in a newspaper designated in the resolution. The first publication shall be at least 10 days before the date set in the resolution for hearing.

Mailing

59224. A notice of the passage of the resolution of intention shall be mailed to each property owner at least 10 days before the date set in the resolution for hearing.

Title

59225. The notice shall be entitled "Notice to Owners of Proposed Assessment and Bond Refunding."

Contents

59226. It shall:

(a) Give notice of the passage of the resolution.

(b) Give notice of its date.

(c) Give notice of the time and place of hearing on the resolution.

(d) Briefly describe the substance of the resolution.

(e) Refer to the resolution on file.

Article 4. Protests to Proposed Refunding and District

Procedure and effect

59250. Written protests against the proposed refunding or the creation of the new district may be made, filed, heard, considered, and passed upon in the time and manner, with the effect, and subject to the terms of protests against a proposed district pursuant to the Improvement Act of 1911.

Acquisition of jurisdiction

59251. The legislative body acquires jurisdiction to order the refunding when:

(a) No written protests are filed within the proper time.

(b) All protests are found insufficient or are overruled.

(c) Any correction of the proposed district or refunding has been made and all protests have been heard and denied.

Article 5. Notice to Bondholders of Proposed Refunding and Invitation for Proposals

Publication

59270. The legislative body shall cause a notice of the refunding to be published in a newspaper designated by it.

Title

59271. The notice shall be headed substantially as follows: "Notice to assessment and bondholders of proposed refunding."

Contents

59272. The notice shall briefly set forth:

(a) The fact of the adoption of the resolution of intention pursuant to this chapter.

(b) Its date.

(c) The purpose of the proceeding indicated in the resolution.

(d) A reference to the resolution for further particulars.

(e) The maximum amount for which and the character of the proposed new bonds.

(f) The maximum term of the bonds.

(g) The maximum rate of interest to be paid on them.

Invitation for proposals

59273. In the notice the legislative body shall invite the holders of the original bonds to submit to it one or more written proposals stating the terms upon which they will deliver their bonds for cancellation to the legislative body or to any official it designates in consideration for any one of the following:

(a) Delivery of new bonds against the district described in the resolution of intention.

(b) A cash sum to be specified in the proposal.

(c) The delivery and payment of any combination of such bonds and cash specified in the proposal.

Article 6. Diagram

Proposals of bondholders

59290. If pursuant to the notice, the bondholders file with the legislative body one or more written proposals for the surrender and cancellation or redemption of not less than 75 percent of the principal amount of all the original bonds referred to in the resolution of intention, the legislative body shall direct the engineer to make a diagram of the property within the new district, affected or benefited by the proposed acquisition and cancellation of such original bonds and to be assessed to pay the cost of the proceedings.

Excepted lots

59291. If in the original proceedings for formation of the district and the issuance of bonds any lot was excepted from the special assessment tax levy to pay the principal and interest of the bonds, the lot shall be shown upon the diagram but no reassessment shall be levied on it.

Identification

59292. The diagram shall show each lot in the new district and its dimensions sufficient to identify it.

Article 7. Reassessment

Limitation

59320. In refunding the indebtedness of a district the total amount of the reassessment to be levied pursuant to this chapter and any contributions shall not exceed the face amount

of the original bonds and coupons and interest on them after the maturity of the bonds and coupons, including interest after the date of the resolution of intention, plus the incidental expenses of the proceedings.

Estimate of benefit

59321. Upon completion of the diagram the engineer or such other person as the legislative body designates shall estimate the benefit to be received by each lot in the new district, as shown by the diagram, from the acquisition and cancellation of the original bonds and from the acquisition and improvement for which they were issued and the total benefit on all such lots.

Assessment

59322. The engineer or such other person shall assess upon and against the land in the new district the total net amount of the cost of the proceedings to be assessed against such land. In so doing he shall assess the total sum upon the lots in the district which are benefited by it by assessing a sum upon each lot in proportion to the estimated benefits to be received by it.

Tax deeded lands

59323. Tax deeded lands are subject to reassessment in refunding proceedings pursuant to this chapter.

Factors considered in making assessment

59324. In making the assessment and estimating the benefits to be received by each lot, the engineer or other person shall consider, among other things, the following:

(a) The principal amount of all the bonds originally issued.

(b) The amount of special assessment levies previously made on account of such bonds.

(c) The amount of outstanding bonds proposed to be acquired and canceled.

(d) The number of issues of such bonds.

(e) The amount which has been collected or paid into the interest and sinking fund of the district for any lot upon assessments previously levied to pay the principal and interest of such bonds.

(f) The delinquency in the payment of any such assessments existing against any lot.

(g) Any allocation referred to in the resolution of intention and any subsequent allocations.

(h) Any costs and expenses incidental to the proceedings.

(i) The amount of any discount or concession referred to in the bondholders' proposal.

Article 8. Notice of Assessment Hearing

Filing of diagram, etc.

59350. When the diagram and assessment have been made, they shall be attached together and filed with the clerk.

Hearing notice:

59351. Upon such filing, the clerk shall give notice of the filing and of a time to be fixed in the notice by him when all persons interested in the acquisition and cancellation of the original bonds, the diagram, or assessment will be heard by the legislative body.

Form

59352. The notice shall:

(a) Recite that a bondholders' proposal has been filed.

(b) Briefly indicate its terms.

(c) Refer to the resolution of intention, the bondholders' proposal, the diagram, and assessment on file for further particulars.

Written consent

59353. The notice shall contain a statement that before the legislative body may finally confirm the diagram, assessment, bondholders' proposal, and proceedings, there shall be filed with the clerk the written consent of the owners of:

(a) A majority in area of the land in the district or districts subject to assessment to pay the principal and interest of the original bonds.

(b) A majority in area of the new district.

Contents

59354. The notice shall state that any such owner may file his written consent to the refunding at any time prior to the adoption of the resolution of final confirmation.

Posting

59355. The notice shall be posted for not less than 10 days on or near the door of the chamber in which the legislative body conducts its regular public meetings.

Publication

59356. Before the date designated for the hearing, the notice shall be published twice in the newspaper in which the resolution of intention was published, if still existing, otherwise in any newspaper designated by the legislative body. The first publication shall be at least 10 days before the day set for hearing.

Mailing

59357. The clerk shall mail a copy of the notice to the owners at least 10 days prior to the time fixed for the hearing.

Amount of assessment

59358. The mailed notice shall also:

(a) Designate the property within the new district belonging to the owner by a description sufficient to enable him to identify it, or by its diagram number and referring to the diagram filed with the clerk.

(b) State the amount proposed to be assessed against the property.

Article 9. Hearing on Assessments

"Interested person"

59380. As used in this article, "interested person" means an owner or any other person interested in any of the following:

(a) The proposed acquisition and cancellation of original bonds.

(b) The diagram.

(c) The assessment.

(d) The bondholders' proposal.

Appeal

59381. Prior to the time fixed for the assessment hearing any interested person may appeal to the legislative body by briefly stating in writing the grounds of his appeal. Such appeal may be made upon any of the following grounds:

(a) That he feels aggrieved by any act or determination of the person who prepared the diagram and assessment.

(b) That he objects to their correctness.

(c) That he feels aggrieved by the bondholders' proposal.

(d) That he feels aggrieved by any other act, determination, or proceeding concerning the diagram, assessment, or proposal.

Hearing

59382. At the time set for hearing protests the legislative body shall hear and pass upon all protests so made.

Action on appeal

59383. Upon such appeal, the legislative body may:

(a) Remedy and correct any error or informality in the proceedings.

(b) Revise and correct any of the acts or determinations of the person who made the diagram and assessment.

(c) Confirm, amend, or correct the assessment or diagram in such manner as seems just to the legislative body.

(d) Direct the persons who made the assessment and diagram to correct them in any particular.

(e) Require and accept a modification of any bondholders' proposal in accordance with any protest.

Decisions conclusive

59384. After notice and hearing of assessment pursuant to this chapter all the decisions of the legislative body are conclusive upon all persons entitled to appeal, as to all errors and irregularities which it has power to avoid or remedy during the proceedings or at the hearing.

Informality, other defects

59385. If the resolution of intention is actually published pursuant to this chapter, a court shall not invalidate any assessment, diagram, or proceedings prior to the assessment, for any informality, or other defect.

Article 10. Preliminary Confirmation

Resolution

59410. When no appeal is taken or when the orders and determinations of the legislative body upon appeal have been complied with and it is satisfied with the correctness of the assessment, it shall forthwith by resolution preliminarily confirm the proceedings, the assessment and diagram, and the proposals.

Same: Content

59411. In the resolution the legislative body shall determine:

(a) The amount for which each issue of original bonds are to be acquired.

(b) The amount of the reassessment.

(c) The number of years for which the new bonds are to be issued.

(d) The interest rate on the new bonds.

Consent required

59412. Before the legislative body may proceed after the preliminary confirmation or finally confirm the proceedings, including the diagram, assessment, and proposals, there shall be filed with the clerk written consents to the assessment readjustment and bond refunding proceedings as preliminarily confirmed and to the readjustment of the assessments and the refunding of the bonds pursuant to such proceedings. The consent shall be signed by the owners of a majority in area of the lands in:

(a) Each district whose bonds are to be acquired.

(b) The new district.

Consent of State, city, etc

59413. The State Controller may sign any consent to the refunding and reassessment for the State and the board of supervisors of the county in which the property lies may consent

to the refunding and reassessment by resolution. If pursuant to law a city or other municipal or public corporation has acquired title to property within the district for nonpayment of taxes, its legislative body may consent to the refunding and reassessment.

Article 11. Final Confirmation

Continuing jurisdiction

59440. The assessment hearing shall be continued from time to time and the legislative body has continuing jurisdiction to determine by resolution whether and when the written consents of the owners of a majority in area of such lands have been filed.

Resolution of confirmation

59441. If the legislative body determines that the consents have been filed, it shall by resolution finally confirm the proceedings, the assessment and diagram, and the proposals. The clerk shall attach to the assessment and diagram a certified copy of the resolution. The legislative body may thereupon proceed pursuant to this chapter.

Article 12. Recording of Assessment

City

59470. If the proceedings are conducted by a city legislative body, the reassessment as confirmed shall be recorded with the city superintendent of streets.

County

59471. If the proceedings are conducted by a county legislative body, the reassessment as confirmed shall be recorded with the county surveyor.

Restriction

59472. The reassessment shall not be recorded until the occurrence of either of the following:

(a) The holders of all original bonds and coupons contract by bondholders' proposal or otherwise to exchange their bonds and coupons in the proceedings.

(b) If they do not so contract, adequate provision is made pursuant to this chapter for the retirement or payment of the bonds and coupons of nonconsenting holders or their bonds have been subjected to retirement or payment by decree or order of court pursuant to federal bankruptcy laws

Lien Effective date

59473. When recorded, the amounts so reassessed upon the lots are a lien on the lots as of the date of recordation.

Same Termination

59474. The lien shall continue until the reassessment and the interest and penalties are paid or until it is discharged of record.

Same-Priority

59475. The lien has priority over all special assessment liens created against the same property subsequent to the date of recordation.

Constructive notice

59476. From the date of the recording all persons are deemed to have notice of the contents of the reassessment.

Article 13. Payment of Assessments

Payee

59500. If a bond has not been issued to represent the reassessment, the amounts assessed in the reassessment are payable to the superintendent of streets or county surveyor with

whom it is recorded and who may receive the amount due and give a discharge.

Procedure upon payment

59501. Upon payment of any reassessment, such superintendent of streets or the county surveyor shall mark note of the payment upon the reassessment and shall cancel the reassessment. Upon request, he shall give a receipt to the person making payment.

Notice

59502. Immediately upon recordation, the officer with whom the reassessment is recorded shall give notice that:

(a) The reassessment has been recorded in his office.

(b) All sums assessed became due and payable upon the recordation, stating the date.

(c) Payment is to be made to him within 30 days after the date of first publication.

(d) For any reassessment not paid before the expiration of 30 days, a bond will issue pursuant to this chapter, stating the period over which the bond will extend and the rate of interest payable on it.

Same. Publication

59503. The notice shall be published once a week for two weeks in a newspaper designated by the legislative body.

Same Mailing

59504. Notice shall also be given by mailing a postcard to the owners.

Reassessment on public property

59505. Any reassessment upon public property shall be paid by the officer or board having charge of the disbursement of the funds of the owner of the property. The reassessment is an enforceable obligation against the property owner.

Funds unavailable

59506. If money is not available for the payment of the reassessment, the board or officer who levies taxes for the owner of the public property shall include in the next tax levy an amount sufficient to pay the reassessment and the interest from the recordation of the reassessment at the rate stated in the new bonds. When the money received from the tax levy is available, the reassessment and interest shall be paid by such disbursing officer or board.

Foreclosure

59507. Any reassessment upon public property not in use in the performance of a public function may be foreclosed pursuant to Sections 5398 to 5421, inclusive, of the Streets and Highways Code except that:

(a) The notice required to be given upon the tax bill need not be given.

(b) The action may be brought at any time after 30 days after the recording of the reassessment.

(c) In the action the reassessment and diagram with proof of nonpayment are prima facie evidence of the right of plaintiff to recover in the action.

Parties to foreclosure

59508. The foreclosure action shall be brought in the name of the local agency whose legislative body levied the reassessment upon the request of any person entitled to any of the money to be derived from the reassessment.

Appointment of attorney

59509. The foreclosure action may be brought by any competent attorney appointed by the legislative body which levied the reassessment.

New bonds

59510. New bonds shall not issue against public property and the list of unpaid reassessments to be filed with the treasurer shall not include any unpaid reassessments upon public property.

Tax-deeded land

59511. If a reassessment has been levied upon tax-deeded land and upon the recordation of the reassessment, the clerk shall send to the auditor of the county in which the land lies notice that the original bonds of the district have been refunded and that the unpaid taxes and special assessment taxes levied to pay the principal and interest of such bonds are canceled. The auditor shall compute the amount of the unpaid taxes and special assessment taxes, penalties, and interest so canceled and notify the State Controller of the amount. The amount shall be deducted from the amount necessary for a redemption of the property.

Same City, etc

59512. If the property was deeded to a city or other municipal or public corporation for nonpayment of its taxes, the computation of the amount to be deducted for redemption shall be made by the city auditor or other person vested by law with such duties.

Credit for payment

59513. After the adoption of the resolution of intention in the proceedings all sums paid for any lot into the interest and sinking fund for the payment of principal and interest of the original bonds shall be credited upon the reassessment levied upon the lot in the proceedings and shall be applied as money paid upon the reassessment.

List of unpaid reassessments

59514. After the expiration of 30 days from the date of recording the reassessment, the officer with whom the reassessment is recorded shall make and certify to the treasurer of the local agency conducting the proceedings a complete list of all unpaid reassessments and the amounts thereof.

Tax-deeded lands

59515. The list shall exclude reassessments upon public property, but shall include tax-deeded land and all other land.

Article 14. Contributions

City or county

59530. To aid in refunding the indebtedness of a district, entirely or partly within a city or unincorporated county territory, any city in which all or part of the district lies and the county in which it lies may:

(a) Appropriate money from any available fund.

(b) Contribute money owed to it for delinquent taxes upon property within the district by canceling such taxes.

Public interest, etc

59531. The legislative body making any contribution of public funds to aid in the refunding shall determine that the public interest, convenience, or necessity requires it.

Other contributions

59532. Prior to the final confirmation of the assessment, the legislative body may receive and accept cash contributions from any source. The contributions shall be applied on the total amount of the cost of the proceedings, and shall reduce to that extent the total sum to be assessed upon the lots in the new district.

Refunds

59533. If the proceedings for which contributions are made are not consummated, the legislative body may refund any contribution to the person who made it.

Same

59534. If contributions are made exclusively for the payment of the incidental expenses, the legislative body may refund pro rata to the persons making them any balances remaining after the payment of incidental expenses.

Payment Costs and expenses

59535. The legislative body may pay all or part of the costs and expenses of any proceedings from any fund over which it has jurisdiction and control and which is legally applicable to such payment.

Same Any purpose

59536. The legislative body may appropriate funds from a general fund or from any funds available for any or all of the purposes contemplated in this chapter.

Article 15. Acquisition and Cancellation of Bonds of Consenting Bondholders

Disposition of funds

59560. If the holders of all of the original bonds agree to refund them as proposed in the refunding proceeding, all new refunding bonds, all money collected on the reassessments levied in the refunding proceeding, and any public contributions after payment of the incidental expenses, shall be paid and delivered to them, in the amounts and proportions fixed by the proposals or other contract with bondholders.

Terms of exchange

59561. Any such proposal or contract may provide such terms of exchange as are agreed upon by the holder and the legislative body and may contain terms relating to the time and method of, and conditions precedent to, performance.

Cancellation of original bonds

59562. When the new bonds or money is delivered to the bondholders, they shall concurrently deliver to the legislative body or its representatives the original bonds which are refunded and all outstanding unpaid interest coupons, constituting the entire indebtedness of the district, which shall immediately be canceled.

Article 16. Acquisition and Cancellation of Bonds of Nonconsenting Bondholders

Refund authorized

59590. If the holders of one or more of the original bonds do not enter any proposal or contract with the legislative body to refund the bonds but the holders of 75 percent or more of the bonds do contract with the legislative body which conducts the proceedings, it may refund all of the bonds pursuant to this chapter. In such event, prior to recording the reassessment, sufficient money to provide adequately for the retirement or payment of the original bonds of the nonconsenting holders shall be set aside in the proper fund for that purpose.

Advances, contributions

59591. Any local agency authorized by this chapter to appropriate money to aid in refunding the original bonds of the district may make an advancement, contribution, or an additional contribution to provide money to pay or retire bonds of the nonconsenting holders.

Repayment of advances

59592. When any local agency, person, or corporation advances money for the payment or retirement of the original bonds of nonconsenting holders, the legislative body may deliver at par all or part of the new bonds which are not to be delivered to consenting bondholders to such local agency, person, or corporation, or sell at par all or part of such bonds, and from the proceeds wholly or partly reimburse such local agency, person, or corporation. The legislative body may contract to make such sale or delivery.

Same Bonds

59593. If the legislative body makes all or part of such advancement it may reimburse the local agency of which it is the legislative body, entirely or partially by taking all or part of such new bonds at par.

Same Cash

59594. Any cash collected on reassessments and not required to pay consenting bondholders may also be used to reimburse in whole or in part any local agency, person, or corporation making the advance, and the legislative body may contract to so apply such cash.

Other methods

59595. The legislative body may use any other method of raising funds for the payment or retirement of the original bonds of nonconsenting bondholders which will adequately provide the money necessary for such payment or retirement prior to the recordation of the reassessment.

Fund for retirement, etc., of bonds

59596. When money is placed in any fund for the retirement or payment of the original bonds of nonconsenting holders it shall be used only for that purpose. After all the original bonds of nonconsenting holders have been paid or retired, any sum remaining in the fund shall be returned to the local agency which advanced it.

Sale of new bonds

59597. If the proposals or contract with the bondholders so provides, the legislative body may sell all of the new bonds for cash and pay the bondholders in cash at a price to be fixed in the proposals or contract.

Discharge below par

59598. If the discharge of the original bonds of any nonconsenting holders at less than par has been authorized by any final decree or order confirming a plan of readjustment pursuant to a federal bankruptcy law in any proceedings initiated pursuant to this chapter, the legislative body may perform all acts necessary to discharge the bonds pursuant to the decree or order.

Article 17. Foreclosure on Tax-deeded Land

Default in payment

59620. Upon any default in the payment of an installment of interest or principal of any new bond issued to represent a reassessment upon tax-deeded land, the land may be sold or a foreclosure suit brought pursuant to this chapter as in the case of other lands.

State, etc., as defendant

59621. The State, or the city or other municipal or public corporation may be made a party defendant in such foreclosure suit, or in any quiet title suit brought by the purchaser at the treasurer's sale or by his successor in interest. It is a sufficient service of process to serve the Attorney General for the State

or the president of the legislative body for a city or other municipal or public corporation.

Article 18. Bond Plans

Option

59640. Serial bonds shall be issued to represent the unpaid reassessments, including unpaid reassessments on tax-deeded land, pursuant to Bond Plan A, B, or C. The legislative body shall determine which bond plan shall be used.

Plan A

59641. Under Bond Plan A, a bond shall be issued to represent each of the assessments remaining unpaid and shall be entitled "Refunding Bond. Bond Plan A." Such bonds shall be substantially in the form of the street improvement bonds provided for in the Improvement Act of 1911.

Plans B and C

59642. Under Bond Plan B or C bonds shall be issued to represent and be secured by the unpaid assessments upon the reassessment.

Plan B

59643. Bond Plan B bonds shall be:

(a) Issued in the manner and form provided in the Improvement Bond Act of 1915.

(b) Entitled "Refunding Bond. Bond Plan B."

(c) Substantially in the form of the street improvement bonds provided in such act.

Plan C

59644. Bond Plan C bonds shall be:

(a) Issued in the manner and form provided in the Refunding Assessment Bond Act of 1935.

(b) Entitled "Refunding Bond. Bond Plan C."

(c) Substantially in the form of the refunding bonds provided in such act.

Changes of wording

59645. Any appropriate changes may be made in the wording of the bonds necessary to make them conform to this chapter and the proceedings taken pursuant to this chapter.

Plan A bonds Payee

59646. Bond Plan A bonds shall be payable to the person to whom they issue, or order.

Same Term and interest

59647. Bond Plan A bonds shall be for the term and bear interest at the rate specified in the resolution of final confirmation.

Same Annual coupons

59648. Bond Plan A bonds shall have annual coupons attached to them payable in annual order on January 2d of each year after the October 15th following the date of the bonds, until all are paid. Each coupon shall be for an equal annual proportion of the principal of the bonds to which it is attached.

Same· Semiannual coupons

59649. Bond Plan A bonds shall also have semiannual interest coupons attached to them and payable as in the case of bonds issued pursuant to the Improvement Act of 1911.

Plan A, B, C bonds· Conditions

59650. The bonds issued under Bond Plans A, B, or C may be redeemed or canceled, have the effect, shall be enforced, paid, and subject to the penalties, and, so far as possible, shall be issued and conform to the requirements, of bonds issued under the Improvement Act of 1911, the Improvement Bond Act of 1915, and the Refunding Assessment Bond Act of 1935, respectively. The provisions of such acts apply to such bonds.

59651. Bond Plan A bonds may be issued for a period of not to exceed 29 years from the January 2d succeeding the October 15th following their date. Plan A bonds Term

59652. Bond Plan B or C bonds may be issued for not to exceed 29 years after July 2d following the first 10 months after their date. Plan B, C bonds Term

59653. The determination of the legislative body as to the form and contents of the bonds issued under any of the plans is conclusive, except that the bonds shall state that they are issued pursuant to Bond Plan A, B, or C, as the case may be, of this chapter. Plan A, B, C bonds Form and contents

59654. If Bond Plan B or C is used the reassessment and curative clauses and all other bond and assessment provisions of the Improvement Bond Act of 1915 or the Refunding Assessment Bond Act of 1935, respectively, apply. Plans B, C: Application of S & H C, §8500, ff, Stats 1935, p. 2023

Article 19. Validating Proceeding

59670. Unless commenced within 90 days after the confirmation of the reassessment, a person shall not maintain any action or proceeding to cancel, annul, or correct the reassessment, to review any of the acts or determinations made in the proceedings, to question the validity or enjoin the collection of the reassessment or any reassessment of a reassessment made pursuant to this chapter, or to enjoin the issuance of any new bonds to represent them. Thereafter all persons are barred from any such action or proceeding or any defense of the invalidity of the reassessment or any bonds issued on the reassessment. Limitation

59671. At any time within 90 days after the confirmation of the reassessment, any person interested in any of the bonds to be refunded or in any of the lands reassessed may bring an action to determine the validity of the reassessment in the superior court of the county which is, or in which lies, the local agency whose legislative body conducted the proceedings. Action

59672. The action shall be a proceeding in rem. In rem

59673. Jurisdiction of all parties interested may be had by publication of summons for at least once a week for four weeks in a newspaper of general circulation published in the county where the action is pending and designated by the court having jurisdiction of the action. Summons: Service

59674. The summons shall contain a general description of the boundaries of the new district upon which the reassessment is or will be levied. Same: Description

59675. Jurisdiction is complete within 10 days after the full publication of the summons. Jurisdiction

59676. At any time before the expiration of the 10 days anyone interested may appear and by proper proceedings contest or uphold the validity of the reassessment. Appearance

59677. The action shall be speedily tried and judgment rendered declaring the matter either valid or invalid. Conduct of action

59678. The motion for a new trial shall be heard and determined within 10 days from the filing of the notice of intention. New trial

Appeal

59679. Either party may appeal to the Supreme Court at any time within 30 days after the rendition of judgment. The appeal shall be heard and determined within three months from the time of taking the appeal.

Scope of review

59680. In inquiring into the regularity, legality, or correctness of the reassessment, the court shall disregard any error or omission which does not affect the substantial rights of the parties.

Pleading, practice

59681. The rules of pleading and practice provided by the Code of Civil Procedure which are not inconsistent with this chapter apply to the action.

Costs

59682. The costs of the legal proceedings may be allowed and apportioned between the parties or taxed to the losing party in the discretion of the court.

Exclusive remedy

59683. After the reassessment has been confirmed, it may be contested only pursuant to this article.

Findings conclusive

59684. In such validation action all findings, conclusions, and determinations of the legislative body which conducted the proceedings are conclusive in the absence of actual fraud.

Effect of invalidation

59685. If any reassessment or any refunding bond is held invalid in any action or proceedings upon any ground which would apply to the entire reassessment or entire issue of new bonds, the unpaid original bonds refunded remain in full force and effect and if they have been canceled, the treasurer of the local agency which conducted the invalid proceeding shall issue other bonds in the same tenor, force, and effect as the canceled bonds. The act under which the original bonds were issued relative to the payment of such bonds and the levy, collection, and enforcement of taxes or special assessment taxes for such bonds apply to the unpaid original bonds and to the other bonds issued to replace them.

Reassessment of reassessment

59686. A reassessment of a reassessment made pursuant to this chapter may be ordered and made under this chapter for the reasons and purposes, and when made have the force and effect of reassessments made pursuant to:

(a) The Improvement Act of 1911, when the new bonds were issued pursuant to Bond Plan A.

(b) The Improvement Bond Act of 1915 when the new bonds were issued pursuant to Bond Plan B.

(c) The Refunding Assessment Bond Act of 1935 when the new bonds were issued pursuant to Bond Plan C.

CHAPTER 6. SPECIAL MUNICIPAL TAX DISTRICTS

Article 1. General Provisions

Tax: Limitation, purpose

60000. Pursuant to this chapter, any portion of a city may be formed into a special municipal tax district for the purpose of levying upon the taxable property in the district a special tax not to exceed thirty-five cents ($0.35) a year on each one hundred dollars ($100) of assessed valuation. The tax proceeds

shall be used for any of the following functions which the city is otherwise authorized by law to perform:

(a) The acquisition, construction, or operation of any public improvement or utility of local necessity or convenience.

(b) The furnishing or performing of any special local service, including music, recreation, or advertising.

Term

60001. A district may be formed to continue one, two, three, four, or five years, and the special tax may be levied each year for such period of time.

"District"

60002. As used in this chapter, "district" means special municipal tax district or proposed special municipal tax district.

"Clerk"

60003. As used in this chapter, "clerk" means the clerk of the legislative body of the city in which the district, or proposed district, is situated.

"Ordinance"

60004. As used in this chapter, "ordinance" means ordinance or resolution.

Alternative procedure

60005. This chapter is an alternative procedure governing the subject to which it relates.

Construction

60006. This chapter shall be liberally construed to effect its purpose.

Article 2. Petition for Formation

Number of signatures

60030. A petition to form a district shall be signed by not less than 10 percent of the qualified electors residing in the territory proposed to be formed into a district.

60031. The petition shall set forth:

Contents

(a) A general description of the improvement or utility to be acquired, constructed, or operated, or the special local service to be furnished or performed.

(b) A general description of the exterior boundaries of the district.

(c) A statement of the duration of the district.

(d) The maximum annual special tax proposed to be levied.

Article 3. Resolution of Intention

Declaration of intent

60060. When the petition is filed in the office of the clerk, the legislative body of the city may adopt an ordinance declaring its intention to call an election in the district to submit to the qualified electors of the district the proposition of the formation of a district and the levying in the district of a special tax in the manner and for the purpose set forth in the ordinance of intention.

Modification of petition

60061. In the ordinance of intention the legislative body may change or modify the boundaries of the district and the character or extent of the proposed public improvement utility, or local service.

Contents

60062. The ordinance of intention shall contain:

(a) A description of the exterior boundaries of the district.

(b) A general description of the proposed improvement, utility, or local service.

(c) The maximum annual special tax proposed to be levied.

(d) The number of years, not exceeding five, that the district will endure and the tax will be levied.

(e) A statement that an election will be called in the district to submit to the qualified electors of the district the proposition of the district formation and the levying of a special tax to pay for the proposed improvement, utility, or local service.

(f) A statement that a general description of the proposed improvement and a map showing the exterior boundaries of the district with relation to the immediately contiguous territory are on file in the office of the clerk and that the map will govern for all details as to the extent of the district.

(g) The time and place fixed for the hearing of protests.

Publication

60063. The ordinance shall be published once a day for at least six days in a newspaper of general circulation published at least six days a week in the city, or by one insertion each week for two succeeding weeks in a newspaper published less than six days a week in the city. The ordinance shall take effect upon the completion of publication.

Same

60064. In cities where such newspapers are not published, the ordinance shall be posted in three public places in the city, and shall take effect two weeks after posting.

Article 4. Protests and Objections

Filing and content

60090. At or before the time set for the hearing of protests, any person interested may file a written protest with the clerk stating that he objects to:

(a) The formation of the district.

(b) The extent of the district.

(c) The proposed improvement, or to the acquisition, construction, or operation of the proposed utility, or to the special local service.

(d) The inclusion of his property in the district.

Endorsement, presentation

60091. The clerk shall endorse on each protest the date he received it. At the time appointed for the hearing of protests, he shall present to the legislative body all protests so filed with him.

Hearing

60092. The legislative body shall hear the protests at the time appointed, or at any time to which the hearing is adjourned, and pass upon them. Its decision on the protests is final.

Effect of sustaining

60093. If any protest against the proposed improvement, or against the acquisition, construction, or operation of the utility, or against the special local service is sustained, no further proceedings shall be had pursuant to the petition, but a new petition to the same or a similar purpose may be filed after six months from the date the protest was sustained.

Inclusion of property

60094. If any protest is against the extent of, or against the inclusion of property in, the district, the legislative body may make such changes in the boundaries of the district as it finds proper and advisable, and it shall define and establish such

boundaries. The legislative body shall not modify the boundaries so as to include any territory which will not, in its judgment, be benefited by the improvement, utility, or special local service.

Boundary modification: Notice

60095. The legislative body shall not modify boundaries except after notice of its intention so to do. It shall give notice by one insertion in a newspaper described in Section 60063 or, in a city where no such newspaper is published, by posting in three public places. The notice shall describe the proposed modification and specify a time for hearing objections to the modification, which time shall be at least 10 days after the publication of notice.

Objection

60096. At or before the time set for such hearing, any interested person may file a written objection to the proposed modification of boundaries with the clerk.

Hearing

60097. The legislative body shall hear and pass upon the objections at the time appointed, or at any time to which the hearing is adjourned. Its decision on a protest is final.

If any objection is sustained, no further proceedings pursuant to the petition shall be taken, but a new petition for the same or a similar purpose may be filed after six months from the date the protest was sustained.

Failure of protest

60098. If no protests or objections to a modification of boundaries are filed at the expiration of the time for filing, or if protests or objections have been filed and are denied or overruled after hearing, the legislative body acquires jurisdiction to proceed pursuant to this chapter.

Article 5. Election on Formation

Call

60120. At any time after the legislative body has acquired jurisdiction, it may call an election within the district described in the ordinance of intention, or within the district as modified, to submit to the qualified electors of the district the proposition of the formation of the district and the levying in it of a special tax for the purposes set forth in the ordinance of intention.

Contents of ordinance

60121. The ordinance calling the election shall:

(a) Recite the purposes for which the proposed special tax will be levied.

(b) State the nature and estimated cost of the improvement, utility, or local service contemplated.

(c) State the maximum special tax to be levied annually.

(d) State whether the tax shall be levied for one, two, three, four or five years.

(e) Fix the date on which the election will be held.

(f) State the manner of holding the election and the manner of voting for or against the proposition.

Precincts

60122. In the ordinance the legislative body shall establish one or more voting precincts for the election within the boundaries of the district, designate a polling place, and appoint one inspector, one judge, and one clerk for each precinct.

Publication of ordinance

60123. Prior to the date fixed for the election, the ordinance ordering the holding of the election shall be published five times in a daily, or twice in a weekly or semiweekly newspaper of general circulation, printed and published in the city, and designated by the legislative body for such purpose.

In a city where no such newspaper is published, the ordinance shall be posted in three public places in the city for two weeks preceding the date fixed for the election. No other notice of the election need be given.

Municipal election law

60124. In all particulars not otherwise provided in this chapter, the election shall be held as nearly as possible in conformity with the law for the holding of municipal elections in the city.

Majority vote

60125. If a majority of the voters voting upon the proposition at the election vote for the formation of the district and the levying of the special tax, the legislative body may immediately declare the district formed and levy the special tax.

Judicial review

60126. After an election based upon a petition, the sufficiency of the petition or any proceedings prior to the election, shall not be subject to judicial review or otherwise questioned, and any defect or irregularity in any proceedings prior to the election shall not affect the validity of the formation of the district or any acts done subsequent to the formation in carrying out the purposes of this chapter.

Name of district

60127. The district so formed shall be known as Special Municipal Tax District Number (inserting number) of the City of _____ (inserting the name of the city in which the district is located).

Article 6. Administration of the District

Tax levy

60160. At the time of fixing, and in the manner provided for, the general tax levy, the city legislative body shall levy and collect a special tax not exceeding the maximum rate, upon the taxable property in the district as set forth in the ordinance calling the election. The tax shall be in addition to all taxes levied for municipal purposes and when collected shall be paid into the treasury and used for the purposes set forth in the ordinance calling the election.

Use of proceeds

60161. By and through its proper officers and on behalf of the district, the city may expend the proceeds acquired from the special tax for the purposes set forth in the ordinance calling the election, and may acquire, construct, or operate the improvements or utilities, or furnish or perform the special local service. Any property acquired shall belong to the city for the benefit of the district.

Ex officio legislative body, etc.

60162. The legislative body and all other officers, boards, or commissions of the city, their assistants, deputies, clerks, and employees, are ex officio the legislative body, officers, boards, commissions, assistants, deputies, clerks, and employees, respectively, of the district. In order to carry out this chapter, and

without additional compensation, they shall respectively perform the same various duties for the district as they are required by law to perform for the city unless the legislative body otherwise provides.

60163. The legislative body may provide for the appointment of such other officers and employees for the district as it deems necessary, and prescribe their duties and fix their compensation. Such officers and employees shall hold office during the pleasure of the legislative body and in their appointment and removal, are not subject to any civil service provisions of the city. Other officers

SEC. 2. Section 500048 is added to said code, to read:

500048. The following acts are repealed: Repeal

1919: 326: 546
1933: 806:2141
1933: 879:2280
1935: 400:1446
1935: 768:2145
1939:1017:2801
1941: 739:2257
1941: 747:2275
1949: 920:1684

CHAPTER 332

An act to amend and renumber Section 6210.6 of, to add a new Section 6210.6 to, the Public Resources Code, and to repeal an act entitled "An act granting to roads and highways a right of way over the public lands of this State," approved April 2, 1866, relating to public lands. Stats 1865-6, p. 555, repealed

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6210.6 of the Public Resources Code is amended and renumbered to read:

6210.7. The commission may amend or terminate any lease, easement, or contract under its jurisdiction, with the consent of the other party thereto. Power to amend, terminate

SEC. 2. Section 6210.6 is added to said code, to read:

6210.6. Whenever in accordance with the laws of this State any corporation, company, or individual lays out and constructs any road or highway over any unoccupied public lands of this State, or over any lands that the State by donation of Congress or otherwise may acquire, such corporation, company, or individual, and its assigns, is granted the right of way for such roads or highways over such public lands. This section applies to roads laid out and constructed, whether before or after April 2, 1866. Right of way

SEC. 3. Chapter 630 of the Statutes of 1865-6 is repealed. Repeal

CHAPTER 333

An act to consolidate and revise the law relating to natural resources, the conservation, utilization, and supervision thereof, and matters incidental thereto, by renumbering Division X and Sections 10001 to 10018, inclusive, of, and adding Section 50020 and Division 10, relating to resort districts to, the Public Resources Code, and repealing certain acts and parts of acts specified herein.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

Heading

SECTION 1. The heading of Division X of the Public Resources Code is amended and renumbered to read:

DIVISION 50. REPEALS

SEC. 2. Section 10001 of said code is amended and renumbered to read:

Acts repealed

50001. The following acts, together with all acts amendatory thereof and supplementary thereto, are hereby repealed:

Year	Ch.	Pg.
1852	64	137
1853	44	62
1857	158	182
1858	316	302
1860	121	89
1860	212	175
1860	254	225
1861	51	41
1861	501	566
1862	307	423
1863	222	302
1863	492	751
1863–4	76	76
1863–4	379	429
1863–4	458	508
1865–6	199	191
1865–6	261	286
1865–6	600	828
1865–6	604	832
1869–70	136	130
1869–70	276	383
1869–70	404	569
1871–2	59	55
1871–2	78	79
1871–2	255	355
1871–2	523	762
1871–2	627	924
1873–4	321	465
1873–4	627	866
1875–6	562	853
1875–6	580	861
1877–8	8	5
1877–8	49	70
1877–8	583	929
1877–8	632	966
1877–8	635	967
1881	49	49
1883	50	279
1885	17	17
1885	42	46
1887	38	50
1887	55	62
1889	115	133
1889	134	142
1891	155	219
1891	219	424
1893	69	79
1893	90	102
1893	225	338
1895	59	56
1897	182	243
1901	89	106
1901	161	516
1901	162	517
1903	83	92
1903	155	171
1903	300	424
1903	314	435
1905	22	17
1905	157	152
1905	161	155
1907	27	43
1907	151	184
1907	177	206
1907	235	296
1907	425	776
1909	539	868
1911	12	8
1911	286	478
1911	309	499
1911	322	522
1911	554	1073
1911	704	1367
1913	219	374
1913	633	1165
1915	288	481
1915	599	1056
1915	679	1328
1915	735	1452
1915	746	1490
1915	763	1528

Acts repealed

Year	Ch.	Pg.	Year	Ch.	Pg.	Year	Ch.	Pg.
1917:	321:	474	1921:	750:	1293	1927:	651:	1106
1917:	322:	475	1921:	871:	1657	1927:	695:	1201
1917:	413:	532	1921:	908:	1722	1927:	751:	1420
1917:	475:	563	1921:	910:	1723	1927:	764:	1479
1917:	690:	1281	1923:	82:	156	1929:	115:	200
1919:	176:	262	1923:	321:	671	1929:	533:	922
1919:	272:	444	1923:	409:	930	1929:	568:	969
1919:	387:	810	1923:	434:	1008	1931:	40:	23
1919:	430:	830	1925:	207:	360	1931:	586:	1277
1919:	597:	1240	1925:	211:	362	1931:	952:	1956
1921:	10:	10	1925:	214:	364	1933:	821:	2174
1921:	28:	29	1925:	222:	371	1933:	899:	2321
1921:	282:	385	1925:	259:	444	1935:	168:	836
1921:	398:	588	1925:	307:	360	1935:	302:	1028
1921:	678:	1153	1925:	413:	838	1935:	482:	1556
1921:	705:	1197	1927:	328:	539	1935:	685:	1875

SEC. 3. Section 10002 of said code is amended and renumbered to read:

50002. The following sections of the Civil Code are hereby repealed: Same

586	1426e	1426r
589	1426f	1426ra
661	1426g	1426s
1424	1426h	2511
1425	1426i	2512
1426	1426j	2513
1426a	1426k	2514
1426b	1426*l*	2515
1426c	1426m	2516
1426d	1426n	2517
1426da	1426o	2518
1426db	1426p	2519
1426dc	1426q	2520

SEC. 4. Section 10003 of said code is amended and renumbered to read:

50003. The following sections of the Political Code are hereby repealed: Same

373	373f	2391
373a	373h	2392
373b	373i	2393
373c	2389	3345
373d	2390	

SEC. 5. Section 10004 of said code is amended and renumbered to read:

50004. The following acts, together with all acts amendatory thereof and supplementary thereto, are hereby repealed: Same

Acts repealed

Year	Ch.	Pg.	Year	Ch.	Pg.	Year	Ch.	Pg.
1885:	34:	38	1927:	763:	1477	1931:	1206:	2520
1889:	135:	143	1929:	588:	992	1933:	485:	1257
1889:	248:	361	1929:	811:	1700	1933:	909:	2362
1891:	39:	25	1929:	855:	1887	1933:	1043:	2664
1913:	224:	377	1931:	184:	320	1937:	178:	474
1923:	24:	43	1931:	966:	1979	1937:	523:	1532
1927:	706:	1229	1931:	1058:	2210			

SEC. 6. Section 10005 of said code is amended and renumbered to read:

Same

50005. The following sections of the Political Code are hereby repealed:

373k	4052d	4041.24a
4052c	4041.24	

SEC. 7. Section 10006 of said code is amended and renumbered to read:

Same

50006. Chapter 679 of the Statutes of 1913 is hereby repealed.

SEC. 8. Section 10007 of said code is amended and renumbered to read:

Same

50007. Chapter 70 of the Statutes of 1925 is hereby repealed.

SEC. 9. Section 10008 of said code is amended and renumbered to read:

Same

50008. Chapter 718 of the Statutes of 1915 is hereby repealed.

SEC. 10. Section 10009 of said code is amended and renumbered to read:

Same

50009. Chapter 313 of the Statutes of 1923 is hereby repealed.

SEC. 11. Section 10010 of said code is amended and renumbered to read:

Same

50010. Chapter 309 of the Statutes of 1937 is hereby repealed.

SEC. 12. Section 10011 of said code is amended and renumbered to read:

Same

50011. Section 373j of the Political Code is hereby repealed.

SEC. 13. Section 10012 of said code is amended and renumbered to read:

Same

50012. The following acts, together with all acts amendatory thereof or supplementary thereto, are hereby repealed:

Year	Ch.	Pg.	Year	Ch.	Pg.	Year	Ch.	Pg.
1905:	332:	388	1917:	800:	1668	1925:	16:	19
1911:	454:	904	1921:	829:	1593	1927:	544:	915
1911:	612:	1154	1923:	229:	465	1929:	69:	145
1917:	493:	576	1923:	330:	677	1938:	5:	23

SEC. 14. Section 10013 of said code is amended and renumbered to read: Acts repealed

50013. The following sections of the Political Code are hereby repealed:

483	3395	3411
501	3396	3444
690	3397	3659
690.10	3405	4041m
690.11	3409	

SEC. 15. Section 10014 of said code is amended and renumbered to read:

50014. The following acts, together with all acts amendatory thereof or supplementary thereto, are hereby repealed: Same

Year	Ch.	Pg.	Year	Ch.	Pg.	Year	Ch.	Pg.
1852:	54:	127	1873–	4:258:	356	1915:	148:	305
1852:	82:	158	1873–	4:363:	523	1915:	267:	468
1853:	39:	55	1873–	4:380:	543	1915:	268:	469
1861:	45:	37	1875–	6:527:	798	1915:	395:	634
1862:	351:	476	1881:	55:	65	1915:	490:	818
1862:	393:	517	1881:	98:	114 (E.S.)	1917:	488:	570
1863:	376:	573	1887:	165:	176	1917:	674:	1218
1865–	6:258:	284	1889:	278:	428	1917:	753:	1561
1865–	6:536:	710	1891:	157:	221	1919:	54:	81
1867–	8:108:	90	1893:	151:	181	1919:	220:	322
1867–	8:200:	194	1893:	229:	341	1921:	173:	180
1867–	8:533:	708	1899:	131:	166	1925:	121:	269
1869–70:	329:	428	1907:	193:	238	1925:	215:	364
1869–70:	407:	572	1911:	720:	1408	1929:	629:	1042
1869–70:	563:	862	1911:	727:	1415	1929:	846:	1851
1871–	2:581:	859	1911:	21:	108 (E.S.)	1931:	684:	1422
1871–	2:605:	893	1913:	43:	44	1933:	176:	622
1873–	4:222:	327	1915:	66:	70	1941:	1228:	3087

SEC. 16. Section 10015 of said code is amended and renumbered to read:

50015. Sections 1, 2, 3, and 4 of Chapter 389 of the Statutes of 1915 are hereby repealed. Same

Section 9 of Chapter 70 of the Statutes of 1937 is hereby repealed.

SEC. 17. Section 10016 of said code is amended and renumbered to read:

50016. The following sections of the Political Code are hereby repealed: Same

35	497	3406	3408c
42	498	3406a	3408d
484	500	3407	3408e
485	502	3408a	3408f
487	3398	3408b	3410

Acts repealed

3414	3493o	3515	3549
3415	3493p	3516	3550
3416	3493q	3517	3551
3417	3493r	3518	3552
3440	3493s	3519	3553
3440.5	3493t	3520	3554
3440a	3494	3521	3555
3440b	3495	3522	3556
3440c	3497	3523	3566
3440d	3498	3524	3567
3441	3499	3533	3568
3442	3500	3534	3569
3443	3502	3536	3570
3443a	3503	3546	3573
3445	3512	3547	3574
3493m	3513	3548	3788
3493n	3514		

SEC. 18. Section 10017 of said code, as added by Chapter 759 of the Statutes of 1943, is amended and renumbered to read:

Same

50017. Section 3535 of the Political Code is hereby repealed.

SEC. 19. Section 10017 of said code, as added by Chapter 1067 of the Statutes of 1945, is amended and renumbered to read:

Same

50018. Sections 3571 and 3572 of the Political Code are hereby repealed.

SEC. 20. Section 10018 of said code is amended and renumbered to read:

Same

50019. Chapter 640 of the Statutes of 1935 is hereby repealed.

SEC. 21. Division 10 is added to said code, to read:

DIVISION 10. THE CALIFORNIA RESORT DISTRICT LAW

CHAPTER 1. GENERAL PROVISIONS

Short title

10000. This division may be cited as the California Resort District Law.

Construction

10001. Unless the context otherwise requires, the definitions contained in this chapter govern the construction of this division.

"Department"

10002. "Department" means the Department of Public Works.

"District"

10003. "District" means resort district formed, or proposed to be formed, pursuant to this division or its predecessor.

"Land"

10004. "Land" means land in the district.

"Principal county"

10005. "Principal county" means the county in which all of the land is situated, or if the land is situated in more

than one county, the county in which the greatest portion of the land is situated.

10006. "Affected county" means any county in which land within the district is situated. "Affected county"

10007. "Office county" means the county in which the district office is situated. "Office county"

10008. "District office" means office of the district. "District office"

10009. "Board" means the board of directors of a district. "Board"

10010. "President" means the president of the board. "President"

10011. "Secretary" means secretary of the board. "Secretary"

10012. "Treasurer" means treasurer of the district. "Treasurer"

10013. "County treasurer" means the treasurer of an affected county. "County treasurer"

10014. "Elective officer" means a member of the board. "Elective officer"

10015. "General election" is the district election required to be held in each odd-numbered year. "General election"

10016. "Bond election" means an election provided for in Article 2 of Chapter 8. "Bond election"

10017. "Titleholder" means person holding title, or evidence of title, to land. "Titleholder"

10018. "Improvements" means improvements or works for sewage disposal, drainage, fire protection, roads, and trails, or any of them. "Improvements"

10019. "Charges" includes tolls. "Charges"

10020. When used in connection with assessments upon which bonds have been issued, "installment" means principal or principal and interest, as the case may be. "Installment"

10021. The department and the board shall each cause to be entered in books kept for that purpose a complete and connected record of all their acts and transactions. They shall execute each contract and other written instrument in duplicate, one copy of which, and any other papers filed with it, shall be kept on file in their respective offices and open to public inspection during business hours. Records, etc

10022. The records and all other papers so filed, or a copy certified by the department or secretary, shall be received in evidence without further proof in any court, or before any board or tribunal authorized to hear or consider a matter in which they are properly admissible in evidence. Same As evidence

10023. Unless otherwise specifically provided, any notice or publication required by this division shall be given or made in each affected county in a newspaper of general circulation printed and published in such county. If there is no such newspaper in the county, it shall be made or given in a newspaper printed and published in an adjoining county. Unless otherwise specifically provided, it shall be published once a week for two successive weeks. Notices, publication

10024. Without obtaining special authority, guardians, personal representatives, and other persons holding land in a trust capacity under court appointment may sign any petition and vote at any election for the estate they represent. Representatives

Proof of residence, etc

10025. A certificate of acknowledgment taken before a notary public or justice of the peace of any state, or an affidavit by any person in whose presence a petition is signed, is sufficient evidence of the place of a petitioner's residence and the genuineness of his signature.

Proof of ownership, value

10026. For all questions relating to signing petitions, voting, or title to or value of land claimed by a petitioner or voter, the county assessment roll of each affected county, last equalized at the time of the election or filing of the petition, is sufficient evidence of ownership and value.

Fictitiously named owners

10027. For the purposes of this division, when land is assessed on any such assessment roll to unknown or fictitiously named owners the land is deemed to have but one owner in addition to any owner whose true name appears on the assessment roll.

Undivided interests

10028. The titleholder of an undivided interest in land may sign any petition or vote at any election provided for in this division. The undivided interest shall be counted and valued as though it were a separate interest. If the assessment roll fails to indicate the extent of an undivided interest, the titleholders, whose undivided interests are not specifically defined, are deemed to have equal shares.

Certificate of possessory right

10029. The certificate of the State Lands Commission or of the Register of the United States Land Office for the district in which the land is situated is sufficient evidence of possessory right in any land entered under the laws of the State or of the United States.

Information, surveys and reports

10030. So far as practicable, the department shall give information to persons contemplating the formation of a district. When the department deems it in the public interest that preliminary surveys and field investigations of proposed district projects be made at state expense, the department shall make the surveys and investigation and prepare a report. The report shall be kept on file in its office.

Employees

10031. The department may employ such engineers, superintendents, inspectors, and other assistants as it deems necessary and fix their compensation. Such compensation and the cost of all work done in connection with the performance of duties of the department pursuant to this division shall be paid in the same manner as other district expenses.

Additional powers

10032. In addition to the powers conferred upon it by this division, the department may exercise any further powers necessary to fully perform the duties imposed upon it by this division.

Dissolution

10033. A district may be dissolved for the reasons, in the manner, and with the results which are provided by law for the dissolution of irrigation districts.

Misdemeanor

10034. Any person who violates any provision of this division or of any rule, regulation, or ordinance of a district organized pursuant to this division is guilty of a misdemeanor.

Chapter 2. Formation

Article 1. Petition

Conditions

10150. By a written petition presented to the department, a majority of the titleholders, who also represent a majority in value, of land, not within incorporated territory, devoted chiefly to recreational purposes and already served or susceptible of being served by the same system of improvements may propose the formation of a district comprising the land. The land need not consist of contiguous parcels.

Contents

10151. The petition shall:

(a) Set forth generally the boundaries of the district or describe the land situated in it.

(b) State the nature of the proposed improvements.

(c) Ask that the territory within the proposed boundaries be formed into a district.

(d) Contain the signatures of the petitioners.

Form

10152. The petition may consist of any number of separate instruments.

Security

10153. The petition shall be accompanied by a good and sufficient undertaking, to be approved by the department, in double the amount of the probable cost of forming the district as estimated by it, and conditioned that the sureties pay all of the costs if formation is not completed. If the department deems it necessary, it may require the furnishing of any additional undertakings or payments of money.

Hearing

10154. Upon the presentation and filing of the petition and undertaking in its office the department shall immediately fix a time and place for the hearing of the petition. The place shall be the office of the department at Sacramento or some place within any affected county. The time shall be not less than 30 nor more than 60 days after the presentation and filing of the petition.

Withdrawal of signatures

10155. At any time before the publication is begun, a petitioner may withdraw his signature to the petition by filing a signed declaration with the department stating that it is his intention to withdraw. The declaration shall be acknowledged in the manner required for conveyances of real estate.

Publication of notice

10156. The department shall publish the petition and a notice of the time and place of the hearing of the petition in each affected county once a week for three successive weeks before the hearing.

Same Form

10157. When the petition is contained upon more than one instrument only one copy need be published but the names attached to all the instruments shall appear in the publication.

Same Reference

10158. The department shall issue the notice. It shall refer to the petition and shall be directed to all of the following:

(a) The persons named in the petition as petitioners.

(b) All other titleholders of land in the district as proposed by the petition.

(c) All other persons interested in or affected by the proposed project.

Same: Form

10159. The notice shall be substantially in the following form:

Before the Department of Public Works, State of California.

To the persons named as petitioners in the foregoing petition, to all persons holding title or evidence of title to lands included within the resort district proposed in the petition, and to all other persons interested in or affected by the project contemplated in the petition:

You, and each of you, are notified that the foregoing petition was filed with the Department of Public Works on the _____ day of _____, ___, and will be heard by the Department of Public Works at _____ on the _____ day of _____, ___, at the hour of ___m. of that day, at which time and place the Department of Public Works will hear and receive evidence in support of the petition or any objections which may be presented to it, and will hear and determine the right of all parties holding title or evidence of title to lands not included in the resort district proposed in the petition, but which lands are already served or susceptible of being served by the same system of improvements or works for sewage disposal, drainage, fire protection, roads, and trails, or any of them, as are particularly referred to and described in the petition, to have the lands included in the district.

This notice is given pursuant to the California Resort District Law, to which law particular reference is hereby made.

Dated_____. Department of Public Works, by

_____

(Title of person signing for the department.)

Effect of defect

10160. No defect in the form or contents of the published notice, title to it, or petition, nor failure to publish or error in publishing any signature to the petition vitiates the proceedings.

Article 2. Investigation by Department

Practicability, etc., of project

10190. The department shall determine the practicability, feasibility, and utility of the project proposed in the petition.

Powers of department

10191. For the purposes of such determination, the department may:

(a) Make all necessary studies, examinations, surveys, plans, and estimates of cost.

(b) Employ all necessary engineers, and other assistants.

(c) Acquire and use any existing estimates, surveys, and reports.

Cost Limitation

10192. The cost in dollars of making such determination shall not exceed one-fourth the number of acres in the district. The cost is a part of the expense of the project.

Payment Warrants

10193. The department shall issue warrants for such cost. The warrants are warrants of the district and shall be

payable out of the funds of the district when its formation is completed.

Same. Bond issue

10194. If necessary, the cost may be included in any bond issue authorized for district purposes.

Failure to form district

10195. If as a result of any election the district is not formed, any warrants so issued by the department are a charge upon the undertaking accompanying the petition and become due and payable by the sureties named in the undertaking. The holders of the warrants have a cause of action on the undertaking against such sureties.

Article 3. Hearing on Formation

Sufficiency of petition, etc

10220. At the time and place fixed in the notice the department shall determine whether the petition complies with Article 1 and whether the notice has been published as required.

Hearing

10221. The department shall hear all competent and relevant testimony offered for or against the sufficiency of the petition and the publication of the notice.

Adjournment

10222. The hearing may be adjourned from time to time for the determination of such facts, not exceeding 30 days in all.

Findings

10223. The determination of the department shall be expressed by an order establishing the facts.

Noncompliance with requirements

10224. If the department determines that there is a noncompliance with any of the requirements for the petition or notice, the matter shall be dismissed without prejudice to the right to present a new petition covering the same matter or to present the same petition with additional signatures, if they are necessary.

Compliance

10225. If the department determines that the petition and notice comply with all the requirements of this chapter it shall immediately proceed to hear the petition.

Evidence

10226. The department shall hear all evidence offered in support of:

(a) The petition.

(b) The written objections.

(c) The written application of any titleholder of land to have the land excluded from the district.

Inclusion of other land

10227. At such time, the department shall also receive the written application of any titleholder of other land, already served or susceptible of being served by the same system of improvements, described in the petition, to have the land included in the district and to participate in its benefits.

Order

10228. At the conclusion of the final hearing of the petition the department shall make an order in which it shall:

(a) Reaffirm its conclusions as to the genuineness and sufficiency of the petition.

(b) Affirm the regularity and sufficiency of the notice of hearing.

(c) Determine the practicability, feasibility, and utility of the proposed project.

(d) Establish the district boundaries or describe the land included in it.

(e) Provide an estimate of the probable cost of the proposed project.

(f) For the purposes of the formation election, designate voting places and appoint three landowners of the district to act as a board of election at each voting place.

Same Entry

10229. The order shall be entered in full upon the records kept by the department.

Same Filing

10230. A copy of the order certified by the department and a map showing the exterior boundaries of the district and indicating any excluded land shall immediately be filed for record in the office of the county recorder of each affected county.

Effect of findings

10231. The finding by the department of the genuineness and sufficiency of the petition and the regularity and sufficiency of the notice of hearing is conclusive against all persons except the State upon suit by the Attorney General commenced within 90 days after the first filing of the certified copy of the order in the office of any county recorder.

Article 4. Election on Formation

General elections

10260. Except as otherwise specifically provided in this article, the provisions of this division relating to general elections apply to the election on formation.

Notice

10261. Within 60 days after the filing of the order, the department shall give notice of an election to be held in the proposed district to determine whether it shall be formed and to elect a board of seven directors for the district if formed.

Same: Contents

10262. The notice shall:

(a) Describe the boundaries established, or the land included.

(b) Designate a name for the district.

(c) Require ballots to be cast which shall contain the names of the candidates and the words "Resort district—Yes" or "Resort district—No," or equivalent words.

Same Publication

10263. The notice shall be published in each affected county once a week for at least three weeks previous to the election.

Conduct of general election

10264. The election shall be conducted as nearly as practicable in accordance with the provisions of this division relating to general district elections except that:

(a) No particular form of ballot is required.

(b) Nominating petitions for candidates shall be filed in the office of the department.

Qualifications of voters

10265. The qualifications of voters at a formation election are the same as the qualifications of voters at general elections except that every titleholder is entitled to cast one vote for each one hundred dollars ($100), or fraction thereof, worth of land owned by him.

10266. The directors elected at the formation election shall qualify in the same manner as directors elected at a general election provided for in Chapter 3, Article 1. Directors elected

10267. On the second Monday after the election the department shall canvass the votes cast. Canvass of votes

10268. If it appears from the canvass that a majority of the votes cast is against formation of the district, the result of the election shall be declared accordingly and entered in the records kept by the department. Vote against formation

Article 5. Establishment of District

10290. If it appears from the canvass that a majority of all the votes cast is for the formation of the district, by an order entered in its records, the department shall declare the territory formed as a district under the name designated. It shall declare elected the candidates receiving the most votes. Declaration of formation

10291. If the order declares the territory formed as a district the department shall immediately file a certified copy of the order for record in the office of the county recorder of each affected county. After such filing the formation of the district is complete. Same Filing

10292. At the same time the department shall issue certificates of election to the persons declared in the order to be elected directors. Certificates of election

Chapter 3. Internal Organization

Article 1. Officers and Employees

10400. Directors elected at a general election take office at noon on the first Tuesday in March next following their election. The directors elected at the formation election take office as soon as they qualify. Directors

10401. Within 10 days after receiving their certificates of election the directors shall take and subscribe the official oath, file it in the district office, and execute their official bonds. Oath

10402. The directors elected at the formation election hold office until their respective successors are elected and qualify. Term

10403. The term of office of each director elected after the formation election is four years, or until his successor is elected and qualified. Same

10404. The department shall fill by appointment any vacancies occurring in the office of director. The appointee shall hold his office for the remainder of the unexpired term, and until his successor is elected and qualified. Vacancy

10405. Each director shall execute an official bond in the sum of five thousand dollars ($5,000). Bond

10406. Bonds of directors shall be approved by a superior court judge, recorded in the office of the county recorder of the office county, and filed with the secretary. Bonds of the original Same Court approval

directors may be approved by a judge of the superior court of any affected county and may be recorded in the office of the county recorder of the county.

Same: Treasurer

10407. The treasurer shall execute an official bond in the sum of fifty thousand dollars ($50,000) to be approved by the board, but the board may fix his bond to suit the conditions of the district, not to exceed fifty thousand dollars ($50,000) and not less than ten thousand dollars ($10,000).

Same: Secretary

10408. The amount of the bond to be given by the secretary for the faithful performance of his duties shall be fixed by the board.

Same Payee, form, cost

10409. All official bonds shall be made payable to the district and shall be in the form prescribed for the official bonds of county officers. The district shall pay the premiums on them.

Liability on bond

10410. Each officer is liable upon his bond for his wilful violation of any express duty.

Additional bonds

10411. If any district is appointed fiscal agent of or by the United States in connection with any federal reclamation project, each officer shall execute an additional official bond in such sum as the Secretary of the Interior requires. The bond shall be conditioned for the faithful discharge of the duties of his office and the faithful discharge of the district of its duties as fiscal or other agent of the United States under the appointment. The bond may be sued upon by the United States or any person injured by the failure of the officers to fully and promptly perform their respective duties.

Compensation and expenses: Directors

10412. When sitting as a board or acting under its orders, each director shall receive not exceeding:

(a) Ten dollars $10) a day.

(b) Ten cents ($0.10) a mile for each mile actually traveled from his place of residence to the district office.

(c) Actual and necessary expenses paid while engaged in official business under order of the board.

Same Officers, employees

10413. Except as otherwise provided, the board shall fix the compensation to be paid to all other officers and employees, to be paid out of the district treasury.

Interest of officers

10414. An officer shall not be directly or indirectly interested in any construction or supply contract awarded by the board, or in the profits to be derived from it. Other contracts are not invalid because of interest on the part of an officer, unless he participates in or influences the making or authorization of the contract for the district. Any officer violating this section is guilty of a misdemeanor. Upon conviction he also forfeits his office.

Violation of duty

10415. If an officer wilfully violates any express duty imposed upon him by this division he is subject to removal from office by proceeding brought in the superior court of the office county by any assessment payer of the district.

Departmental review

10416. The department shall ascertain whether the duties relating to the levying and collection of any assessment pursuant to this division have been performed by the proper

officer. If the department learns that any county or district officer has neglected or refused to perform such duty it shall immediately notify the district attorney of the office county of the failure or neglect. After due notice to the officer, the district attorney shall immediately take any proceedings in court necessary to compel the performance of the duty.

Article 2. Board Meetings and Duties

Organization of board

10440. On the first Tuesday after the original directors qualify and on the first Tuesday in March after the general election, the directors shall meet and organize as a board.

Selection of officers

10441. At its organization meetings the members of the board shall elect a president from their number and appoint a secretary and treasurer, each of whom shall hold office during the pleasure of the board.

Regular meetings

10442. The board shall hold regular meetings on the first Tuesday of each month at the district office.

Special meetings

10443. When ordered by a majority of the board, special meetings may be held when required for the proper transaction of the district business.

Same · Order and notice

10444. The order for a special meeting shall be entered of record, and the secretary shall give five days' notice of the meeting to each director not joining in the order.

Same Agenda

10445. The order for special meeting shall specify the business to be transacted, and other business may not be transacted at the special meeting, unless all the members are present and consent.

Public meetings

10446. All board meetings shall be public.

Quorum

10447. A majority of the board constitutes a quorum for the transaction of business but less than a quorum may adjourn from day to day.

Execution of documents

10448. All contracts and other documents executed by the board shall be signed by the president and secretary.

Conveyances, etc.

10449. The board may take conveyances, leases, contracts, or other assurances for all property required by it pursuant to this division, in the name of the district, for the purposes of this division.

Powers of board

10450. The board shall manage and conduct the business and affairs of the district.

Article 3. District Office

Designation of office

10470. At the organization meeting of the original directors, the board shall designate a district office at which the board shall hold its meetings.

Change

10471. By a majority vote, the board may change the district office. The change shall not become effective until after the resolution making it has been published once a week for two successive weeks in the county in which the district office was located.

Public records

10472. The records of the board including copies of the project, copies of assessment rolls, and reports to the department are public records. They shall be kept in the district office and open to inspection during office hours.

CHAPTER 4. GENERAL ELECTIONS

Article 1. Voters and Qualifications

Voters

10600. At a general election each titleholder over age 21 may vote, in person or by proxy, in each precinct in which any of the land owned by him is situated and may cast one vote for each one hundred dollars ($100), or fraction thereof, worth of land in the precinct owned by him.

Representatives

10601. If the owner in fee of land is not entitled to vote, his guardian, administrator, or executor is the titleholder of such land for the purposes of this division.

Corporations

10602. Any corporation holding title or evidence of title to land may vote as a titleholder through any of its officers or agents authorized in writing under the corporate seal.

Entrymen

10603. Entrymen upon public land within the district are titleholders of such land for the purposes of this division.

Proxy

10604. A person shall not vote by proxy unless his authority is evidenced by a written instrument acknowledged and certified in the same manner as grants of real property and filed with the election board.

Grantees

10605. If property is conveyed prior to the election and the change of interest does not appear by the assessment roll, the original deed of conveyance, or a copy, certified by the county recorder of the county in which it is recorded, or otherwise authenticated, is sufficient evidence to entitle the holder of the deed to vote the acreage described in it.

Illegal voting

10606. Any person not legally qualified to vote who makes any false statement concerning his rights to vote incurs all of the penalties provided in the Elections Code for persons illegally voting at elections.

Assessment roll

10607. Prior to the formation election the department, and at all subsequent elections the board, shall cause to be prepared, certified, and furnished to the election board at each voting place in the district a copy of so much of each county assessment roll, last equalized at the election date, as pertains to any land in the respective precincts.

Other lists

10608. At such time, the department or board shall also cause to be prepared and furnished to the election boards lists certified by the Register of the United States Land Office or the State Lands Commission, showing the land entered under federal or state laws. So far as disclosed by such records, the lists shall contain the names of the persons entitled to possessory rights in the land and the quantity of land held by each.

Use of rolls, lists

10609. The election board shall use the assessment rolls and lists to determine the qualifications of voters and the number of votes each voter is entitled to cast.

Article 2. General Elections

10630. A general district election shall be held in each district on the first Wednesday in February in each odd-numbered year. At the election a successor shall be chosen to each director whose term expires the following March. When held offices open

10631. The board shall establish a convenient number of election precincts for the district and define their boundaries. Precincts

10632. Not less than 24 days before a general election, the secretary shall publish notice of the election once a week for three successive weeks in each affected county. Notice Publication

10633. He shall also post notices of the election in the district office and in three public places in each election precinct. Same Posting

10634. The notices shall state the time of the election and the polling place. Same Content

10635. Affidavits of publication and posting shall be filed with the county clerk of each affected county, with a copy of the order calling the election, certified by the president. Duplicates shall be filed with the board. Same Affidavits

10636. Not less than 10 days before the election, any 10 or more qualified voters of the district may file with the board a petition requesting that the names of specified persons be placed on the ballot as candidates for the office of director. Petitions to nominate

10637. The petitions shall be preserved in the office of the secretary. Same Preservation

10638. Prior to the election, the board shall appoint, from the voters of each precinct, one inspector and two judges, who shall constitute an election board for the precinct. Election boards

10639. If the board fails to appoint an election board, or the members appointed do not attend at the opening of the polls on election day, the voters present at that hour may appoint an election board, or supply the place of an absent member. Same Substitute members

10640. The inspector is chairman of the election board. He may appoint judges if any judge ceases to act during the election. Chairman

10641. The chairman or any member of the election board may administer and certify oaths required to be administered during an election. Oaths

10642. Before opening the polls, each member of the election board shall take and subscribe an oath to faithfully perform his duties. Any voter may administer and certify the oath. Same

10643. The polls shall be open on election day from 6 a.m. until 7 p.m. Hours

10644. The board shall provide the ballots used at the election. Ballots

10645. The names of all candidates which have been filed pursuant to this article and a voting square behind each name shall be printed on the ballot. The names shall be arranged alphabetically in groups, under the designation of the office for which each person is a candidate. Sufficient blank spaces shall be left in which voters may write other names if they so desire. Same Form

Same: Number

10646. One of the judges of the election shall deliver to each voter one ballot for each 100 votes or fraction thereof to which he is entitled. The number of votes which each ballot represents shall be written or stamped upon the ballot by an election officer and initialed by him when handed to the voter.

Same Tab

10647. Each ballot shall have a perforated tab which shall be initialed by a member of the election board immediately before it is handed to the voter.

Disposition of tab

10648. The inspector shall tear the perforated tab from the ballot immediately before the voted ballot is placed in the ballot box. He shall preserve the tab and send it with the ballots to the secretary.

Voting

10649. Voting may commence when the polls are opened and may be continued while the polls remain open.

Elections Code

10650. Voting shall be conducted as nearly as practicable pursuant to the provisions of the Elections Code pertaining to general elections.

List of voters

10651. The election board shall keep a list containing the name of each voter who has voted at the election and the number of votes cast by him. If the ballot is cast by proxy the list shall also contain the name of the person casting the vote.

Manner of counting

10652. While the ballots are being counted, the inspector shall string them upon a cord or thread in the order in which they are entered upon the tally list by the judges.

Certificate of results

10653. As soon as all votes are counted, a certificate shall be drawn upon each of the papers containing the poll lists and tallies, or attached to them, stating the number of votes each candidate received in words and figures at full length, and designating the office for which he was a candidate.

Same Signatures

10654. Each certificate shall be signed by a judge and the inspector.

Same Disposition

10655. The inspector shall retain one of the certificates, with the poll list and the tally paper to which it is attached, and preserve it at least six months.

Disposition of ballots, etc

10656. The ballots, and the other certificates, with the poll list and tally paper to which it is attached, shall be:

(a) Sealed by the inspector in the presence of the judges.

(b) Endorsed "Election returns of (naming) resort district."

(c) Directed to the secretary.

(d) Immediately delivered by the inspector or a safe and responsible carrier designated by him to the secretary.

(e) Kept by the secretary unopened for at least six months.

Recount

10657. If any voter of the district believes that the vote was not correctly counted, he may appear on the day appointed for the board to open and canvass the returns, and demand a recount of the vote of the precinct claimed to be incorrect.

Want of form

10658. If any list, tally paper, or certificate returned from any election can be satisfactorily understood, it shall not be set aside or rejected for want of form.

Canvass by board
10659. The board shall meet at its usual place of meeting on the first Monday after each election to canvass the returns.

Same Time
10660. If the returns have been received at the time of the meeting, the board shall immediately canvass them. If the returns have not been received, the canvass shall be postponed from day to day until they have been received, or until six postponements.

Same Manner
10661. The canvass shall be made in public by opening the returns, ascertaining the vote of the district for each candidate, and declaring the election result.

Declaration of results
10662. The board shall declare elected as directors the seven persons having the highest numbers of votes for the office. The secretary shall immediately make out, sign, and deliver to such persons certificates of election authenticated with the district seal.

Same Statement
10663. As soon as the result is declared, the secretary shall enter in the records a statement of the result. The statement shall show:

(a) The total number of votes cast in the district.
(b) The names of the candidates.
(c) The office which each candidate was seeking.
(d) The number of votes given to each candidate.
(e) The number of votes given for the office of director.

Article 3. Special Elections

Petition
10700. If an election required by this division is not held and a petition signed by the owners of more than 15 percent of the total assessed valuation of the land is filed with the secretary, requesting that a special election be called for the election of officers, the board shall immediately call a special election.

Time
10701. The special election shall be held within not less than 15, nor more than 30, days after the filing of the petition.

Notice
10702. Notice of a special election shall be given by posting notices in three public places in each election precinct in the district for at least 20 days, and also by publication of the notice once a week for three successive weeks in each affected county.

Same Content
10703. The notice shall specify the time and place of holding the election and its purpose.

Conduct
10704. Unless otherwise specified in this division the election shall be held and its result determined and declared as nearly as possible pursuant to the provisions of this division relating to general elections.

Effect of informality
10705. If it is otherwise fairly conducted, informalities in conducting the special election do not invalidate it.

Article 4. Recall Elections

Limitation
10730. Pursuant to this article, the voters may at any time recall any director who has held his office at least six months.

Petition

10731. A recall petition shall be filed with the secretary and signed by voters constituting at least 25 percent of the highest vote cast within the district for candidates for the office, the incumbent of which is sought to be recalled, at the last general election at which an incumbent of the office was elected.

Contents

10732. The petition shall contain:

(a) A statement of the grounds on which the recall is sought. The statement is intended solely for the information of the voters.

(b) A demand for the election of a successor to the person sought to be recalled.

Insufficiency

10733. Any insufficiency of form or substance in the statement of grounds of recall does not invalidate the election and proceedings held under it.

Place of residence

10734. Each signer shall add to his signature his place of residence.

Form

10735. The petition may consist of any number of separate instruments, which shall be duplicates except as to signatures and matters required to be affixed by signers.

Affidavit

10736. There shall be attached to each duplicate recall petition an affidavit, made by a voter of the district and sworn to before an officer competent to administer oaths, stating that:

(a) The affiant circulated that copy and saw the appended signatures being written.

(b) According to the best information and belief of the affiant, each is the genuine signature of the person whose name purports to be subscribed and of a qualified voter of the district.

Scope

10737. One petition is sufficient to propose a recall and election of one or more directors.

Examination

10738. Within 10 days after the filing of the petition, the secretary shall examine and from the records of voters ascertain whether it is signed by the requisite number of qualified voters. He shall attach to the petition his certificate showing the result of his examination.

Insufficiency

10739. If the certificate shows the petition is insufficient, it may be supplemented within 10 days from the date of the certificate by the filing of additional papers, duplicates of the original petition except as to the signatures and matters required to be affixed by signers.

Additional papers

10740. Within 10 days after the additional papers are filed, the secretary shall examine them. If his certificate shows that the petition as supplemented is still insufficient, no action shall be taken on the petition and it shall remain on file as a public record.

Effect of insufficiency

10741. The failure to secure sufficient names is without prejudice to the subsequent filing of an entirely new petition to the same effect.

Submission

10742. If the petition is found to be sufficient, the secretary shall submit it to the board without delay.

10743. Immediately upon submission of the petition by the secretary, the board shall cause a recall election to be held to determine whether the voters will recall the officer. The election shall be held within not less than 35 nor more than 40 days after the order calling it. Date

10744. If a general election will occur within not less than 35 nor more than 60 days after the order calling the recall election, the board may submit the recall election at the general election. Proximity of general election

10745. If a vacancy occurs in the office after a recall petition is filed, the election shall proceed. Effect of vacancy

10746. One election is sufficient for the recall and election of one or more directors. One election

10747. Nominations for office at the recall election shall be made in the manner prescribed for general district elections. Nominations

10748. The following shall appear on the recall ballots for each recall petitioned: Ballot form

(a) "Shall (name of person whose recall is being voted on) be recalled from the office of (title of the office)?"

(b) To the right of the foregoing question, "yes" and "no" on separate lines, with a blank space at the right of each, in which the voter shall indicate by stamping a cross (+) his vote for or against recall.

(c) Under each question, the names of the candidates nominated to succeed the person recalled, as a result of the recall election.

10749. A vote shall not be counted for any candidate for the office unless the voter also voted on the recall question. Dual vote

10750. The name of the person against whom the recall petition is filed shall not appear on the ballot as a candidate for the office. Restriction on candidacy

10751. The election shall be conducted, canvass of all votes for candidates for the office made, and the result declared as in a general election. Conduct of election

10752. If a majority of the votes cast on the recall question is "no," the incumbent continues in office. "No" vote

10753. If a majority of the votes cast on the recall question is "yes," the incumbent is removed from office, immediately upon the qualification of his successor. "Yes" vote

10754. If the vote at a recall election recalls the officer, the candidate who has received the highest number of votes for the office shall be declared elected for the remainder of the term. Person elected

10755. If the person receiving the highest number of votes fails to qualify within 10 days after receiving the certificate of election, the office is vacant and shall be filled pursuant to law. Failure to qualify

10756. If the vote at a recall election does not recall the officer, no other petition for his recall shall be filed until six months after the first recall election. Limitation

Article 5. Contest of Election

Contest of election

10780. Any election held pursuant to this division may be contested by any person owning land which is liable to assessment.

Venue, etc

10781. The contest shall be brought in the superior court of any affected county and shall be conducted in the manner provided for contests of election by the Elections Code.

Directors as parties

10782. If a contest does not involve the right of a person declared elected to an office to hold the office the directors of the district shall be made parties to the contest.

Trial

10783. The court having jurisdiction shall speedily try the contest and determine whether the election was fairly conducted and in substantial compliance with this division and enter its judgment accordingly.

Limitation

10784. The contest shall be brought within 20 days after the canvass of the vote and declaration of the result.

Appeal

10785. Either party to the record may appeal within 30 days from entry of judgment. The appeal shall be heard and determined by the Supreme Court within 60 days after the filing of the notice of appeal.

Chapter 5. The District Project

Article 1. General

Examination, etc

10900. Upon the formation of the district the board shall:

(a) Make all examinations, surveys, detailed plans and specifications, and estimates of costs which are necessary for it to ascertain and estimate the requirements of, and works necessary for, the district and the probable cost.

(b) Make a report on the foregoing pursuant to Sections 10906 to 10911.

Same Previous data

10901. For such purposes the board may use and adopt all previous estimates, surveys, reports, and other data it has acquired or which are available to it. The board may also employ all necessary engineers, attorneys, and other assistants for the accomplishment of such purposes.

Same Cost

10902. The cost of such examinations, surveys, plans and specifications, and estimates is an expense of the project, and the board may issue warrants for such cost. The warrants are payable out of the district funds and may be included in any district bond issue.

Division of project

10903. The board may segregate and divide the plans, specifications, and estimates of cost into one or more units of construction and may provide in the plan that one or more units shall not be entered upon immediately, but shall be authorized and undertaken in the order and at the time which the board thereafter determines.

Same Initiation of unit

10904. If the project is divided into units of construction with one or more units specified for future construction, when

the board determines upon the construction of a unit, it shall pass a resolution to that effect and transmit a certified copy to the department.

Modification of plans, etc

10905. At such time, the board may change, modify, or add to, the plans, specifications, and estimates of costs of such unit. If it does so, the board shall file the amended plans, specifications, and estimates of costs of the unit with the department.

Report

10906. When the board completes the examination and study of the proposed project, it shall prepare and file in the office of the department a report on the examination and study. It shall also file a copy of the report with the secretary.

Contents

10907. In the report there shall be set forth in full all of the following:

(a) The nature of the proposed works.

(b) A description of the rights to land it will be necessary to acquire to complete the project.

(c) Detailed plans and specifications.

(d) A detailed estimate of the cost of the project, including the acquisition of all rights, necessary to its completion and operation.

Acquisition of property

10908. If the board proposes to acquire property or any interest or easement in property for district purposes or use by any method except condemnation proceedings, that fact shall be stated in the report and a copy of an instrument evidencing the proposed acquisition or the right to acquire shall be made a part of the report. Property or any interest in property belonging to any public utility corporation shall not be included in the report.

Division of plans, etc

10909. If the board determines to segregate and divide the plans, specifications, and estimates into more than one unit of construction, they shall be complete as to each unit and in its report the board shall specify the particular unit or units the construction of which shall be immediately entered upon and those reserved for future action.

Recommendations

10910. The board shall attach to the report a recommendation that the projects be carried out pursuant to the plans and specifications in the report, or that the project be abandoned.

Signature, entry

10911. When completed the report shall be signed by a majority of the board and entered in full upon its minutes.

Amendment

10912. At any time after the election finally adopting the report and recommendation, the board may determine upon the acquisition of property or the construction of work not contemplated in the report and recommendation originally adopted.

Amendment procedure

10913. If the board so determines, the same proceedings for the preparation and adoption or rejection of the report and recommendation for the acquisition of the additional property or construction of such additional work, and for the levying and collection of the assessment to meet the cost of such acquisition or construction, shall be taken as this division requires for the acquisition or construction of the property or work contemplated by the original project.

Article 2. Election on Completion of Project

Departmental investigation

10930. Upon receiving the report of the board the department shall make such further investigation of the project as it deems desirable.

Same Approval

10931. As soon as possible after 60 days after the filing of a report by the board recommending completion of the project, the department shall make and enter upon its records an order either approving or disapproving the report and recommendation. The department shall immediately call an election to determine whether the recommendation and report shall be adopted. The election notice shall state whether the report and recommendation is approved or disapproved by the department.

Amendment

10932. Pending final approval or disapproval of a report recommending completion of the project by the department, the board may amend, modify, or supplement its report and the plans, specifications, and estimates and other matters accompanying the report, either on its initiative or on suggestions by the department.

Abandonment

10933. Within 60 days after the filing of a report by the board recommending abandonment of the project, the department shall make and enter upon its records one of the following orders:

(a) An order approving and confirming the report and recommendation and declaring the project abandoned. Such order is without prejudice to the presentation of another petition covering the same matter.

(b) An order approving and adopting the report but taking no action with respect to the recommendation, and calling another election to be held in the district to determine whether the board's recommendation shall be adopted or rejected.

Election

10934. If the department calls an election on completion, in its order it shall also designate voting places and appoint three landholders of the district to act as an election board at each voting place.

Notice

10935. The department shall give notice of the election within 30 days after the entry of its order. The notice shall require ballots to be cast. The notice shall be published once a week for at least three weeks before the election in each affected county.

Conduct

10937. As nearly as practicable, the election on abandonment shall be conducted in the manner of a general election, but no particular form of ballot is required, except that it shall contain the words "Completion of project—Yes" or "Completion of project—No." The qualification of voters and the manner of canvassing votes at the election are the same as prescribed for the formation election.

Result

10938. The election result shall be declared and entered of record in the minutes of the board.

Commissioners

10939. If the election result shows that a majority of the votes and of the voters voting favors the completion of the project, the department shall appoint three commissioners and further proceedings shall be taken pursuant to this division.

10940. One of the commissioners shall be a civil engineer. Engineer

10941. Before entering upon his duties each commissioner shall take and subscribe an oath that he is not in any manner interested directly or indirectly in any land in the district and that he will perform the duties of commissioner to the best of his ability. Oath of office

10942. The commissioners shall not have any direct or indirect interest in land. Interest in land

10943. The department shall fix the compensation of the commissioners. Such compensation shall be considered a part of the project cost, and the department may issue warrants for it. The warrants shall be payable out of the district funds and may be included in any bond issue authorized for district purposes. Compensation

10944. If the election result shows that a majority of the votes and of the voters voting opposes the completion of the project, the department shall make and enter in its records an order declaring the project abandoned. Abandonment of project

10945. The order of abandonment shall require all persons having claims against the district, except the holders of warrants issued pursuant to this division which have been presented for payment, to file them with the necessary vouchers in the office of the department within three months from the making of the order. Same Order

10946. The department shall publish notice of the order requiring presentation of claims in the office county once a week for four successive weeks, commencing within 10 days after the making of the order of abandonment. The notice shall state the time and place of presentation. Same Notice

10947. After the payment of all warrants which have been presented for payment and of all claims which have been presented, allowed, and approved by the department or the board, the department shall immediately cause a copy of the order declaring the project abandoned, certified by the department, to be filed for record in the office of the county recorder of each affected county. Same Filing

10948. After such filing the district is dissolved, all liens which have attached to any of the land pursuant to this division are discharged, and any undertaking given pursuant to this division is annulled and has no further effect. Effect of filing

Chapter 6. Powers and Functions

Article 1. General

11200. The State has a paramount interest in providing improvements on land in unincorporated territory devoted primarily to recreational purposes. Such improvements will make inhabitable areas of land which are comparatively unproductive, and will promote the health, welfare, and prosperity of all the people. State interest

11201. The powers conferred in this division upon the department and the board are police and regulatory powers and Police and regulatory powers

are necessary to the accomplishment of the purposes that are indispensable to the public interests.

Public uses

11202. The following are public uses subject to the regulation and control of the State pursuant to law:

(a) The use of all water required for district sewage disposal and fire protection.

(b) The use of district roads, and trails, and rights of way for sewers, drains, fire mains, hydrants, roads, and trails, or any of them.

(c) The use of all other property required in fully carrying out the provisions of this division.

Scope of power

11203. The board has such powers and authority as are necessary to enable it to perform fully the duties imposed upon it by this division and to fully carry out the purposes of this division.

Agreements

11204. For any purpose appertaining or beneficial to the district project the board may also enter into, and do any acts necessary or proper for the performance of, any agreement with the United States or any state, county, city, district, or public corporation.

Duties of board

11205. The board shall:

(a) Adopt a seal.

(b) Make and execute all necessary contracts.

(c) Employ and appoint any necessary agents, officers, and employees, and prescribe their duties.

Entry upon land

11206. The board and its agents may enter upon any lands to make surveys, locate works, or for any other necessary and lawful purpose.

Acquisition, etc., of improvements

11207. The board may acquire, construct, maintain, improve, and operate the necessary improvements.

Submission of questions to district voters

11208. When it deems it necessary for its own guidance or for the best interests of the district, the board may submit any question or proposition relating to the construction, maintenance, improvement, or operation of the works or the carrying out of the district project, to the district voters at any general election or at a special election called for the purpose. The election shall be conducted in all respects as other district elections.

Article 2. Contracts

Bids Notice

11230. Before making any contract for the construction of any works in carrying out the project, or for its subsequent improvement, the board shall call for bids by publishing a notice in the office county once a week for four consecutive weeks.

Contents of notice

11231. The notice shall set forth:

(a) If less than the whole work provided for in the plans and specifications is to be done, a particular description of the portion to be done.

(b) That plans and specifications of the work to be done can be seen at the office.

(c) That the board will receive sealed bids for the work.

(d) That the contract will be let to the lowest responsible bidder.

(e) The time and place for opening the bids.

Public opening of bids

11232. At the time and place appointed in the notice the bids shall be opened in public.

Action on bids

11233. After the bids are opened, the board may do any one of the following:

(a) Let the work, as convenient, in portions or as a whole to the lowest responsible bidder.

(b) Reject any or all bids and readvertise.

(c) Construct the work under its own superintendency.

Exemption

11234. In an emergency and by unanimous vote of those present at any regular or special meeting, the board may award contracts in an amount not exceeding ten thousand dollars ($10,000) without advertising for bids.

Acceptance or rejection of bids

11235. The board shall award contracts for the purchase of materials only to the lowest responsible bidder. The board may reject any or all bids on such contracts. If the board does so, it shall do either of the following:

(a) Readvertise for bids.

(b) Solicit offers from at least three responsible persons to furnish materials, and upon receipt of an offer for a price less than the lowest rejected bid enter into a contract with the person who offers to furnish the materials at the lowest price.

Bond

11236. Any person awarded a contract shall enter into a bond, with good and sufficient sureties approved by the board. The bond shall be:

(a) Payable to the district for its use.

(b) For 25 percent of the amount of the contract price.

(c) Conditioned upon the full and faithful performance of the contract.

Approval, etc., of work

11237. The work shall be done under the direction, to the satisfaction of, and approved by, the board.

Article 3. Property

Acquisition of property

11260. The board may acquire by purchase, lease, contract, condemnation, or other legal means, all land, or any use or interest in land, and any other property or rights it deems necessary for the construction, maintenance, improvement, or operation of the works or the carrying out of the district project, including the property and rights of private owners even though already devoted to a public use. It may give district bonds in payment for such property or interests upon the terms which the board deems best.

Use of bonds

11261. District bonds shall not be so used at a valuation less than 90 percent of their face value and the accrued interest.

Approval by department

11262. Before any purchase of property located in the district at a price exceeding five hundred thousand dollars ($500,000), the price shall be approved by the department which shall approve the price if it finds it not excessive, and otherwise refuse it.

Limitation

11263. A resort district shall not take private property devoted to the use of any district, including a resort district, or to any city or county.

Same

11264. A district shall not acquire property or any interest in property belonging to any public utility corporation.

Condemnation procedure

11265. In condemnation proceedings the board shall proceed in the name of the district pursuant to Section 14 of Article I of the Constitution and Title 7, Part 3 of the Code of Civil Procedure. All pleadings, proceedings, and process in that title apply to the condemnation proceeding.

Title to property

11266. By operation of law, immediately upon acquisition, the legal title to all property acquired pursuant to this division vests in the district. The property shall be held by the district in trust for the uses and purposes set forth in this division, and is dedicated and set apart to such uses and purposes.

Possession and use of property

11267. The board may hold, use, manage, occupy, and possess property acquired pursuant to this division.

Sale of property

11268. By resolution entered upon its minutes, the board may determine that any real or personal property held by the district is not necessary for the uses and purposes of the district and sell it for an adequate consideration. A conveyance or transfer of district property executed by the president and secretary pursuant to such a resolution conveys title to the property.

Tax exemption

11269. Property belonging to a district shall not be taxed for county or municipal purposes.

Intersections

11270. In such manner as affords security of life and property the board may construct the works across or intersecting any stream of water, watercourse, street, avenue, highway, railway, canal, ditch, or flume, but when so intersected, the board shall restore it as nearly as possible to its former state, or in a manner sufficient to prevent unnecessary impairment of its usefulness.

Same Railroads

11271. Every company whose railroad is intersected by the works shall unite with the board in forming the intersections, and grant such privileges. If the board and the railroad company, or the owners and controller of the property, thing, or franchise to be intersected, cannot agree upon the amount to be paid for the privilege, or the points or manner of the intersections, they shall be ascertained and determined in the manner provided in this chapter for the taking of land.

Right of way

11272. The right of way is hereby given, dedicated, and set apart for the location, construction, and maintenance of the works over and through any state land.

Article 4. Controversies

Power to sue

11300. The board may institute and maintain all actions, proceedings, and legal or equitable suits necessary or proper to carry out fully the provisions of this division, or to enforce, maintain, or protect any rights, privileges, and immunities created by this division or acquired pursuant to it.

Same

11301. In all actions, suits, or proceedings, the board may sue, appear, and defend in person or by attorneys, and in the name of the district.

Disregard of errors or omissions

11302. The court, board, or other tribunal before which any action, proceeding, or suit is brought which involves the regularity, legality, validity, or correctness of any action done pursuant to this division shall disregard any error or omission which does not affect the substantial rights of the parties concerned.

Pleading and practice

11303. The rules of pleading and practice provided by the Code of Civil Procedure consistent with this division apply in all actions, proceedings, or suits.

Costs

11304. The court, board, or other tribunal before which the action, proceeding, or suit is heard may allow and apportion the costs between the parties or tax them to the defeated party.

Consolidation of actions

11305. If two or more actions or suits are pending at the same time in the same court or before the same board or tribunal for the purpose of contesting or determining the validity of identical or similar acts or matters pursuant to this division, the actions or suits shall be consolidated and tried together.

Limitations

11306. Unless some other time is specified in this division, an action, proceeding, or suit shall not be brought or maintained before any court, board, or tribunal unless it is brought within the times specified in this section:

(a) Attacking the formation of any district, within six months after the date of formation.

(b) Attacking the inclusion of land within or its exclusion from any district, within six months after the date of inclusion or exclusion.

(c) Attacking a district assessment, within 90 days after the date when the assessment roll is filed with the county treasurer.

(d) Attacking any district charge, within 90 days after the date upon which the charge becomes payable.

(e) Attacking the validity of any bonds issued by the district, within 90 days after the date of their issuance.

(f) Attacking any other action by the district or the board pursuant to this division, within six months after the date of the action.

Findings conclusive

11307. In the determination of any action, proceeding, or suit any findings of fact or conclusions upon any matter made by the department or the board are conclusive, unless the action, proceeding, or suit is instituted within six months after the findings or conclusions are made.

Article 5. Districts Contained in a Single County

Petition statement

11340. If all of the land of the district lies within a single county, it may be stated in the petition for formation that the petitioners desire to form a district pursuant to Article 5, Chapter 6, Division 10 of the Public Resources Code.

Same Effect

11341. If such statement is made in the petition, the district formed as a result of the petition shall be governed by this division except as otherwise provided in this article.

Order of formation

11342. The order provided for in Section 10290 shall specify that it is desired to form the district pursuant to Article 5, Chapter 6, Division 10 of the Public Resources Code.

Same Filing

11343. Concurrently with the recordation of the order, a certified copy shall be filed with the clerk of the board of supervisors.

Resolution appointing directors

11344. At its next regular meeting after such filing the board of supervisors by resolution shall name five persons to act as directors. The directors shall hold office at the pleasure of the board of supervisors. At its next regular meeting succeeding the death, resignation, or removal of any director, the board of supervisors shall appoint a person to succeed him.

Same Filing

11345. A copy of the resolution, certified by the clerk of the board of supervisors, shall be immediately transmitted to and filed with the department and a copy of each order subsequent to the original order, similarly certified, shall be immediately transmitted to and deposited with the clerk of the board.

Treasurer

11346. The county treasurer is ex officio treasurer of the district.

Engineer

11347. The county surveyor is ex officio engineer of the district.

Application

11348. Except as otherwise provided for in this article, the provisions of this division relating to the district officers, their organization, method of transacting business, powers, and duties apply to any district formed pursuant to this article. As applied to the directors of such a district the words "elected" and "election" when used in this division shall be construed to read "appointed" and "appointment."

District powers

11349. Districts formed pursuant to this article have the powers of sanitary districts as prescribed on September 15, 1945, in Part 1, Division 6, of the Health and Safety Code, and upon fire protection districts in unincorporated areas as prescribed on September 15, 1945, in Part 3, Division 11, of the Health and Safety Code, including:

(a) The powers to make and enforce rules, regulations, and ordinances relating to fire and sanitary control, including disposal of sewage, garbage, and refuse, and the making of improvements.

(b) The right to issue bonds pursuant to the Improvement Act of 1911 and the Improvement Bond Act of 1915.

(c) The power to levy taxes and assessments to maintain the district.

Rules, etc

11350. Any district organized pursuant to this article may make and enforce all necessary and proper rules, regulations, and ordinances as prescribed by this division and statutes relating to sanitary districts and to fire protection districts in unincorporated areas.

CHAPTER 7. FINANCIAL PROVISIONS

Article 1. General

Debt limitation

11500. The board or district officers shall not incur any debt or liability, by issuing bonds or otherwise, in excess of the express provisions of this division. Any debt or liability incurred in excess of such provisions is void. This section shall not be construed as limiting the right of the board to enter into any contract for the use of or lease for land or other property, pursuant to this division which binds the district for the payment of the rental or consideration specified in the lease or contract.

Treasurer's report

11501. The district treasurer shall make a written report to the board at its regular monthly meeting of the amount of:

(a) Money in the district treasury.

(b) Receipts.

(c) Items of expenditures for the month preceding.

Same: Verification, filing

11502. The report shall be verified and filed with the secretary of the board.

Report of construction

11503. During the construction of any works in carrying out the district project and within one week after each regular board meeting, the board shall forward to the department a report of the progress of construction and a statement of the amount paid for the work.

Financial statement Publication

11504. At its regular monthly meeting in January the board shall render a verified statement of the financial condition of the district, showing particularly the receipts and disbursements of the preceding year and the source of receipts and purpose of disbursements. The board shall immediately cause the statement to be published in the office county at least once a week for two successive weeks.

Same Filing

11505. Immediately after the publication of the statement the board shall cause a copy to be filed with the department. The copy shall be accompanied by a report stating:

(a) The progress of the work under construction.

(b) The general condition of the project.

(c) Whether it is being successfully and satisfactorily carried out.

(d) Any other matter the board deems proper.

Departmental action

11506. The department shall examine the statement and report and make such recommendations and comments to the board as it deems proper. It may publish the recommendations and comments in such manner as it deems advisable.

Same

11507. At any time the department may make or cause to be made an examination of the affairs of any district or call upon the board for any information it desires. It may make and publish such report thereon as it deems advisable.

Form of reports

11508. The department may prescribe the form of all reports and accounts required in this article and may require such methods of accounting and itemization as in its judgment

tends to the uniformity of reports and accounting. The department may change its requirements from time to time.

Excess funds

11509. If the cost of any unit is less than the funds collected for it, the excess shall be held and used for the benefit of that unit only and shall be applied to the bond fund of that unit. If there is no bond fund the excess shall be applied to the maintenance and operation of such unit.

Article 2. Warrants

Payment of claims

11530. All claims against the district shall be paid by district warrants. From time to time the board may draw from the general fund to the credit of the district in the office of a county treasurer the sum necessary for the payment of claims and deposit it with the treasurer who shall pay it out upon district warrants.

By department

11531. Warrants drawns by the department shall be signed by the proper officer of the department and drawn upon the treasurer.

By board

11532. Warrants drawn by the board shall be signed by the president and secretary and countersigned by the treasurer. Warrants for the payment of principal or interest of bonds shall be drawn upon the county treasurer having district funds in his possession. Warrants for the payment of other claims and demands shall be drawn upon such a county treasurer or the treasurer.

Funds unavailable

11533. If any district warrant payable on demand is presented for payment and funds are not available for its payment, it shall thereafter draw interest at a rate to be determined by resolution of the board, but not to exceed 7 percent a year. Interest shall run until public notice is given that funds are available. Upon such presentation the treasurer or county treasurer shall:

(a) Endorse on the warrant "funds not available for payment."

(b) The date of presentation.

(c) Specify the interest it shall thereafter bear.

(d) Sign his name to it.

Registered warrant

11534. A warrant so endorsed is a registered warrant.

Records

11535. The district or county treasurer shall keep a registered warrant record showing:

(a) The number and amount of each registered warrant.

(b) The date of its issuance.

(c) The person in whose favor it was issued.

(d) The date of its presentation for payment.

Written contract

11536. The registered warrant is a written contract for the payment of money. The period prescribed for the commencement of an action based upon the warrant is four years from the date of issuance.

Notice of payment

11537. When there is sufficient money in the treasury to pay all outstanding registered warrants, or when the board orders that such warrants presented for payment prior to a

certain date be paid and there is sufficient money available for payment, the proper treasurer shall publish a notice stating that he is prepared to pay all district warrants for which funds were not available upon original presentation, or all such warrants which were presented for payment prior to the date fixed by the board. No further description of the warrants entitled to payment is necessary in the notice.

Same Publication

11538. The notice shall be published once a week for two successive weeks in a newspaper published in the office county.

Payment

11539. Upon the presentation of any warrant entitled to payment pursuant to the notice, the treasurer shall pay it, with interest on it at the rate specified by the board from the date of its original presentation for payment to the date of the first publication of the notice.

Record entries

11540. The treasurer shall enter in the registered warrant record:

(a) The dates of the payment of all such warrants.

(b) The names of the persons to whom payments are made.

(c) The amount paid to each person.

Article 3. Funds

District bond fund

11560. The proceeds of sale of bonds shall be placed in the treasury of each affected county to the amount of the unpaid assessment in such county and credited to the district bond fund. A proper record of the transaction shall be made upon the books of the county treasurer.

Assessment collections

11561. The county treasurer shall immediately pay all money collected by him upon any assessment upon which bonds have issued into the county treasury of the county from which the money arose to the credit of the district bond fund. Such money includes all money derived from:

(a) The sale of land for delinquent installments.

(b) Their redemption.

(c) The sale of land bought by the county treasurer at any such sale as trustee of the district bond fund.

Same Use

11562. Money collected upon such assessments shall be used exclusively for the payment of principal and interest of the bonds issued on the assessment.

Credit to fund

11563. The county treasurer of each affected county shall credit to the district bond fund all money collected by him, by sale or otherwise, upon assessments against which bonds have been issued, including interest and penalties. He shall also credit to the fund the amounts of purchase money paid in bonds or coupons on sales made under the assessment.

Canceled bonds coupons

11564. The county treasurer shall transmit to the treasurer all canceled bonds and coupons received in payment on any delinquent sale, and a memorandum of all sums endorsed as paid upon account of purchase money on any bonds or coupons, specifying them.

District general fund

11565. The county treasurer shall similarly account to the treasurer for all money collected by him for an assessment on which bonds have not been issued. The money shall be credited to the district general fund.

Balance in bond fund

11566. After full payment of the principal and interest of all outstanding district bonds, the treasurer shall transfer any balance remaining in such bond fund to the district general fund.

Report of delinquencies

11567. Each county treasurer shall report all transactions of delinquencies and sales to the treasurer, who shall keep a record of them in the district office.

Expenses

11568. Each county treasurer shall charge to the district general fund, or to the bond fund if he has no money to the credit of the general fund, the expense of publication of notices and of recording certificates of sale. He shall notify the treasurer of his action.

Article 4. Charges

Charge for services

11590. Wholly or partially in lieu of levying supplementary assessments pursuant to Article 6, Chapter 9, and for the care, operation, management, repair, or improvement of the portions of the project which are in use, including salaries of officers and employees, and all other operating and maintenance expenses, the board may fix rates and charges for services rendered by the district and collect them from all persons receiving the benefit of the services.

Basis of charge

11591. As nearly as possible the charges shall be proportional to the service rendered.

Advance payment

11592. The board may make the charges payable in advance. If they remain unpaid for 30 days after they become payable, they become delinquent and a penalty of 10 percent shall be added. Delinquent charges shall bear interest at the rate of 12 percent a year.

Delinquency list

11593. After any charge becomes delinquent, the board may file in the office of the county recorder of the county in which is situated the land as to which they are delinquent, a list showing:

(a) The names of the owners of the land, if known, and if not known, a statement of that fact.

(b) A description of the land sufficient for identification.

(c) The amounts of delinquent charges.

Charges as lien

11594. Upon the filing of the list the charges listed and the penalties and interest on them become a lien upon the land as to which they are delinquent in the manner and of the character of the lien of a district assessment.

Enforcement of lien

11595. At any time after any charge becomes delinquent, the board may direct that no proceedings be taken to enforce the lien, but may bring suit in the name of the district against the delinquent to enforce collection of the charge. In the suit the district may recover the amount of the charge, penalties and interests, and costs of suit.

CHAPTER 8. BONDS

Article 1. General

Bond election Initiation by board

11700. If any assessment levied and assessed upon land remains wholly or partially unpaid, and the board deems it to be for the best interest of the district or the landowners in the district to issue bonds to obtain money to pay for the project, the indebtedness of the district, or any other lawful charge it shall order a bond election to be held in the district. At the bond election the board shall submit to the owners of assessed land in the district the question of whether district bonds shall be issued in an amount equal to the amount of the assessment, or the part of the assessment remaining unpaid.

Same Petition

11701. The board shall also order such a bond election upon the filing of a petition requesting the election with the secretary. The petition shall be signed by the owners of more than one-fourth in assessed value of the land of the district.

Amount of bonds

11702. The board shall state the amount of the bonds to be issued in the order for the bond election and shall enter the amount and the order in its records.

Additional series

11703. If any district which has authorized the issuance of a series of bonds issues an additional series based on another assessment, the latest dates of maturity of the additional series shall not exceed 50 years and the earliest dates of maturity shall be later than the latest maturity of bonds of any earlier series.

Same Provisions applicable

11704. All provisions of this chapter relating to the original issue of bonds apply to additional series of bonds.

District Securities Commission

11705. When by resolution the board declares it desirable that any contemplated or outstanding bonds, including any bonds authorized but not sold, shall be made available for the purpose provided for in Sections 20064 and 20065 of the Water Code, the board shall immediately file a certified copy of the resolution with the California District Securities Commission.

Investigation, certification

11706. Unless inconsistent with this division, such commission and the State Controller have the same power to investigate and certify bonds issued pursuant to this division as they have pursuant to the District Securities Commission Law in respect to irrigation district bonds.

Legal investments

11707. When bonds issued pursuant to this division have been so investigated and certified and are declared to be legal investments for the purposes set forth in the Districts Securities Commission Law, they may be purchased or received in pledge for loans by savings banks, trust companies, insurance companies, guardians, executors, administrators, and special administrators, or by any public officer of the State or of any city, county, or other municipal or corporate body in the State having or holding funds which they may legally invest or loan.

Subsequent issues

11708. When the commission passes upon one issue of district bonds, all subsequent issues shall be submitted to the commission.

Article 2. Bond Election

Aggregate face value

11730. In addition to other requirements, the notice of the bond election shall state the aggregate face value of bonds proposed to be issued.

Voters' qualifications

11731. Only owners of land which has been assessed are qualified to vote at the election.

Conduct of election

11732. Except as otherwise specifically provided in this article, the bond election shall be conducted pursuant to and in all matters governed by the provisions of this division relating to other district elections.

Ballots Form

11733. The ballots cast at the bond election shall contain "Bonds—Yes" and "Bonds—No."

Same List

11734. The election board shall make a list of the ballots cast containing:

(a) The name of each voter who voted at the election.

(b) If the ballot is cast by proxy, the name of the person casting it.

(c) The number of votes cast by each voter.

Canvass of votes

11735. At the close of the polls the election board shall at once proceed to canvass the votes and declare the result.

Certificate

11736. It shall deliver a certificate showing the result and the number of votes cast for and against the issuing of bonds to the county clerk of the office county and a duplicate of the certificate to the board. It shall also deliver to the county clerk of each affected county all ballots cast at the election within the county of which he is an officer and all documents and papers used at the election.

Statement of result

11737. Immediately upon receipt of the ballots, papers, and documents from the election board each county clerk shall certify to the board at its office a statement of the result of the election held in each of the counties with a statement of the number of votes for and against the proposition.

Declaration

11738. In a written certificate recorded in its minutes the board shall immediately declare that the proposal to issue bonds has carried or has been defeated and state the vote cast throughout the district. A duplicate of the certificate shall be immediately transmitted to the department.

Article 3. Bond Issuance

Execution of bonds

11760. If a majority of the votes cast at the bond election is for the issuance of bonds, the board shall cause bonds in the amount stated in the election order to be executed and delivered to the treasurer with the assessment list segregated as to affected counties

Crediting to district

11761. The treasurer shall place the bonds prepared pursuant to this chapter to the credit of the district.

Sale of bonds

11762. When directed by resolution of the board, the treasurer shall sell all or any designated number of the bonds for the best price obtainable, but for not less than 90 percent of their face value and the accrued interest on them.

11763. Before making a sale of the bonds, the treasurer shall give notice that he will sell a specified amount of the bonds. The notice shall state the time and place of the sale, and invite sealed proposals for the purchase of all or part of the bonds. Invitation to bid

11764. The treasurer shall publish the notice at least once a week for two successive weeks in the office county. Same Publication

11765. At the time appointed the treasurer shall open the bids and award the bonds to the highest responsible bidder. Bids Opening acceptance

11766. Upon written request of a majority of the directors the treasurer shall reject any or all bids. Same Rejection

11767. Any sale by the treasurer and delivery of the bonds under such sale is conclusive evidence in favor of the purchaser and all subsequent holders of the bonds that the sale was made upon due authority and notice. Conclusive evidence

11768. Upon a sale of the bonds the treasurer may accept in whole or partial payment for them any outstanding district warrants at their face value and the accrued interest upon them. Warrants as payment

Article 4. Bond Terms

11790. The bonds shall:

(a) Each be of the denomination of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000). Denomination, execution, numbering

(b) Be signed by the president and attested by the treasurer.

(c) Be numbered consecutively in order of their maturity.

11791. The bonds shall bear interest at a rate not to exceed 6½ percent a year payable semiannually on January 1st and July 1st in each year. Interest

11792. The interest is payable upon the presentation of the proper coupons at the office of the treasurer and at any other place within the United States which the board may designate. Same Manner of payment

11793. Coupons for each installment of interest shall be attached to the bonds and shall bear the facsimile signature of the treasurer. Coupons

11794. The principal of the bonds shall be payable on July 1st or January 1st in such years as the board may prescribe. Payment of principal

11795. The bonds shall be payable serially within 40 years from their date in the following manner: Same Manner of payment

(a) Not less than 10 percent of the aggregate face value of the bonds issued shall be payable within 15 years from their date.

(b) Not less than 2½ percent of the aggregate face value of the bonds remaining unpaid at the end of 15 years shall be payable each year beginning with the sixteenth year from their date, until the whole amount of the bonds has been paid.

11796. The bonds shall be substantially in the following form: Form of bonds

United States of America
State of California
(Name) Resort District.

No._____ $_____

(Name) Resort District for value received hereby acknowledges itself indebted to and promises to pay to the holder of this bond at the office of the treasurer of the district at (place) in the State of California, on the first day of _____ the sum of _____ dollars ($_____) in lawful money of the United States of America, with interest thereon in like money from date of this bond until paid, at the rate of _____ percent a year, payable at the office of the treasurer, or at (other designated places), semiannually on January 1st and July 1st in each year on presentation and surrender of the interest coupons attached to this bond. This bond is one of a series of _____ bonds of like tenor and effect (except as to denomination and maturity), numbered from _____ to _____ inclusive, amounting in the aggregate to _____ dollars ($_____), issued in accordance with the California Resort District Law, and the laws of the State of California, pursuant to an election held in the resort district on the _____ day of _____ authorizing its issuance, and based upon and secured by an assessment levied on the land in the district, and filed in the office of the county treasurer of the county (or counties) of _____ on the _____ day of _____, and the resort district certifies and declares that such election was duly called and held upon due notice, and the election result was duly canvassed and ascertained, pursuant to and in strict conformity with the laws of the State of California applicable to such election, and that all the acts and conditions and things required by law to be done, precedent to and in the issue of the bonds have been done and have been performed in regular and in due form and in strict accordance with the law authorizing the issuance of resort district bonds.

In testimony whereof, the district, by its board of directors, has caused this bond to be signed by the president of the board and attested by the treasurer of the district, with the official seal of the district affixed this _____ day of _____.

_____ _____,
President of the board.

Attest: _____ _____,
Treasurer.

Form of coupons

11797. The interest coupons may be substantially in the following form:

No._____ $_____

The treasurer of (name) resort district, California, will pay to the holder hereof on the _____ day of _____, at his office at (place in the State of California, or at designated places), the sum of _____ dollars ($_____), in lawful money of the United States, out of the funds of (name) resort district for interest on bond of the district numbered _____.

_____ _____,
Treasurer.

Article 5. Validation Proceedings

Limitation on action

11800. At any time within 30 days after the issue of any bonds, the board may commence an action in the superior court of any affected county to determine that the bonds are a legal obligation of the district.

Parties

11801. The action shall be brought in the name of the district as plaintiff. The defendants shall be described as "all persons claiming any interest in any lands within the (name) resort district."

Action by landowner

11802. If the board fails to bring the action, any land owner in the district may do so within 60 days after the period within which it might have been brought by the board.

Description of land

11803. A description of the land as all land in the district, naming it, is sufficient.

Summons Publication

11804. The summons shall be published once a week for two successive weeks in the county where the action is pending.

Appearance, answer

11805. Within 30 days after the first publication of summons any owner of land or any interested person may appear and answer the complaint. The answer shall set forth the facts relied upon to show the invalidity of the bonds.

Default

11806. The default of all defendants not so appearing may be entered.

Priority of action

11807. The action shall be given precedence in hearing and trial over all other civil actions in the court.

Judgment

11808. The court shall render judgment declaring the matter either valid or invalid.

Appeal

11809. Any party not in default may appeal to the Supreme Court within 30 days after the entry of judgment.

Effect of judgment

11810. Judgment for the plaintiff in the action is a judgment in rem and is conclusive against the district and all land, all owners of such land, and other interested persons.

Chapter 9. Assessments

Article 1. Preliminary Assessments

Amount of assessment

11900. At its first regular meeting or within 90 days thereafter, the board shall levy an assessment of an equal amount upon each acre or parcel of land sufficient to pay all warrants issued by the department pursuant to this division, and to defray all other expenses estimated by the board, incurred and to be incurred for the general benefit of the district until the assessment levy pursuant to Section 11950, including expenses so incurred prior to formation.

Same Statement

11901. The amounts required to pay warrants and expenses shall be separately stated in the resolution levying the assessment.

Insufficiency

11902. If the assessment is not sufficient for such purposes, from time to time the board shall levy an additional assessment of the same character for such purposes.

Limitation

11903. Except as provided in this article, the total of all such assessments, exclusive of the amount assessed to pay the warrants, shall not exceed fifty cents ($0.50) an acre.

Additional assessment

11904. If the total amount raised by all such assessments has been expended or its expenditure authorized and the amount is insufficient to meet all of such district expenses, the board may levy an additional assessment or assessments of like character for such purposes up to an amount not in excess of fifty cents ($0.50) an acre.

Resolution of intent

11905. Before levying any such additional assessment the board shall pass a resolution declaring its intention to do so. In the resolution it shall fix a time not less than two weeks nor more than four weeks after the passage of the resolution at which the matter of levying such additional assessment will be considered in open meeting.

Publication

11906. Before the time fixed a copy of the resolution of intention shall be published once a week for at least two weeks in a newspaper of general circulation in each affected county.

Hearing

11907. At the time fixed the board shall meet and in open meeting consider such matter and hear any objection to it. If in its judgment the best interests of the district so require, and upon approval of the department, the board may levy the additional assessment.

Lien

11908. Every assessment levied under this article constitutes a lien upon the land affected until the full amount of the assessment is paid. The lien is prior to all other liens except taxes or assessments levied or assessed pursuant to law.

Collection of assessments

11909. Such assessments shall be collected in the same manner as other assessments provided for in this chapter.

Article 2 Procedure for the Original Assessment Levy

Original assessment

11930. The commissioners shall assess upon the land benefited the cost of the project, or if the board has divided the project into units of construction, the cost of the units specified for immediate construction

Apportionment

11931. The cost shall be apportioned in accordance with the benefits that will accrue to each separately owned tract of land because of the expenditures of the money and the completion of the project, or of the units specified for immediate construction.

Same In money

11932. The assessment shall be in money.

Same Where tract larger than section

11933 If any such tract of land consists of more than one section the apportionment to it shall be made according to its legal subdivisions or to other boundaries sufficient to identify it in subdivisions not greater than one section in area. Any failure or defect in complying with this section does not invalidate the apportionment or the assessment.

Copy of plans etc., to commissioners

11934. The board shall furnish the commissioners with a copy of the detailed plans, specifications, and estimate of the costs of the project which have been filed with the department pursuant to Section 10906.

11935. The commissioners shall immediately prepare and certify to the department in triplicate rolls which shall contain: Certification to department

(a) A description of each separately owned tract by legal subdivisions, governmental surveys, or other boundaries sufficient to identify it If any area composed of more than one separately owned tract is not assessed because the land in the tract will not be benefited by the expenditure of funds raised by the assessment, a description of the area as a whole without a description of each tract is sufficient

(b) The number of acres in each tract.

(c) The name and address of the owner of each tract, if known, and if unknown, that fact.

(d) The assessment rate for each acre upon each tract assessed, or if no assessment is made upon a tract, or area composed of more than one tract, a statement of that fact.

(e) The total amount of the computed assessment.

(f) Any other statement which may be required by the department and as to which written notice is given to the commissioners when the plans and specifications and costs of the work are transmitted to them.

11936. A mistake in the name of the owner or supposed owner of the property assessed or in any other particular does not render the assessment of the property invalid. Mistake in name

11937. The roll shall be separately made for land lying within different affected counties. Separate rolls

11938. When completed the rolls shall be accompanied by the written report of the commissioners setting forth with particularity the exact nature and amount of the benefits assessed. In the report land within a comprehensive area or a political subdivision of the State may be referred to generally as land lying within the area or subdivision without further description. Written report of benefits

11939. When the rolls are completed the commissioners shall certify and immediately file them in the office of the department. The department shall immediately transmit two copies of the rolls to the board which shall file one copy in its records and transmit to the county treasurer of each affected county that portion of the roll relating to the lands within such county. Filing, transmission of rolls

11940. After the transmission of the rolls by the department, the members of the board constitute a board of equalization, which shall be known as the adjustment board. Adjustment board

11941. The adjustment board shall consider and act upon objections to the assessment made by the commissioners. Same Consideration of objections

11942. Not less than 30 days after the rolls have been filed in the records of the board, the adjustment board shall appoint the time and place that it will meet within each affected county to hear objections to the assessments. Same Hearing

11943. Notice of the hearing shall be published at least once a week for two successive weeks in each affected county. Hearing Notice

11944. The objections shall be written, verified, and filed with the department, and shall set forth the grounds of the Objections

objections. The verification shall be made by the affidavit of the objector or some other person who is familiar with the facts.

Hearing Postponement

11945. The adjustment board may postpone the hearing from time to time.

Same Evidence

11946. At the hearing the adjustment board shall hear any evidence offered on the correctness of the assessment. It may modify, amend, or approve the assessment in any particular and may reapportion all or part of it.

Increased assessments

11947. The adjustment board shall not increase assessments except after notice to the owners and upon a hearing of any objections to the increase.

Same Mailed notice

11948. Notice of increased assessments shall be served on known owners personally or by prepaid registered mail. Notice by prepaid registered mail shall be given in a sealed envelope addressed to the owner at his last known place of residence or business. If such address is not known, the envelope shall be addressed to the owner at the county seat of the county in which any of his land is situated. The envelope shall be deposited in the post office at the place where the district office is located. Such notices shall be served or deposited at least two weeks before the hearing.

Same Published notice

11949. If the owner is unknown notice shall be by publication at least once a week for two successive weeks in the county in which the land is located.

Approval of assessment

11950. After the hearings, the adjustment board shall make an order approving the assessment as finally fixed or modified. The order shall be filed with the engineer and entered in his records.

Apportionment, etc., conclusive

11951. The apportionment and determination of the adjustment board is conclusive. No action or defense shall ever be maintained attacking them.

Final roll Certification

11952. The secretary shall immediately certify two copies of the assessment roll as finally fixed and approved by the adjustment board. The secretary shall file one copy in the records of the board and immediately transmit to each county treasurer that portion of the roll relating to the land within the county for which he is an officer and a copy of the order of approval.

Same. Conclusive evidence

11953. Thereafter the assessment roll is conclusive evidence before any court or tribunal that the assessment has been legally made and levied.

Lien

11954. When a secretary has filed the assessment roll with the county treasurer, the charges assessed by the roll upon the land within the county constitute a lien on the land. The lien is prior to all other liens except taxes or assessments levied or assessed pursuant to law. The roll imparts notice of the assessments to all persons.

Acts of officers, etc.

11955. If district bonds have been issued upon the assessment any act or conduct by the board or any officer does not invalidate the assessment after it becomes a lien.

Deferred units of construction

11956. Upon receipt by the department of the certified copy of the resolution passed by the board pursuant to Section

10904 when it determines to commence construction of a postponed unit of construction and of any amended plans, specifications, and estimates of cost for the unit the same proceedings for levying, approving, and collecting an assessment to meet the cost of the unit to be constructed shall be had as for an assessment to meet the cost of the unit first constructed.

Article 3. Reapportionment of Assessments

Subdivided land

11970. Upon the written request of the owner of any land assessed pursuant to this division which is subdivided into smaller parcels, or of the owner of any of the smaller parcels, and after hearing, the board shall reapportion the assessment in a manner which will in the board's judgment charge each of the smaller parcels with a just portion of the assessment.

Supplementary rolls

11971. Supplementary assessment rolls showing the reapportionment shall be made. Such rolls shall be made separately for land lying within different counties.

Same Copies

11972. When the rolls are made, the board shall file copies of them with the department. It shall also file with each county treasurer the supplementary assessment roll relating to the land in the county for which he is an officer.

Same Effect of filing

11973. After such filing the assessment shall be an assessment upon each of the smaller parcels in accordance with the reapportionment and not an assessment upon the tract as a whole.

Same Status

11974. For all purposes the supplementary assessment rolls shall be deemed to be a part of and amendatory of the assessment rolls previously filed.

Effect of reapportionment

11975. The reapportionment shall not affect the assessment except as to the land included in the supplementary assessment rolls.

Article 4. Collection of Original Assessments

Payment period

12000. The assessment list of each affected county shall remain open for payment in full in the office of the county treasurer for 30 days. During that time any person may pay to the county treasurer the amount of the charge assessed against the land in money or in district warrants drawn by the department or the board or its proper officers.

Return

12001. At the end of 30 days the county treasurer shall make return to the board of all assessments paid.

Unpaid assessments Interest

12002. All unpaid assessments shall bear interest at the rate of 7 percent a year.

Same Call

12003. Thereafter all unpaid assessments and accrued interest shall be collected when and as called, and paid to the county treasurers, who shall collect and hold the money to the credit of the district.

Same Installments, etc.

12004. Unless bonds have been authorized pursuant to this division, all such payments shall be made in the amounts or installments and at the times which the board directs from time to time by order entered in its minutes.

Notice of call Form

12005. Upon making any order fixing and calling the installments or amount, the secretary shall also enter in the board minutes, and certify to each county treasurer for signature and mailing or publication in each affected county a notice in substantially the following form:

(Name) Resort District. (Location of the principal place of business.) Notice is hereby given that at a meeting of the board of directors held on _____ an installment of _____ percent of assessment number _____ was ordered paid within 60 days from the date thereof to the respective county treasurers of the counties in which land of such district is situate. Any installment which remains unpaid on the (day fixed) will be delinquent, together with the accrued interest thereon, with 10 percent of such installment and interest added as penalty.

Signed _____ _____,
Treasurer of _____ county.

Same Mailing

12006. The notice shall be mailed, addressed to each owner of land in the district at his place of residence if known, and if not known, at the place where the district office is situated. In lieu of mailing, the notice may be published once a week for two consecutive weeks in each affected county.

Penalty

12007. If an installment remains unpaid at the expiration of 60 days from the date of the order, it and the accrued interest on it are delinquent. A penalty of 10 percent of the amount of the installment and interest shall be added to the total delinquent amount and collected for the use of the district.

Delinquency list

12008. Immediately after the installment becomes delinquent the county treasurer shall prepare in one notice a list of all delinquencies in the county. As soon as it is complete he shall publish it in the county once a week for two consecutive weeks.

Delinquency notice Contents

12009. The notice shall contain:

(a) A description of the property assessed.

(b) The name of the person to whom it is assessed or a statement that it is assessed to unknown owners.

(c) The amount due on the property.

(d) A notice that the property assessed will be sold on the date stated in the notice in front of the courthouse to pay the amount due on the property.

Date of sale

12010. The date of the sale shall not be less than 10 days after the date of the last publication of the notice.

Sale

12011. At the time stated in the notice, or such other time to which the sale is postponed, the county treasurer shall sell the property to the highest bidder for money. Out of the proceeds of the sale he shall deposit the amount due on the property as shown in the notice to the proper district fund.

Same· Disposition of proceeds

12012. After deducting sale expenses and the deposit to the credit of the district, the county treasurer shall pay the balance to the property owner.

Postponement of sale

12013. Except where bonds have been issued upon an assessment the board may direct the county treasurer to postpone the sale from time to time, for not less than 10 nor more

than 30 days at one time, by a written notice posted at the place of sale.

Where no bid

12014. If no bid is made for the property equal to the amount due on it, it shall be struck off to the district for the amount due.

Certificate of sale

12015. A certificate of sale shall be executed by the county treasurer to the purchaser, or to the district if the property has been struck off to it. The certificate shall be recorded in the office of the county recorder of the county.

Redemption period

12016. At any time within three years after the date of sale any person interested in the property may redeem it by paying to the county treasurer the amount for which the property was sold, and interest on that sum at the rate of 1 percent a month from the date of the sale. The amount shall be credited to the proper district fund.

Same: Expiration

12017. If no redemption is made within three years, the purchaser or the district, if the property has been sold to it, is entitled to a deed executed by the county treasurer or his successor in office.

Effect of deed

12018. The deed has the effect of conveying the property free and clear of all liens and encumbrances except:

(a) Taxes and assessments or taxes levied or assessed pursuant to law.

(b) Any district assessment or part of such assessment remaining unpaid at the date of the sale, each installment of which may be called and collected pursuant to this chapter.

Sale

12019. The board may sell such property sold to the district at any time at public auction after notice for the period and in the manner of sale for delinquent assessments. The property shall not be sold for less than it was sold at the sale of delinquent assessments, with interest at 7 percent a year. The deed executed in the sale conveys the property free of all encumbrances except those provided in Section 12018.

Article 5. Supplementary Assessments for Completion of Project

Insufficient assessment

12040. If the original assessment for the project or any unit is insufficient to complete the project or unit, the board shall levy and collect one or more assessments for the estimated cost of its completion.

Basis

12041. Each such supplementary assessment shall be spread among the different tracts of land in the same proportion as the original assessment.

Order

12042. The supplementary assessment shall be made by order entered in the board minutes. The order shall state the total amount necessary to be raised and fix the rate of assessment which shall be the percentage of the total amount assessed by the original assessment required to produce the amount necessary.

Preparation of roll

12043. Upon the making of the order, the board shall cause to be prepared a supplementary assessment roll showing:

(a) By description each tract assessed.

(b) The amount assessed against each tract by the original assessment.

(c) The rate of assessment.

(d) The amount assessed against each tract by the supplementary assessment in dollars and cents computed at such rate.

Filing of roll

12044. When the supplementary assessment roll is completed, the board shall file with each county treasurer a copy of the part of the roll pertaining to land within the county of which he is an officer.

Lien

12045. Upon such filing the assessment constitutes a lien upon each tract shown to be assessed by such filed copy for the amount assessed against it. The lien is of the character and has the incidents of the lien of the original assessment.

Amendment of roll

12046. At any time within 60 days after such filing the board may amend the copy of the assessment roll to correct errors on its own initiative or at the instance of any landowner affected. Upon the certification of the error to him by the board the county treasurer may make the amendment by endorsement on the assessment roll.

Collection

12047. The supplementary assessment shall be collected in the same manner as original assessments. The board may call the supplementary assessment as a whole or in installments from time to time.

Article 6. Supplementary Assessments for Maintenance

Report

12070. If after completion of all or part of the district improvements, the board deems it necessary to raise any sum for the maintenance, repairs, or operation of its improvements or for the conduct and management of the district or its improvements, it shall cause to be prepared and shall adopt a report showing:

(a) The stage to which the improvements have been completed and paid for.

(b) With reasonable particularity, the sum required for the maintenance, repair, or operation of the improvements, or for the conduct or management of the district or its improvements.

Same Plans, specifications

12071. The report shall be accompanied by any plans and specifications for work to be done and an estimate of its aggregate cost.

Same Filing

12072. A copy of the report with the plans and specifications shall be filed with the secretary.

Notice

12073. A notice of the filing of the report shall be published stating:

(a) The purpose of the report.

(b) Where it may be inspected by any interested person.

(c) A time within which objections to the adoption of the report and the levying of any assessment under it may be filed.

(d) The time and place for the hearing on the protests.

Hearings 12074. The hearings shall be public and held at the district office. At the hearing all protestants may appear in person or by attorney and present their objections to the report.

Action on report 12075. At the conclusion of the hearing the board may adopt the report or modify it or cause a new report to be made and set for hearing pursuant to this article, or wholly or partially abandon the levying of any assessment pursuant to the report.

Order 12076. If after the hearing the board determines that the assessment is necessary, it may make an order of supplementary assessment.

Apportionment of assessment 12077. The supplementary assessment shall be spread among the respective tracts of land in the proportions which the total amounts assessed against the tracts by the original and all subsequent assessments for construction purposes bear to one another.

Entry of order 12078. The order making the supplementary assessment shall be entered in the minutes of the board. It shall state the total amount to be raised and fix the rate of assessments. The rate shall be the percentage of the total amount assessed by the original and all subsequent assessments for construction purposes required to produce the necessary amount.

Supplementary roll 12079. Upon making the order, the board shall cause to be prepared a supplementary assessment roll showing:

(a) By description, each tract assessed.

(b) The total of assessments against each tract for construction purposes.

(c) The rate of assessment.

(d) The amount assessed against each tract by the supplementary assessment in dollars and cents computed at such rate.

Same Filing 12080. When the supplementary assessment roll is completed, the board shall file with each county treasurer a copy of the part of the assessment roll pertaining to the land within the county of which he is an officer.

Lien 12081. Upon such filing the assessment constitutes a lien upon each tract shown to be assessed by the copy for the amount assessed against it. The lien shall be of the character and to have the incidents of the lien of an original assessment for purposes of construction.

Amendment 12082. On its own initiative or at the instance of any affected landowner and at any time within 60 days after such filing, the board may amend the assessment roll to correct errors.

Same 12083. Upon the certification of the error to him by the board the county treasurer shall make the amendment by endorsement upon the assessment roll.

Collection 12084. The supplementary assessment shall be collected in the same manner as original assessments. The board may call the supplementary assessments as a whole or in installments from time to time.

Basis for allocation 12085. The original assessment levied for construction purposes and all assessment rolls for it or for supplementary assessments for such purposes continue in force as the basis

for allocating and spreading assessments for maintenance, repair, or operation of the improvements or for the management and conduct of the improvements or of the district.

Provisions applicable

12086. So far as appropriate all provisions of this division relating to the levy and collection of assessment apply to supplementary assessments.

Article 7. Assessments Upon Which Bonds Have Been Issued

Lien Continuation

12120. The lien of any unpaid assessment upon which bonds are issued continues until all the bonds are fully paid.

Unpaid principal and interest of bonds

12121. If any part of the principal or interest of the bonds remains unpaid after enforcement of the assessment, the board shall order a supplemental assessment to be made pursuant to this division sufficient to pay the unpaid principal and interest. The supplemental assessment shall be enforced and collected in the same manner as the original assessment.

Unpaid assessments Interest

12122. Where bonds have been authorized to be issued on assessments all unpaid assessments shall bear interest at the rate of 7 percent a year from the date of the bonds issued on such assessments until the bonds have been fully paid and discharged.

Same Interest due

12123. The interest due at any time on such unpaid assessments may be called without calling any installment of the assessment.

Estimate of needs

12124. At least 90 days before any interest date of the bonds, the treasurer shall certify to each county treasurer an estimate of the amount of money and the percentage of the assessment and interest thereon, or only of the interest, necessary for the bond payment maturing on that date to be collected by the county treasurer. In the estimate the treasurer shall credit to the total amount due any funds in the treasury applicable to such payment and shall add 15 percent of the aggregate sum to cover possible delinquencies.

Notice

12125. Each county treasurer shall immediately cause to be published once a week for two successive weeks in the county of which he is treasurer a notice substantially in the following form:

(Name of resort district.) Notice is hereby given that an installment of assessment (describing it) or (amount or proportion thereof including interest on it or only for interest) is payable within 30 days from date by all assessed landowners of the district in the county of (name of county) to the treasurer of the county. All or any part of the installment of interest which remains unpaid on the (day fixed) will be delinquent, together with accrued interest on it, with 10 percent of the installment and interest added as penalty.

Dated _____.

(Signed) _____ _____,

Treasurer of _____ County.

12126. If no newspaper is published in the county, the publication shall be made in a newspaper published in an adjoining county. Same Publication

12127. If any part of the installment or any interest on it remains unpaid at the expiration of 30 days from the date of the notice it becomes delinquent. Ten percent of the unpaid amount of the installment and interest shall be added and collected by the county treasurer. Delinquent installments

12128. Within 10 days after any installment becomes delinquent, the county treasurer shall publish in the county once a week for two successive weeks a notice containing: Delinquency notice

(a) A description of each parcel of land in the county on which the installment is delinquent, as its description appears on the assessment list.

(b) The name of the person to whom it is assessed, or to unknown owners, if such is the fact.

(c) The amount of the installment delinquent on the parcel.

(d) The amount of interest on the installment reckoned to the day of sale.

(e) The amount of the penalty.

(f) A notice that each of the parcels will be sold at public auction by the county treasurer in front of the courthouse of the county, at a specified time, which shall not be less than 30 nor more than 60 days after the date of delinquency, to pay the delinquent installment, with the accrued interest and penalty.

12129. Unless prior to the time stated in the notice the county treasurer receives full payment of the delinquent installment and interest and penalty, he shall at such time sell each parcel of land described in the notice to the highest bidder. Delinquency sale

12130. A bid for any parcel less than the aggregate sum due on the installment with interest and penalty shall not be accepted. Minimum bid

12131. The sale shall be made for cash. In lieu of cash, the county treasurer may receive from any purchaser at face value district bonds or interest coupons, issued on the assessment and already matured or to mature within 60 days after the sale. Consideration

12132. The county treasurer shall immediately cancel any bond or coupon received in payment and file it in the office of the treasurer. If the entire amount of the bond or coupon tendered in payment is not required to complete payment of the purchase money, the county treasurer shall endorse on it as paid the amount of the purchase money credited. Cancellation of bonds, etc

12133. If no bid is made for any parcel at the sale equal to the amount of the installment delinquent on it, with interest and penalty, the county treasurer shall bid in and sell the parcel to himself and his successors in office, as trustee of the district bond fund, as purchaser, for the amount of the installment, interest, and penalty. Sale to district

Certificate of sale

12134. The county treasurer shall execute to each purchaser, including himself as trustee, a certificate of sale, and record a duplicate in the county recorder's office.

Redemption

12135. Any person interested in the property may redeem it at any time within three years after the sale by paying to the county treasurer a sum equal to the purchase price stated in the certificate, with interest at the rate of 12 percent a year from the date of sale to the redemption.

No redemption

12136. If a redemption is not made within three years and upon demand and surrender of the certificate of purchase, the county treasurer shall execute to the purchaser, his heirs, or assigns, a deed of conveyance of the land described in the certificate.

Effect of deed

12137. The deed shall convey to the grantee the land free and clear of all encumbrances, except taxes or assessments levied or assessed pursuant to law, and any district assessment, or part thereof, remaining unpaid at the date of sale each installment of which may be called and collected pursuant to this chapter, but no parcel sold and conveyed to the district shall thereafter be subject to sale by the county treasurer for delinquent installments.

Deed as evidence

12138. Every deed by a county treasurer purporting to be executed pursuant to this article is prima facie evidence of the truth of the matters recited in it and of ownership by the grantee of the land described in it.

Sale by treasurer

12139. At any time after the three-year redemption period, the county treasurer may sell and convey any parcel of land purchased by him or his predecessor, as trustee of the district bond fund, to any person paying him all of the following:

(a) The amount for which the parcel was bid in by such county treasurer at the delinquent sale.

(b) Interest on such amount at the rate of 7 percent a year, compounded yearly, from the date of the delinquent sale.

(c) The amount of all subsequent installments delinquent, with accrued interest and penalties.

Same How made

12140. Such sale shall be at public or private sale and with or without notice.

Consideration

12141. Payment may be made either in cash or in matured bonds and coupons issued on the assessment, taken at their face value.

Deed

12142. The county treasurer shall execute a deed to the purchaser upon the sale, conveying the property free of encumbrances, except as is provided for deeds where no redemption is made.

Unsold land

12143. If any land held by a county treasurer as trustee of the district bond fund remains unsold after the final installment of the assessment has been collected by payment or sale, he shall sell it at public auction to the highest bidder for cash. Notice of the sale shall be given by publication once a week for two successive weeks in a newspaper published in the county in which the land is situated. The county treasurer shall deposit

the proceeds of the sale in the county treasury to the credit of the district bond fund.

Article 8. Amendatory Assessments

12160. If any land is omitted from any assessment roll, or if it appears in the roll but is neither assessed nor stated to be not assessed, it shall be deemed that the land was omitted from consideration for assessment purposes by oversight. Omitted land

12161. Upon discovery that any land was so omitted, or upon final adjudication by a court of competent jurisdiction that any assessment is invalid as to the part of the land assessed proceedings shall be taken pursuant to this article. Procedure

12162. If the original assessment was made pursuant to Article 2, the board shall certify the fact of the omission or invalidity to the department and immediately proceedings for the making of an amendatory assessment shall be had in the manner provided in Article 2 for original assessments. As nearly as possible, the amendatory assessment shall be made upon the basis of determining what the original assessment upon the land would have been except for the omission or invalidity. Same Article 2, assessments

12163. If the original assessment was not one made pursuant to Article 2, the board shall cause an amendatory assessment as to such land to be made upon the basis and in the manner in which the original assessment to be amended was made. The amendatory assessment shall be made within two years after the making of the original assessment. Same Other assessments

12164. The proceedings for making, levying, and collecting the amendatory assessment shall be the same as those for the assessment of which such assessment is amendatory. Same Making, etc., assessments

SEC. 22. Section 50020 is added to said code, to read:

50020. Chapter 1208 of the Statutes of 1931 is hereby repealed. Repeal

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CHAPTER 334

An act to consolidate and revise the law relating to the organization, operation, and maintenance of a system of state and local government, by adding Section 500049 and Title 7, relating to planning and conservation, to the Government Code, and repealing the Conservation and Planning Act. Stats 1947, p 1909, repealed

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Title 7 is added to the Government Code, to read:

TITLE 7. CONSERVATION AND PLANNING

CHAPTER 1. THE CONSERVATION AND PLANNING LAW

Article 1. General Provisions

65000. This chapter may be cited as the Conservation and Planning Law. Short title

Construction

65001. The definitions and general provisions contained in this article govern the construction of this chapter unless the context otherwise requires.

"Street"

65002. "Street" includes street, highway, avenue, boulevard, parkway, road, lane, walk, alley, viaduct, subway, tunnel, bridge, public easement and right of way, and other ways.

"Right of way"

65003. "Right of way" means any public or private right of way and includes any area required for public use pursuant to any master plan or official plan.

"Board"

65004. "Board" means the State Planning and Conservation Board.

"Urban area"

65005. "Urban area" means any area formed from areas united for planning purposes.

Article 2. The State Planning and Conservation Board

Board Powers and duties

65030. The State Planning and Conservation Board shall exercise the powers vested in it, and perform the duties imposed upon it, by this chapter.

Same

65031. The board shall:

(a) Adopt rules for the transaction of its business.

(b) Keep a record of its official actions.

(c) Make reports, when requested, to the Governor, the Legislature, and the Director of Finance.

Officers

65032. It shall annually select a chairman from its appointive members and a secretary who need not be a member of the board.

Employees

65033. The board shall employ a director of planning who shall be qualified by special training, experience, and demonstrated ability in the field of planning Subject to the approval of the Governor the board may employ other persons necessary for its work.

Cooperation

65034. The board may cooperate with any interested persons or organizations in devising means to develop the natural and economic resources of the State.

Acceptance of grants

65035. The board may accept grants from the Federal or State Governments or their agencies, and may accept gifts for the purposes of state planning.

Planning

65036. The board shall encourage the extension and correlation of state planning by state agencies and participate in interstate and national planning efforts, with a view to benefit to be derived by the larger region or Nation, and by the State.

Contemplated plans

65037. The board shall ascertain from each state department, board, or other agency, and where possible from federal agencies, all contemplated public improvements or projects and where necessary shall implant upon the regional and county master plans those things which it considers pertinent to such plans.

Master plans

65038. Any state agency concerned with any public improvement or project may request the imposition of the improvement or project on any regional or county master plan.

65039. The board shall make available to each state department, board, or other agency all regional and county master plans and information concerning other state projects. Each state department, board, or agency shall give consideration to such other state projects and to the regional and county master plans, so that, when in its judgment it is practical and feasible, its projects may be properly coordinated with those of all other governmental agencies. Plans, etc., to be available

Article 3. Regional Planning Commissions

65060. To provide state-coordinated regional planning, the board shall divide the State into regional planning districts. Districts

65061. So far as possible, the districts shall be established so as to include: Same: Characteristics

(a) Natural physiographical regions containing complete watersheds of major stream systems, and the land upon which the waters of such watersheds are put to beneficial use.

(b) Areas having mutual social and commercial interests, as exemplified by radiating and connecting routes of transportation, by trade, and by common use of recreation areas within the region.

65062. A regional planning commission shall be established for each regional planning district. The Governor shall appoint all members of the commission from nominees selected by the board of supervisors of each county or portion of county within the district from the membership of the county planning commission. The commission shall always consist of an odd number of members. Appointment of commission members

65063. Nomination and appointment shall be as follows: Procedure

(a) If the regional planning district consists of one county, the county planning commission shall be ex officio the regional planning commission.

(b) If the regional planning district consists of all or part of two counties, two nominees shall be selected by each board of supervisors and the Governor shall appoint them, and one additional member from either of the county commissions.

(c) If the regional planning district consists of all or part of three counties, two nominees shall be selected by each board of supervisors and the Governor shall appoint five members from the six nominees.

(d) If the regional planning district consists of all or part of four or more counties, one nominee shall be selected by each board of supervisors and shall be appointed by the Governor. If there is an even number of counties the Governor shall appoint an additional member from one of the county commissions.

65064. Each county or portion of a county within a regional planning district shall be represented by at least one member on the regional planning commission, but in special cases the board of supervisors may waive this right. Representation

65065. The term of office of a member of the regional planning commission shall correspond with his term as member of the county planning commission. A member may be removed by Term, removal

the Governor with the approval of the nominating legislative body.

Counties, cities Power to contract

65066. Any counties or cities which are included in a regional planning district may enter into contracts with any other counties or cities in the district for the preparation of master and official plans or the performance of other planning functions pursuant to Article 1, Chapter 5, Division 7, Title 1.

Same Regional commission reports

65067. The regional planning commissions shall prepare, adopt, and submit to the county and city planning commissions in their respective regions, plans, features of plans, and findings in matters pertaining to regional and state welfare.

Hearing

65068. Before adopting all or part of the master plan or any substantial amendment to it the regional planning commission shall hold at least one public hearing.

Same: Notice

65069. The regional planning commission shall give notice of the time and place of hearing The notice shall be published at least once in a newspaper of general circulation in each county within the regional district, or if there is none, in a newspaper of general circulation in the nearest county having such newspaper. The publication shall be made at least 10 days before the day of hearing.

Annual reports

65070. Each regional planning commission shall render an annual report on such matters and in such form as may be prescribed by the board.

Regular meetings

65071. Each regional planning commission shall hold at least one regular meeting every three months.

Article 4. Urban Planning Commissions

Urban area

65090. An urban area may include populated areas, unpopulated areas, or unimproved areas within or outside of cities, or any combination of such areas. An urban area shall consist of contiguous territory.

Resolution to establish

65091. By resolution, the governing bodies of the city, or cities, county, or counties, or any of them in which an urban area lies may establish an urban planning commission.

Appointment of commission

65092. With the approval of their legislative bodies, the chief executives of the cities and counties affected shall appoint the commission from the city or county planning commissions.

Removal of members

65093. A member of an urban planning commission from any city or county may be removed by majority vote of the legislative body of such city or county.

Article 5. County and City Planning Commissions

Establishment

65120. By ordinance the legislative body of each city may, and of each county shall, create a planning commission.

City commission members

65121. A city planning commission shall consist of not less than five nor more than nine members. The members may be city officers or employees, but the number of members who are not city officers or employees shall exceed the number who are. The members of the commission shall be appointed by the mayor with the approval of the legislative body.

65122. County planning commissions shall consist of not less than five nor more than seven members appointed by the chairman of the board of supervisors, with its approval. The members shall not be county officers. County commission members

65123. Of the members of the county or city commission first appointed: Terms of members

(a) Two shall be appointed for one-year terms.

(b) Two for two-year terms.

(c) One for a three-year term.

(d) One for a four-year term.

(e) The seventh member, if appointed, shall be appointed for a three-year term.

(f) Each additional member shall be appointed for a one-year term.

65124. The successors to the first members shall be appointed for four-year terms. Same Successors

65125. Vacancies shall be filled by appointment for the unexpired portion of the term. Vacancies

65126. The board of supervisors shall select the following persons as advisory members of the county commission: Advisory members

(a) The district attorney.

(b) The chief engineer of the county or the county surveyor.

(c) Other county officials, one of whom may be a supervisor.

65127. The term of an advisory member shall correspond to his official tenure. Same Term

65128. Each advisory member may designate one of his deputies to sit on the county commission in his absence. Same Proxy

65129. The advisory members shall have no votes unless the legislative body specifically provides that they shall have votes. Same Voting power

65130. Any appointee member of a county or city commission may be removed by either of the following: Removal

(a) The appointing official, subject to approval of the legislative body.

(b) A majority vote of the legislative body.

65131. All members of a city commission may receive compensation for their attendance at each meeting in a sum to be fixed by the legislative body by which they are appointed but not to exceed ten dollars ($10) a meeting nor fifty dollars ($50) in any calendar month in addition to reasonable traveling expenses to and from their usual place of business to the place of meeting of the commission. Compensation, etc., of members

65132. If a county or city charter provides for the mode of appointment, number of members, terms of office, powers and duties, and methods of removal of the planning commission of the city or county, such provisions shall prevail. Charter provisions

65133. The members of a county or city commission, including advisory members and members of its staff, shall inform themselves on matters affecting the functions and duties of the commission. For that purpose, and when authorized by Duty of members

the commission such members may attend planning conferences, meetings of planning executives, or hearings on planning legislation or matters affecting all or part of the master plan. The reasonable traveling expenses incidental to such attendances shall be charges upon the funds allocated to the commission.

School sites

65134. During the formulation of plans for community design and public buildings, the county or city planning commission shall notify the governing boards of school districts having jurisdiction of the areas considered of the preparations of the plans so that adequate and properly located school sites may be provided for.

Proposed public works

65135. At least three months before the end of each fiscal year each county or city officer, department, board, or commission, and each governmental body, commission, or board whose jurisdiction lies entirely within the county or city, whose functions include recommending, preparing plans for, or constructing, major public works, shall submit to the respective county or city planning commission a list of the proposed public works recommended by him or it for planning, initiation, or construction during the ensuing fiscal year.

Same Coordination

65136. The county or city planning commission shall list and classify all such recommendations and shall prepare a coordinated program of proposed public works for the ensuing fiscal year. The commission shall recommend the program to the legislative body of the county or city and to other bodies, officers, departments, boards, or commissions which have jurisdiction over the recommending, planning, or constructing of the public works.

Report on master plan

65137. After the adoption of all or part of the master plan by a county or city planning commission, the commission shall render an annual report to the county or city legislative body on the status of the plan and progress in its application

Same Contents

65138. The report shall be prepared pursuant to the outlines and uniform rules established by the board. It shall include:

(a) A statement of any changes in or additions to the master plan with copies of all plans and reports adopted by the commission as part of the master plan.

(b) Copies of portions of the master plan and reports relative to it, adopted by the legislative body, pursuant to Section 65271.

(c) A list of improvements and accomplishments resulting from adoption of the master plan and official plans or from the work of the commission.

(d) A copy of the program of proposed public works, improvements, and development based on the master plan and official plans and recommended to the legislative body for execution during the ensuing fiscal year, prepared pursuant to Section 65136.

(e) Any other information and data pertinent to the work of the commission.

65139. A copy of the report shall be filed with the board. Same copy

65140. Whenever a county or city planning commission finds that there are two or more streets within the city or county having the same name or names so similar as to confuse the public, the commission may adopt a resolution of intention to adjust, alter, or change any of such street names so as best to serve the public convenience. Change of street names

65141. The resolution of intention shall be set for hearing Notice of the hearing shall be given by posting notice in at least three public places along the street proposed to be affected. The posting shall be completed at least 10 days before the day set for the hearing. Notice

65142. At the time set for hearing or at any time to which the hearing may be continued, the commission shall hear and consider proposals to adjust, alter, or change the names of the streets mentioned in the resolution and objections to the proposals. Hearing

65143. At or after the conclusion of the hearing the commission may make any recommendations it deems appropriate to the county or city legislative body which shall thereupon take any action it considers proper. Recommendations

65144. When any street is known by two or more names or when portions of the same street have names that conflict, by resolution adopted without a hearing, the commission may recommend to the legislative body a single name for it. Exception

65145. A county or city planning commission established pursuant to this chapter has such control over subdivisions as is granted to it by law or any county or city ordinance governing subdivisions. Control of subdivisions

65146. As a part of its annual tax levy each county and city which has established a planning commission may levy and collect a tax, not to exceed in any fiscal year two mills on the dollar of assessed valuation, for the purpose of defraying the lawful expenses incurred by the planning commission in carrying out the purposes of this chapter. Each such county and city may make appropriations from other funds for such purpose. Tax

65147. A county or city planning commission may accept gifts for any work of the commission authorized by law. Gifts

Article 6. Provisions Relating to Planning Commissions Generally

65170. Each commission appointed pursuant to this chapter shall elect its chairman from among the appointed members for a term of one year. Subject to law, it may create and fill such other offices as it determines. Chairman, other offices

65171. Each commission, except a regional planning commission, shall hold at least one regular meeting in each month Meetings

65172. Each commission shall adopt rules for the transaction of business and shall keep a record of its resolutions, transactions, findings, and determinations. The record shall be a public record. Rules records

Officers, employees

65173. Each commission may appoint the officers and employees it deems necessary for its work. Their appointment, promotion, demotion, and removal shall be subject to the same laws which govern other corresponding civil employees

Consultants

65174. Each commission may employ or contract with planning consultants and other specialists for such services as it requires.

Public interest

65175. Each commission shall endeavor to promote public interest in and understanding of the master plan and of official plans and regulations relating to them.

Consultation

65176. It shall consult and advise with public officials and agencies, public utility companies, civic, educational, professional, and other organizations, and citizens generally with relation to the carrying out of master and official plans.

Information

65177. Upon request all public officials shall furnish to the commission within a reasonable time any information they have which the commission requires for its work.

Entry, examination of land

65178. In the performance of their functions, each commission, its members, officers, and employees may enter upon any land and make examinations and surveys and place and maintain necessary monuments and marks.

Powers of commission

65179. Each commission has the powers necessary to enable it to fulfill its functions and carry out the purposes of this chapter.

Referral of other matters

65180. By general or special rule the body creating the planning commission may provide that other matters shall be referred to the planning commission before final action is taken by the county or city body or officer with final authority on the matter, and that final action shall not be taken until the planning commission has submitted its report or has had reasonable time, to be fixed in the rule, to submit the report.

Same Reports

65181. In reporting on such other matters the planning commission may make such investigations, maps and reports, and recommendations relating to the planning and development of the city or county as it deems desirable, but the total expenditures of the commission shall not exceed the funds available

Funds, equipment etc

65182. The county or city legislative body shall provide the funds, equipment, and accommodations necessary for the work of the planning commission of the county or city, or of the urban area in which the county or city is situated. Such appropriation may include funds to be appropriated for the work of the regional planning commission of the regional planning district within which the county or city is situated. The expenditures of the commission, exclusive of gifts, shall be within the amounts appropriated for the respective purposes.

Article 7. Master Plans

Characteristics

65200. Each commission shall prepare and adopt a comprehensive, long-term, general plan for the physical development of the city, county, or region, and of any land outside its

boundaries which in the commission's judgment bears relation to its planning. The plan shall be known as the master plan.

Severability

65201. The master plan shall be so prepared that all or portions of it may be adopted by the legislative body as a basis for the development of the city, county, or region for such reasonable period of time after its adoption as may practicably be covered by it.

Inclusion of other plans

65202. The master plan, with the accompanying maps, diagrams, charts, descriptive matter, and reports, shall include the plans specified by this article which are appropriate to the city, county, or region, and which may be made the basis for its physical development. The master plan may comprise any, all, or any combination of the plans specified in this article. It may include all or part of such a plan.

Conservation plans

65203. A master plan may include a conservation plan for the conservation, development, and utilization of natural resources, including water and its hydraulic force, forests, soils, rivers and other waters, harbors, fisheries, wild life, minerals, and other natural resources. A conservation plan shall also cover:

(a) The reclamation of land and waters.

(b) Flood control.

(c) Prevention and control of the pollution of streams and other waters.

(d) Regulation of the use of land in stream channels and other areas required for the accomplishment of the conservation plan.

(e) Prevention, control, and correction of the erosion of soils, beaches, and shores.

(f) Protection of watersheds.

Land use plan

65204. A master plan may include a land use plan, consisting of an inventory and classification of natural land type and of existing land cover and uses, and comprehensive plans for the most desirable utilization of land.

Recreation plan

65205. A master plan may include a recreation plan showing a comprehensive system of recreation areas, including the following and, when practicable, their locations and proposed development:

(a) Natural reservations.

(b) Parks.

(c) Parkways.

(d) Beaches.

(e) Playgrounds.

(f) Other recreation areas.

Streets and highway plan

65206. A master plan may include a streets and highway plan, showing:

(a) Streets and the general locations and widths of a comprehensive system of major traffic thoroughfares and other traffic ways and their recommended treatment.

(b) Building line setbacks.

(c) A system of street naming or numbering and house numbering.

(d) Recommendations concerning proposed changes.

Transportation plan

65207. A master plan may include a transportation plan, showing a comprehensive transportation system, including locations of rights of way, terminals, viaducts, and grade separations. The plan may also include port, harbor, aviation, and related facilities.

Transit plan

65208. A master plan may include a transit plan, showing a proposed system of transit lines, including rapid transit, street car, motor coach and trolley coach lines, and related facilities.

Public services and facilities plan

65209. A master plan may include a public services and facilities plan, showing general plans for sewerage, drainage, and utilities, and rights of way, easements, and facilities for them.

Public buildings plan

65210. A master plan may include a public buildings plan, showing locations and arrangement of civic centers and all other public buildings, including their architecture and the landscape treatment of their grounds.

Community design plan

65211. A master plan may include a community design plan, consisting of standards and principles governing the subdivision of land and showing recommended patterns for community design and development.

Housing plan

65212. A master plan may include a housing plan, consisting of a survey of housing conditions and needs, and plans and procedure for improvement of housing standards and for provision of adequate housing.

Other plans

65213. As part of the master plan the commission may prepare and adopt additional plans and reports dealing with other subjects which in its judgment relate to the physical development of the city, county, or region.

Adoption, coordination

65214. The commission may prepare and adopt all or any part of the master plan or any subject of it for all or any part of the city, county, or region. Master regional plans shall be coordinated with similar plans of adjoining regions and county and city master plans within each region shall be coordinated so as to fit properly into the master plan for the region.

Acceptance, etc., by cities counties

65215. The county and city planning commissions in the various regions shall accept and embody in their master plans the features and findings of the respective regional planning commissions in matters pertaining to the regional and state welfare. When such features and findings have been accepted and embodied in the master plans and the plans have been adopted by the county or city legislative body, the features and findings have the same effect as other portions of the master plan and shall be carried out by the legislative body in accordance with its police powers as provided in this chapter.

Hearing

65216. Before adopting all or part of the master plan or any substantial amendment to it, the commission shall hold at least one public hearing.

Same Notice

65217. At least 10 days before the hearing, notice of its time and place shall be given by at least one publication in a newspaper of general circulation in the city or county, or in

the case of a regional planning commission, in a newspaper in each county within the regional district.

Adoption resolution

65218. The adoption of the master plan, or of any amendment, extension, or addition to it, shall be by resolution of the commission carried by the affirmative votes of not less than two-thirds of its total membership.

Same: Reference to maps, etc

65219. The resolution shall refer expressly to the maps and descriptive and other matter intended by the commission to constitute the plan or amendment, addition, or extension of it. The action taken shall be recorded on the map and plan and descriptive matter by the identifying signatures of the secretary and chairman of the commission.

Restriction

65220. After September 19, 1947, no plan or map shall have indicated on it that it is a part of the master plan until it has been adopted as part of the master plan by the commission pursuant to this chapter.

Changed conditions

65221. When changed conditions or further studies by the commission require, the commission may amend, extend, or add to all or part of the master plan in the manner provided in this chapter for its adoption.

Certification City and county plans

65222. An attested copy of any part, amendment, extension of, or addition to, the master plan adopted by a county or city planning commission shall be certified to the legislative body of the city or county.

Same Regional plans

65223. An attested copy of any part, amendment, extension of, or addition to, the master plan adopted by a regional planning commission shall be certified to the county planning commission and to the board of supervisors of each county within the regional district.

Article 8. Official Plans

Precise plans

65250. From time to time, the planning commission may prepare precised sections of the master plan or detailed or precise plans based on it and may recommend such plans to the legislative body for adoption as official plans.

Same Contents

65251. The precise plans may include:

(a) Proposed regulations limiting the uses of land and buildings, the height and bulk of buildings, and the open spaces about buildings.

(b) Proposed regulations limiting the location of buildings and other improvements with respect to existing or planned rights of way.

(c) Such other matters which will accomplish the purposes of this chapter, including procedure for the administration of such regulations.

Hearings

65252. Before recommending an official plan to the legislative body or any amendment to it, the planning commission shall hold at least two public hearings, at least 10 days apart.

Notice

65253. Notice of the time and place of each hearing shall be given by at least one publication in a newspaper of general circulation in the city or county, and by such other means as the commission deems necessary.

Certification of plans

65254. A copy of any official plan recommended pursuant to this article shall be certified to the legislative body and shall be accompanied by a report of findings, summaries of hearings, and recommendations of the planning commission.

Article 9. Adoption of Master Plan by Legislative Body

Adoption of plans

65270. Pursuant to this chapter, every county and city shall adopt and establish a master plan and official plans based on it. It is hereby declared that the purpose of the plans is the conservation and promotion of the public health, safety, and general welfare.

Same

65271. Upon receipt of a certified copy of all or part of the master plan adopted by the planning commission, the legislative body shall adopt the parts which may be applied practicably to the development of the city or county for a reasonable period of time next ensuing.

Endorsement and certification

65272. The parts shall immediately be endorsed and certified as master plans adopted for the territory covered.

Hearing, notice

65273. Before adopting all or part of a master plan, the county or city legislative body shall hold at least one public hearing. At least 10 days before the hearing, notice of its time and place shall be published at least once in a newspaper of general circulation in the city or county.

Changes or additions to master plan

65274. In adopting all or part of a master plan adopted by the planning commission, the legislative body shall not make any change or addition until the proposed change or addition has been referred to the planning commission for a report and an attested copy of the report has been filed with the legislative body. Failure of the planning commission to report within 40 days after the reference, or such longer period as may be designated by the legislative body, shall be deemed to be approval of the proposed change or addition.

Article 10. Amendment of Master Plan or Official Plan by Legislative Body

Amendment of master plan

65300. When it deems it to be for the public interest, the legislative body may change or add to all or part of a master plan adopted by it, or change or add to all or part of an official plan.

Referral of change or addition

65301. The legislative body shall first refer the proposed change or addition to the planning commission for a report. Before making a report, the planning commission shall hold hearings on the proposed change or addition. It shall give notice of the hearings, pursuant to the procedure prescribed by this chapter for the adoption of the master plan by the planning commission or for the recommendation by it of any official plan, as the case may be.

Effect of failure to report

65302. Failure of the planning commission to report to the legislative body on a proposed change or addition within 90 days, or such longer period as may be designated by the legislative body, after it receives the request for the report shall be deemed

to be approval of the proposed change or addition by the planning commission.

Hearing, notice

65303. After the receipt of such report, or after the expiration of such 90 days or longer designated period, the legislative body shall hold at least one public hearing on the proposed change or addition. At least 10 days before the hearing, notice of its time and place shall be published at least once in a newspaper of general circulation in the city or county.

Initiation of change by planning commission

65304. Proceedings for any change in or addition to the master plan or any official plan, or any part thereof, may also be initiated by the planning commission.

Article 11. Plan for Effectuating the Master Plan

Plan for effectuation

65330. After the county or city legislative body has adopted all or part of a master plan for the city or county, or for any major section or district of it, and upon the recommendation of the planning commission, the legislative body shall determine upon a plan which provides a reasonable and practical means for putting into effect the master plan or part, in order that it will serve as a pattern and guide for the orderly physical growth and development of the city or county and as a basis for the efficient expenditure of its funds relating to the subjects of the master plan. The legislative body may adopt and use such procedure as may be necessary for this purpose.

Hearings, notices

65331. Before recommending to the legislative body a plan, or any amendment to a plan, for effectuating the master plan, the planning commission shall hold at least two public hearings, at least 10 days apart. Notice of the time and place of each hearing shall be given by at least one publication in a newspaper of general circulation in the city or county, and by any other means which the commission deems necessary.

Certification

65332. The commission shall certify a copy of any recommended effectuating plan to the legislative body. The copy shall be accompanied by a report of findings, summaries of hearings, and recommendations of the planning commission.

Adoption

65333. Upon receipt of the certified copy, by ordinance, the legislative body may adopt the plan in such form as it determines. Before adopting the effectuating plan the legislative body shall hold at least one public hearing. At least 10 days before the hearing notice of its time and place shall be published at least once in a newspaper of general circulation in the city or county.

Change

65334. The legislative body shall not make a change in any effectuating plan recommended by the planning commission until the proposed change has been referred to the planning commission for a report and an attested copy of the report has been filed with the legislative body.

Report

65335. The legislative body shall not adopt an ordinance or resolution establishing any of the regulations specified in this article until the ordinance or resolution has been referred to the planning commission for a report and an attested copy of the report has been filed with the legislative body.

Failure to report

65336. The failure of the planning commission to report within 40 days, or such longer period as may be designated by the legislative body, after such reference shall be deemed to be approval of the proposed change or ordinance or resolution.

Article 12. Effect of Adoption of Master Plan

Submission of proposals to commission

65360. Whenever a county or city legislative body has adopted a master plan for the city or county, or for any major section or district of it, no street, square, park, or other public ground or open space shall be acquired by dedication or otherwise, no street shall be closed or abandoned, and no public building or structure shall be constructed or authorized in the area to which the master plan applies, until its location, character, and extent has been submitted to and reported upon by the planning commission.

Same

65361. If the authorization, acquisition, financing, or acceptance of such street, square, park, or other public ground or open space, or the construction or authorization of such public building or structure, is vested by law or charter in some governmental body, commission, or board other than the legislative body, such body, commission, or board shall first submit to the planning commission the location, character, and extent of the proposed public improvement for report.

Vote to overrule commission

65362. If the planning commission disapproves the proposed public improvement, its disapproval may be overruled by such other governmental body, board, or commission only by a vote of not less than two-thirds of its entire membership.

Failure to act

65363. Failure of the planning commission to act within 40 days, or such longer period as may be designated by the legislative body or such other governmental body, board, or commission, after the date of the official submission of the location, character, and extent of such improvement shall be deemed to be an approval.

Street improvements

65364. No city or county shall improve any street, or lay or authorize sewers or connections or other improvements to be laid in any street within any territory for which the legislative body has adopted an official street and highway plan until the matter has been referred to the planning commission for a report and an attested copy of the report has been filed with the legislative body unless one of the following conditions applies:

(a) The street has been accepted, opened, or has otherwise received the legal status of a public street prior to the adoption of the plan.

(b) It corresponds with streets shown on the plan.

(c) It corresponds with a street shown on a subdivision plat approved by the legislative body.

(d) It corresponds with a street shown on a subdivision map previously approved by the planning commission.

65365. Failure of the commission to report on the matter within 40 days, or such longer period as may be designated by the legislative body, after such reference, shall be deemed to be approval of such matter. Failure to report

SEC. 2. Section 500049 is added to said code, to read:

500049. Chapter 807 of the Statutes of 1947 is hereby repealed. Repeal

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CHAPTER 335

An act to amend Section 14402 of the Government Code, relating to payments on state contracts, declaring the urgency thereof and providing that this act shall take effect immediately.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 14402 of the Government Code is amended to read:

14402. Payments upon contracts shall be made as the department prescribes upon estimates made and approved by the department, but progress payments shall not be made in excess of 90 percent of the percentage of actual work completed, plus a like percentage of the value of material delivered on the ground or stored subject to or under the control of the State, and unused. The department shall withhold not less than 10 percent of the contract price until final completion and acceptance of the project. The Controller shall draw his warrants upon estimates so made and approved by the department and the Treasurer shall pay them. Progress payments

SEC. 2. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution and therefore shall go into immediate effect. The following is a statement of the facts constituting such necessity: Urgency

Vitally needed public projects are at present under contract and various items of material and equipment are becoming short and difficult to obtain. It is necessary that contractors anticipate their needs for such items in advance, rather than to delay ordering until the projects are completed to the point where the items will be immediately needed. Such advance purchases would exceed the ability of many contractors to pay for such items and carry the material without reimbursement in excess of that permitted under the present law. It is therefore necessary that the State be permitted to make more substantial payments to contractors for materials purchased for use on any particular project prior to the time of its incorporation in the work, and it is therefore necessary that this act take immediate effect.

CHAPTER 336

An act to add Division 15 to the Water Code, to consolidate and revise the law relating to reclamation districts, and to repeal enumerated sections of the Political Code and acts specified therein.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Division 15 is added to the Water Code, to read:

DIVISION 15. RECLAMATION DISTRICTS

PART 1. INTRODUCTORY PROVISIONS

CHAPTER 1. DEFINITIONS

Construction

50000. Unless the context otherwise requires, the provisions of this chapter shall govern the construction of this division.

"District"

50001. "District" means any reclamation district formed pursuant to any law of this State prior to April 5, 1911, and any district formed pursuant to Article 2, Chapter 1, Title 8, Part 3 of the Political Code or pursuant to this division.

"Board"

50002. "Board" means the board of trustees of a reclamation district.

"President"

50003. "President" means the president of the board of trustees.

"Secretary"

50004. "Secretary" means the secretary of the board of trustees.

"Trustee"

50005. "Trustee" means a member of the board of trustees of a reclamation district.

"Landowner"

50006. "Landowner" means the holder of title or evidence of title to land within a district.

"Parcel"

50007. "Parcel" means a tract of land within a district.

"District lands"

50008. "District lands" means all lands within a district.

"Principal county"

50009. "Principal county" means the county in which the whole or the greater portion of the land of a district is situated.

"County treasurer"

50010. "County treasurer" means the county treasurer of the principal county.

"Board of supervisors"

50011. "Board of supervisors" means the board of supervisors of the principal county.

"County clerk"

50012. "County clerk" means the county clerk of the principal county.

"Reclamation works"

50013. "Reclamation works" means such public works and equipment as are necessary for the unwatering, watering, or irrigation of district lands.

CHAPTER 2. GENERAL PROVISIONS

Article 1. Applicability of Division

Previously formed districts

50100. Nothing in this division impairs the validity of any district formed prior to the effective date of this division, its rights, or obligations.

Lands excluded

50101. All swamp and overflowed salt-marsh and tidelands within one mile of the State Prison at San Quentin, within the City and County of San Francisco, City of Oakland, or within five miles of the corporate limits of either, and tidelands within two miles of any other incorporated cities, are excluded from the operation of this division.

Article 2. Districts Within Cities

Cities over 100,000, tidelands

50110 Districts may be formed pursuant to this division for the reclamation of any land within any municipality having a population of more than 100,000, and any tidelands within two miles of any other incorporated city, which land is subject in any manner, to overflow or incursions from the tide or inland waters of the State.

Duties of city officers

50111. When districts are formed in cities pursuant to Section 50110 the duties required by this division to be performed by county officers shall be performed by the officers of the city who usually perform like duties.

Article 3. Public Lands

Purchasers of public lands

50120. The purchaser of public land unsold in any district at the date of filing of the by-laws of the district takes the land subject to the provisions of the by-laws, and the charges assessed in pursuance thereof.

Rights, privileges

50121. A purchaser of public lands within a district has all the rights and privileges enjoyed by the original signers of the by-laws of the district, if he pays into the county treasury 20 percent of the principal of the purchase price, one year's interest on the remaining 80 percent, and any charges assessed against the land for the cost and expense of reclamation, with interest from the date such charges became due.

Suspension of interest

50122. When the board of supervisors certifies to the State Lands Commission that reclamation works are in progress in conformity with the requirements of this division, the payment of interest by purchasers of public land in a district is suspended, but if the reclamation works are not completed and accepted within four years from the date of the filing of the petition, interest for the whole time shall be charged and collected by the State Lands Commission.

Certification of completion

50123. When the board, or landowners in districts having no board, certify under oath to the board of supervisors and show to its satisfaction that the reclamation works are completed, or that two dollars ($2) per acre has been expended for

reclamation works, the board of supervisors shall certify such facts to the State Lands Commission.

Credit fo payments

50124. The State Lands Commission, upon receipt of the certification from the board of supervisors, shall credit each purchaser of public land in the district with payment in full for such lands, and forward to the treasurer of each county in which any part of the district is situated a statement showing the amount paid by each purchaser, including interest.

Patents

50125. Purchasers of public lands are entitled to patents therefor when credited with payment in full for such lands pursuant to Section 50124.

Payment to original purchasers

50126. The county treasurer, upon receipt of the statement from the State Lands Commission showing the amounts paid by each purchaser of public lands in the district, shall, after deducting all amounts chargeable against the lands in the district by reason of moneys drawn from the "swamp-land fund" of the county, pay the balance thereof pro rata to the original purchasers of land in the district, or their heirs, executors, administrators, successors or assigns.

Limitation

50127. No distribution of the "swamp-land fund" shall be made pursuant to Section 50126 while the district has an outstanding indebtedness represented by Controller's warrants drawn on the State Treasury.

Credit

50128. When the purchasers of public lands have been credited with payment in full for such lands pursuant to Section 50124, the board may allow a credit of one dollar ($1) per acre on any unpaid or future assessment levied for reclamation purposes on lands which were not purchased from the State as swamp and overflowed lands.

Same Conditions

50129. No credit shall be given, or agreed to be given, until the landowner has paid all assessments levied on the lands, with interest thereon at the rate of 7 percent per year from date of delinquency, and all judgments therefor in full, less the amount of such credit.

Same Limitation

50130. No credit shall be given, or agreed to be given to any landowner who has previously received such credit.

Article 4. Damage to Reclamation Works

Responsibility for damage

50140. Any person who cuts, injures, or destroys reclamation works in any district, is responsible for all damages occasioned thereby to such works.

Action Venue, parties

50141. An action for damages caused by cutting, injuring, or destroying reclamation works may be commenced in the superior court of any county in which the works are situated, in the names of the trustees of the district. If there is no board, the action may be brought in the name of any landowner in the district.

Disposition of damages

50142. Damages recovered in the action shall be paid to the treasurer of the county in which the action is brought, who shall credit the amount to the district.

Article 5. Actions Against Districts

Required party, service

50150. The board shall be named as party defendant and legally served before a judgment can be entered in an action instituted against any person by reason of his official connection with a district.

Jurisdiction

50151. An action against any person by reason of his official connection with a district, or against the board, or the district, shall be instituted and tried in the proper court in the principal county. No court in any other county shall have jurisdiction over such action.

Responsibility of district

50152. The negligence of a trustee shall be imputed to the district to the same extent as if the district were a private corporation.

Action by landowner

50153. Any landowner may maintain an action on behalf of his district in the superior court of the county in which any part of the district is situated against a member of the board and his sureties upon his bond for any improper disbursement from the revolving fund.

Same

50154. Any landowner may maintain an action on behalf of his district in the superior court of a county in which any part of the district is situated against a member of the board for an improper disbursement of any district funds made with the member's consent.

Article 6. Evidence of Value and Ownership

Tax roll

50160. For all purposes relating to signing petitions and by-laws and voting, the equalized tax roll for the year last preceding for each county wherein any district land is situated is sufficient evidence of ownership and of value of lands in the district.

Article 7. Landowners' Representatives

Authority of representatives

50170. Guardians, executors, administrators and other persons holding land in a trust capacity under appointment of court may sign petitions or by-laws or vote without obtaining special authority therefor.

PART 2. FORMATION

CHAPTER 1. PETITION

Article 1. Form and Publication

Petitioners

50300. A petition for the formation of a district, verified by the affidavit of one of the petitioners, may be presented to the board of supervisors at a regular meeting thereof by:

(a) The owners of one-half or more of any body of swamp and overflowed, salt-marsh, or tidelands, or other lands subject to flood or overflow, susceptible of one mode of reclamation who desire to reclaim the land.

(b) The owners of one-half or more of any body of swamp and overflowed, salt-marsh, or tidelands susceptible of one mode of reclamation, and already reclaimed, or in progress of reclamation, and not included in any district, who desire to form a district for the maintenance, protection, or repair of the reclamation works, in, upon, or appertaining to such body of lands, or for the completion of the reclamation thereof.

Content of petition

50301. The petition shall state that petitioners desire to reclaim the land, or that the land has been reclaimed, or that the reclamation is in progress, and shall contain:

(a) A description of the exterior boundaries of the proposed district.

(b) A statement as to the total number of acres situated within the exterior boundaries.

(c) The name of each owner of record of real property situated within the exterior boundaries.

(d) The name of each county within which the proposed district lies, and if in more than one county, the number of acres of the district in each county.

Publication

50302. The petition shall be published once a week for two weeks preceding the hearing thereof in a newspaper of general circulation published in the principal county with a notice of the time when the petition will be presented to the board of supervisors.

Same Affidavit

50303. An affidavit of publication shall be filed with the petition.

Article 2. Approval

Order

50310. If the board of supervisors finds, on the hearing of the petition, that the statements therein are correct, it shall make an order approving the petition.

Improper inclusion

50311. If it is shown that any land is improperly included in the proposed district, the board of supervisors shall, in its order, exclude the same therefrom.

Improper exclusion

50312. If the board of supervisors concludes that lands susceptible of the same mode of reclamation are improperly omitted from the proposed district, and the owners thereof have not appeared at the hearing, it shall continue the hearing on the petition, and direct that notice be given to the nonappearing landowners to appear before the board of supervisors, and show cause, why their lands should not be included in the proposed district.

Notice

50313. The notice to nonappearing landowners shall be given either by publication in the same manner and for the same period as the original petition, or by personal service on each such landowner.

Same

50314. If the notice is given by personal service, the service shall be made at least three days prior to the date fixed for the further hearing.

Proof of publication

50315. Proof of publication or personal service of the notice shall be filed with the clerk of the board of supervisors on or before the day to which the hearing is continued.

50316. The board of supervisors may further continue the hearing from time to time, by order entered upon its minutes, to the end that a full hearing may be had. Continuances

50317. Upon the final hearing on the petition the board of supervisors shall make an order approving the petition, as originally presented, or in a modified form. Order on final hearing

50318. The order, signed by the chairman of the board of supervisors, and attested by the clerk thereof, shall describe the exterior boundaries of the district, as determined by the board of supervisors, and shall be indorsed upon or attached to the petition. Same Contents

Article 3. Filing and Recording

50330. The petition, with the order of the board of supervisors indorsed thereon or attached thereto, shall be recorded by the county recorder in a book kept for the purpose of recording papers relating to reclamations. County recorder

50331. When a district is situated partly in different counties, the board, after the petition has been granted, shall forward a copy of the petition and the order approving the same to the clerk of the board of supervisors of each of the counties in which any portion of the district is situated. Different counties

50332. A certified copy of the petition and order of the board of supervisors approving the same shall be forwarded to the State Lands Commission which shall thereupon forward to the county treasurer a statement showing the names of purchasers of public land in the district who have paid in full therefor. State Lands Commission

50333. The State Lands Commission, upon the receipt of a copy of a petition, or certificate of the county clerk that a district has been formed, shall number the district and send the number to the county recorder of the county from which the copy or certificate came. District numbers

50334. The county recorder, upon receipt of the number from the State Lands Commission, shall number the district, and the district shall thereafter be known and designated by the number. Same

50335. Districts organized before May 28, 1868, may retain their respective numbers. Pre-1868 districts

Chapter 2. Organization

50370. The owners of a majority of the acreage in the district shall adopt by-laws, not inconsistent with the laws of the State, for the government and control of the affairs of the district. By-laws

50371. The by-laws must be signed by landowners of a majority of the acreage in the district and filed by them for record with the county recorder. Signature of majority

50372. The county recorder, upon receipt of the by-laws, shall record them in a book kept by him for the purpose of recording papers relating to reclamation. Recordation

Amendment

50373. By-laws may be amended in the same manner as adopted.

Election of trustees

50374. After the adoption of by-laws, a board of trustees shall be elected as provided in Chapter 1 of Part 3 of this division unless the district is formed to operate without trustees pursuant to Chapter 3 of this part.

CHAPTER 3. DISTRICTS FORMED TO OPERATE WITHOUT A BOARD

Petition

50400. When any land, susceptible of one mode of reclamation, is entirely owned by parties who desire to reclaim the land, and to manage the reclamation without a board or the establishment of by-laws, they may file the petition provided for in Chapter 1 of this part, and state therein that they intend to undertake the reclamation on their own responsibility.

Effect of approval

50401. If the petition is granted, the owners of the lands have all the rights, immunities, and privileges granted to boards and in all proceedings the names of the owners shall be used instead of the names of trustees.

Effect of formation

50402. The existence of a district formed to operate without a board shall not prevent the owners of the land included therein from forming a district to operate with a board by presenting to the board of supervisors the petition provided for in Chapter 1 of this part.

Effect of petition to alter organization

50403. The presentation of a petition for formation of a district to operate with a board is an abandonment of the rights, immunities, and privileges conferred upon the owners or their predecessors in interest in the land by the creation of the original district.

CHAPTER 4. PROCEEDINGS TO DETERMINE LEGALITY OF DISTRICT

Power to commence

50440. The board may commence a proceeding in the superior court of the principal county to determine the legality of the existence of the district.

Complaint

50441. The complaint shall describe the district by number and exterior boundaries thereof, and shall contain a prayer that the district be adjudged a legally existing district.

Service

50442. The summons shall be served by publishing a copy thereof once a week for four weeks in a newspaper of general circulation published in each county where any part of the district is situated.

Appearances

50443. Within 30 days after the last publication of the summons, any interested person may appear and answer the complaint, stating in the answer the facts relied upon to show the invalidity of the district.

Default

50444. If no answer is filed, the court shall render judgment as prayed for in the complaint.

Procedure, limitation

50445. If an answer is filed, the court shall proceed as in any civil case, but shall not adjudge any district invalid when

it appears that the district has for five years prior to the commencement of the proceeding been prosecuting or maintaining reclamation works in good faith.

Nature of proceeding

50446. The proceeding is a proceeding in rem, and the judgment is conclusive against all persons and the State.

Proceedings prohibited

50447. No proceeding in quo warranto, nor any similar action or proceeding shall be maintained in the name of the people of the State against any district that, continuously for five years next preceding the commencement of the proceeding, has been acting as a district and prosecuting or maintaining its works of reclamation in good faith.

PART 3. BOARD OF TRUSTEES

CHAPTER 1. SELECTION, TENURE AND COMPENSATION

Election, number

50600. After the formation of the district and the adoption of by-laws, the board of supervisors, on the application of a landowner, shall call an election in compliance with the provisions of Part 4 of this division at which election there shall be elected three eligible persons, who shall constitute, when elected and qualified the board of trustees of the district.

Enlargement

50601. The by-laws of a district may provide, or be amended to provide, for a board of five members, and, if the original by-laws so provide, five eligible persons shall be elected as trustees at each election, or, if the by-laws are amended, then five persons shall be elected at the next district election held subsequent to the date of amendment, and at each election held thereafter.

Term

50602. Members of the board shall be elected for a term of two years and shall serve until their successors are elected and qualified.

Power to sue

50603. After the election of the board, the district is organized and has power to sue and be sued.

Vacancies

50604. Vacancies in the board shall be filled by appointment by the board of supervisors.

Compensation, expenses

50605. Each member of the board shall receive such compensation for services actually and necessarily performed as the board determines to be just and reasonable, and shall be reimbursed for expenses necessarily incurred in the performance of his duties as trustee.

Claims for services

50606. All claims by or in behalf of a trustee for services rendered or expenses incurred shall be presented to the board, and, if allowed, shall be paid in the same manner as other indebtedness of the district.

Interest of trustees

50607. A trustee may participate in all proceedings of the board but shall not cast the deciding vote upon a motion or resolution awarding a contract in favor of himself or in which he is directly or indirectly interested.

Same

50608. No trustee shall be disqualified to make or approve plans or estimates because of his ownership of reclamation works included in the plans, or the cost of which is embraced in

the estimates, but he shall not vote for the issuance of any warrant or order to himself in payment therefor.

Regular meetings

50609. Any meeting of the board at which all members are present, or of which all members have received written notice at least one day prior thereto, is a regular meeting at which any business may be transacted.

CHAPTER 2. OFFICERS

President, secretary

50630. The board shall elect one of its members as its president, and one of its members, or any other person, as its secretary.

Secretary Duties

50631. The secretary shall have charge of the office of the board, keep the minutes of all meetings, attest all documents requiring the signature of the president, and keep accounts of all expenditures made in behalf of the district.

CHAPTER 3. POWERS AND DUTIES

Governing body

50650. The board is the governing body of the district.

Exercise of powers

50651. The powers of the district enumerated in this division shall, except as therein otherwise provided, be exercised by the board.

Supervision, control

50652. The board shall exercise general supervision and complete control over the construction, maintenance and operation of the reclamation works, and generally over the affairs of the district.

Assessment allowances

50653. The board shall receive from the reclamation board any money allowed on account of uncollected assessments previously levied on lands purchased by the board for rights of way, and shall distribute the money among the landowners of the district in proportion to their payments on the last assessment roll or place the money in the county treasury to the credit of the district.

Distribution of unnecessary funds

50654. The board, pursuant to an order entered in its minutes, may distribute, among the landowners of the district, any funds in the treasury belonging to the district not needed for reclamation purposes, in the proportion that the landowners were assessed on the last assessment made by the district.

Seal

50655. The board shall provide a seal which shall contain the number of the district and the name of its principal county.

Same Use

50656. All documents requiring approval by the board shall bear the seal of the district.

Revolving fund

50657. The board may create a revolving fund by an order entered in its minutes.

Same Bond

50658. No warrant for the creation or replenishment of a revolving fund shall be paid by the county treasurer unless a bond in double the amount of the fund, signed by the members of the board, with sureties, and conditioned as security for the safety and proper disbursements of the fund, approved by the board of supervisors, has been filed with the county treasurer.

50659. A revolving fund shall be disbursed only by checks or drafts, signed by at least two members of the board, or by some person who is authorized to do so by unanimous vote of the board. Same-Disbursement

PART 4. ELECTIONS

CHAPTER 1. GENERAL PROVISIONS

50700. An election board consists of three landowners of the district. Election board

50701. The board, prior to each election, shall cause a copy of the next preceding tax roll of each county in which district lands are situated to be prepared and certified by the proper officer and furnished to the election board. Tax roll

50702. The certified tax roll shall be used by the election board in determining the number of votes each voter may cast. Same Number of votes

50703. If a member of the election board fails to attend at the opening of the polls, the voters present may appoint in his place any landowner. Absence of board member

50704. Each landowner in the district may vote at any election in person or by proxy, and may cast one vote for each dollar's worth of real estate owned by him in the district, as determined from the next preceding tax roll of each county in which the lands of the district are situated. Voting

50705. The polls shall be kept open from 10 o'clock a.m., of the day of election until 4 o'clock p.m. Polls Hours

CHAPTER 2. GENERAL ELECTIONS

Article 1. Calling

50730. There shall be an election in each district every two years at such time and place in or near the district as designated by the board of supervisors. Designation of time and place

50731. Upon receipt of a verified petition of 20 percent of the landowners who, together, own at least 20 percent in value of the lands in the district, as determined from the next preceding tax roll of the county, the board of supervisors shall appoint a time, not more than 60 days after receipt of the petition, and place for holding the election. Petition

50732. Notice of the election shall be published for not less than one month in a newspaper in each county in which any of the district lands are situate, if any newspaper is published therein, and if not, in a newspaper having general circulation therein. Election notice

50733. For the purposes of the election the board of supervisors shall appoint an election board consisting of one inspector and two judges of election. Election board Appointment

Article 2. Conducting

50750. Each member of the election board, upon entering upon his duties, shall be sworn to a faithful performance thereof by some officer authorized to administer oaths. Oath

Appointment by voters

50751. If the board of supervisors fails to appoint an election board, the voters present at the opening of the polls may appoint the election board.

Duties of board

50752. The election board shall canvass the votes cast and issue certificates of election to the persons elected, and shall place the ballots, when canvassed, in a sealed envelope and forward it to the clerk of the board of supervisors.

Cumulative voting

50753. Each owner of real estate may cumulate his votes, and give one candidate a number of votes equal to the number of trustees to be elected multiplied by the number of votes he is entitled to cast, or to distribute them on the same principle among any number of candidates.

Irrigation district voting

50754. The board of directors of irrigation districts holding title to lands obtained through collectors' deeds may cast the votes belonging to such lands.

Challenge of vote

50755. Any qualified voter may challenge any vote, and the election board shall determine whether the person challenged is entitled to vote. Any member of the election board may administer oaths for the purposes of this section.

Majority vote

50756. A majority of the votes cast at the election shall elect.

CHAPTER 3. SPECIAL ELECTIONS

Article 1. Calling

Bond elections

50800. A special election is an election called pursuant to the provisions of this part to submit to the landowners the question of whether or not bonds or refunding bonds shall be issued.

When called

50801. The board shall call a special election when either:

(a) The board determines that the issuance of bonds or refunding bonds is to the best interests of the district, or

(b) A petition requesting such election, signed by the owners of more than one-half of the land in the district, is filed with the secretary.

Notice

50802. Notice of a special election shall be given by the board by posting notices thereof in at least three public places in the district at least 21 days prior thereto, and by publication for 21 days in a newspaper of general circulation published in each county where any portion of the district is situated.

Contents of notice

50803. When a special election is called to determine whether bonds of the district shall be issued, the notice shall specify the time and place of holding the election, the aggregate face value of bonds proposed to be issued and the names of three landowners to act as an election board.

Form of notice

50804. When the special election is called to determine whether refunding bonds shall be issued, the notices shall be substantially in the following form:

"Notice of special election to determine whether or not refunding bonds shall be issued.

Notice is hereby given that at a meeting of the board of trustees of reclamation district No. _____ held on the _____ day of _____, 19___, a resolution and order was duly adopted

by the said board calling a special election of the landowners of this district, for _____ the _____ day of _____, 19___, at _____ in the county of _____ in said district, to determine whether or not _____ dollars ($_____) of the principal amount of the outstanding bonds of this district, dated the _____ day of _____, 19___, and maturing as follows, to wit: _____ shall be refunded by the issuance of refunding bonds of said district of the aggregate principal amount of _____ dollars ($_____) and maturing as follows, to wit: _____.

And notice is hereby further given that _____ and _____ and _____ three landowners of said district, are hereby appointed to act as the board of election for said election.

The polls at said election will be open from 10 a.m. of said day until 4 p.m.

Witness the name and the seal of the said district this _____ day of _____, 19___.

(SEAL)

Reclamation District No. _____

By_____
President.

By_____
Secretary."

50805. An affidavit of the publication and posting of the notice shall be filed with the county clerk, with a copy of the order calling the election which is certified by the president. Affidavit of publication

Article 2. Conducting

50810. Each member of the election board, before entering upon his duties, shall take and subscribe an official oath administered by an officer authorized to administer oaths or by any landowner. Oath

50811. Any person not legally qualified to vote who makes any false statement in respect to his right to vote in a special election to determine whether bonds or refunding bonds shall be issued shall incur all of the penalties provided in the Elections Code for persons illegally voting at elections. False statements

50812. If the ownership of any property in the district is changed after the making of the next preceding tax roll for the county wherein the property is situated, the owner thereof may vote at a special election to determine if bonds or refunding bonds shall be issued upon production of the original deed or of certified copy of the record thereof in the office of the county recorder of the county in which the property is situated. Change of landowners

50813. No person shall vote by proxy at a special election unless the authority to vote is evidenced by an instrument in writing, acknowledged and certified in the same manner as grants of real property and filed with the election board. Proxy voting

50814. The ballots cast at the special election shall contain the words: "Bonds—yes" or the words "Bonds—no," or Ballots Form

"Refunding Bonds—yes," or "Refunding Bonds—no," as the case may be, the name of the person casting the ballot, and the number of votes cast by him.

Same List

50815. A list of the ballots cast shall be made by the election board containing the name of each voter, the number of votes cast by him, whether they were cast for or against the issuing of the bonds or refunding bonds, and, if the ballot is cast by proxy, the name of the person casting it.

Duties of election board

50816. At the close of the polls the election board shall:

(a) Immediately canvass the votes and declare the result.

(b) Forward a certificate showing the result and the number of votes cast for and against the issuing of bonds or refunding bonds to the county clerk.

(c) Deliver a copy of the certificate to the board.

(d) Deliver all ballots cast and all documents and papers used at the election to the county clerk.

Election contest

50817. Any interested person may contest a special election within 20 days after the filing of the certificate with the county clerk by bringing suit in the superior court of the principal county. Unless contested, the declaration of the result by the election board is final and conclusive.

PART 5. DISTRICT POWERS AND DUTIES

CHAPTER 1. GENERAL POWERS

District powers

50900. A district may do all things necessary or convenient for accomplishing the purposes for which it was formed.

Limitation

50901. If a district is in debt it has no power to impair or destroy any of its indebtedness without the consent of the creditors, but it may make any arrangement with the creditors for the surrender of such indebtedness at less than par, and may levy an assessment on the property in the district for the payment thereof.

43 U S C, §373

50902. The district may contract with the United States Reclamation Service for the reclamation of district lands by drainage, irrigation, or flood control, pursuant to an act of Congress approved August 13, 1914, entitled "An act extending the period of payment under reclamation projects, and for other purposes," when it determines that such a contract is for the best interests of the district, and the indebtedness created by such a contract is a lien upon the lands to be benefited by the reclamation.

CHAPTER 2. IRRIGATION

Acquisition, etc., of irrigation system

50910. A district may acquire, take or hold by gift, purchase, conditional sales contract, lease, condemnation, or other legal means, and maintain and operate the whole or any part of any irrigation system through which any lands in the district and lands contiguous thereto may be supplied with water for irrigation, including water rights, dams, diversion works, rights of way, canals, pumps and all property or things, real or personal, incidental thereto.

Same Administration

50911. When a district has adopted plans for the irrigation of district lands it may:

(a) Adopt rules and regulations for the distribution of water.

(b) Adopt a schedule of rates to be charged by the district for furnishing water for the irrigation of district lands.

(c) Collect the charges from the persons to or for whom the water was furnished.

(d) Sue for the recovery of the unpaid charges.

Power to furnish water District and nondistrict lands

50912. A district, upon payment of and compliance with such tolls, rates, and regulations as the board may adopt, may furnish through its irrigation works, water for irrigation of district lands, and may furnish, to nondistrict land contiguous to the district, water where it can be furnished through canals or ditches which may be used for the irrigation of lands within the district.

"Irrigation fund". Deposits

50913. Moneys collected by the board for irrigation charges pursuant to Section 50911, when deposited in the county treasury shall be credited to the "irrigation fund."

Same: Disbursement

50914. Money deposited in an "irrigation fund" shall be disbursed only on orders or warrants of the board in payment of the expense or cost of irrigation or irrigation works constructed by the district, or incidental expenses incurred in connection therewith.

Unpaid charges

50915. Unpaid irrigation charges for water actually furnished and used for irrigation on district land shall be assessed, as provided in Part 7, Chapter 2, Article 8, as a lien on that land.

CHAPTER 3. PROPERTY

Acquisition of property

50930. A district may acquire, by purchase, condemnation, gift, lease or other legal means, such real or personal property as is necessary for accomplishing the purposes of the district.

Disposition of property

50931. A district may sell, convey, transfer, lease, or otherwise dispose of such of its property as the board determines is no longer necessary for the construction, maintenance or operation of the reclamation works of the district, and lease or operate for hire any district tools or machinery not at the time needed by the district.

Construction, etc., of works

50932. A district may construct, maintain and operate such drains, canals, sluices, bulkheads, water gates, levees, embankments, pumping plants, dams, diversion works, or irrigation works, and all things reasonably necessary or convenient for accomplishing the purposes of the district.

CHAPTER 4. OFFICE, RECORDS AND DOCUMENTS

District office

50940. Unless otherwise provided by law the district shall keep an office in the principal county or in a county contiguous thereto for the transaction of the business of the district.

District records, etc

50941. All district books, maps, papers, records, contracts and other documents shall be kept in the office and be open to inspection during all business hours by any person interested.

CHAPTER 5. PERSONNEL

Employees Engineers, etc

50950. A district may employ engineers and others to survey, plan, locate and report on the works necessary for the reclamation of the lands of the district, and estimate the cost thereof.

Same Labor

50951. A district may employ such labor as is necessary to accomplish the purposes of the district.

Same Agricultural expert

50952. A district may employ an expert in agriculture and related matters and such assistants as may be deemed necessary to do any of the following:

(a) Supervise the construction of works for the irrigation or protection of district lands.

(b) Advise landowners, or any person engaged in farming district land, of methods of increasing the productiveness of such land or as to any matters of husbandry.

(c) Conduct experiments as prescribed by the board.

(d) Perform duties for the general welfare of the people of the district as prescribed by the board.

Employment of clerk

50953. A district issuing warrants or levying or collecting assessments shall employ a clerk who, under the direction of the county treasurer, shall attend to matters pertaining to the registration and payment of warrants and to the levying and collecting of assessments.

Same Compensation of clerk

50954. The clerk shall receive for his services a yearly sum equal to one and one-half (1½) cents per acre based on the net acreage of the district as indicated by the records of the Reclamation Board, or, if the net acreage is not obtainable from the records of the Reclamation Board, based upon the records of the county clerk or, if the district has outstanding bonds it shall pay the clerk three cents ($0.03) per acre.

Same Claims

50955. Each claim for clerk hire must be approved by the county treasurer.

Same· Warrant

50956. The board, upon presentation of a proper claim, shall draw semiannually a warrant on the district funds for such clerk hire.

Same· Penalty

50957. If the board neglects or refuses to draw a warrant based upon a proper claim for clerk hire, 10 percent of the amount of the claim shall be added thereto, and thereafter 2 percent per month shall be added to the claim until a warrant is issued.

Extra compensation expenses of officer

50958. No officer shall charge or receive any fee for services which he is required to perform in relation to the registration and payment of warrants or the collection of assessments but reasonable and necessary expense actually incurred by a county treasurer in connection with such acts shall be paid out of the funds of the districts.

50959. No member of any board of supervisors, or clerk of such board, shall receive compensation, other than his regular salary, for services performed pursuant to this division. Compensation of supervisors

PART 6. RECLAMATION PLANS

CHAPTER 1. ADOPTION

51000. A district may adopt an original plan for the reclamation of district lands, and an estimate of the cost thereof, and may modify or change such original plans, or adopt new, supplemental, or additional plans when necessary. Original plan, modifications

51001. The plan and estimate may include reclamation works already constructed or in course of construction, and payments therefor may be made to the person who constructed them or to the grantee of the lands for the benefit of which the reclamation works were constructed by the owner of the lands. Works included

51002. The plan and estimate may include any irrigation works which the district is empowered to acquire. Same

51003. The board shall report to the board of supervisors every original plan, and every new, supplemental or additional plan for the reclamation of district lands in the manner provided in Sections 51020 and 51040. Report on plans

CHAPTER 2. APPROVAL

Article 1. Districts Within the Sacramento and San Joaquin Drainage District

51020. If any part of a district is located within the Sacramento and San Joaquin Drainage District the board of trustees shall report each plan for the reclamation of district lands to the board of supervisors by filing, with the county clerk, three copies thereof with the estimate of the cost of the contemplated reclamation works, including incidental expenses, maintenance and repair necessary for the reclamation of the district lands in pursuance of such plan. Filing of plans

51021. Within five days after the copies of the plan and estimate are filed with the county clerk he shall certify two of the copies and transmit them to the Secretary of the Reclamation Board. Transmission to Reclamation Board

51022. Upon receipt of the certified copies of the plan, the Secretary of the Reclamation Board shall immediately set a date when the Reclamation Board will hold a hearing for considering any objections thereto, which hearing shall be held not less than 20, nor more than 60 days after the Secretary of the Reclamation Board received the certified copies of the plan. Hearing

51023. The Secretary of the Reclamation Board shall publish a notice of the hearing once a week for two weeks in some newspaper of general circulation published within the district, or, if no newspaper is published within the district, then in the county seat of the principal county. Same Notice

Form of notice

51024. The notice shall be in substantially the following form:

"Notice to the landowners of reclamation district No. _____. Notice is hereby given to the landowners of reclamation district No. _____ that there has been filed with the county clerk of the County of _____ and with the Secretary of the Reclamation Board, an original (supplemental or new, as the case may be) plan for the reclamation of lands of the district; that the Reclamation Board will hold a meeting at its office in the City of Sacramento, County of Sacramento, State of California, on the _____ day of _____, 19___, at _____ o'clock, at which time any interested party may appear and object to the said plan."

Action on plan

51025. At the hearing the Reclamation Board shall hear any evidence offered with respect to the plan, and thereafter shall approve, modify, amend or reject the plan.

Excessive levees

51026. The Reclamation Board shall not modify, amend or reject any plan on the ground that the plan provides for a levee which in its judgment is of excessive strength either in height, slopes or crown width, but no claim for compensation shall thereafter be made against the Reclamation Board or the Sacramento and San Joaquin Drainage District for any part of the levees which the Reclamation Board considers in excess of what is required to comply with its plans for flood control.

Continuance of hearing

51027. The Reclamation Board may continue the hearing from time to time and may cause such investigation and report of the plan to be made by the engineers connected with the Reclamation Board or by such other competent authority as the board deems necessary.

Effect of action

51028. When the Reclamation Board has approved, modified, or rejected any reclamation plan after a hearing as provided in this article, such action shall be final, and the sufficiency of the plan shall not be subject to attack before the reclamation board or in any court, but nothing in this section shall prevent the board from filing with the county clerk any amendatory, additional or supplemental plan of reclamation at any time.

Amendment, etc., of plans

51029. When an amendatory, additional or supplemental plan is filed with the county clerk, two certified copies thereof shall be transmitted to the Secretary of the Reclamation Board and thereafter the same proceedings shall be had, and with like effect, with respect to such plan as are provided for the original plan.

Article 2. Districts Outside the Sacramento and San Joaquin Drainage District

Filing of plan

51040. If no part of a district is within the boundaries of the Sacramento and San Joaquin Drainage District, the board shall report each plan for reclamation of district lands to the board of supervisors by filing with the county clerk two copies thereof with an estimate of the cost of the contemplated works, including incidental expenses, maintenance and repairs, necessary for the reclamation of district lands pursuant to the plan.

PART 7. ASSESSMENTS

CHAPTER 1. MISCELLANEOUS PROVISIONS

Assessment of public lands.

51200. The assessments levied by a district shall include all lands and rights of way within the district, owned by the State or by any city, county, public corporation, or utility district formed under the laws of the State other than public roads, highways, and school districts.

Basis

51201. The assessments upon those lands or rights of way shall be levied in proportion to the benefits in the same manner as assessments are levied upon other lands or rights of way within the district.

Payment

51202. The governing body of the State, city, county, public corporation, or any utility district formed under the laws of this State owning land or rights of way on which an assessment has been levied by a district, shall pay the assessment before it becomes delinquent.

Sale for nonpayment precluded

51203. No land or rights of way owned by the State, or any city, county, public corporation, or any utility district formed under the laws of the State shall be sold for nonpayment of an assessment.

Procedure to compel payment

51204. A district may take the procedure prescribed by Chapter 2, Title 1, Part 3 of the Code of Civil Procedure to compel the payment of any assessment lawfully levied by it upon the land or rights of way within the district belonging to the State, or any city, county, public corporation, or any utility district formed under the laws of the State.

New ownership

51205. When any parcel appearing on an assessment list is deeded in whole, the board may, by a minute order, cause to be made such changes in the assessment list as are necessary to show the name of the new owner, as it appears on the record of the tax rolls of the county in which the land is situated, and shall file notice of all such changes with the county treasurer.

CHAPTER 2. LEVY OF ASSESSMENTS

Article 1. Original Assessments

Assessment commissioners

51230. When a plan of reclamation has been adopted by a district located entirely outside the boundaries of the Sacramento and San Joaquin Drainage District the board of supervisors shall appoint three assessment commissioners, who have no interest in any real estate within the district, each of whom, before entering upon his duties, shall make and subscribe an oath that he is not in any manner interested in any real estate within the district, directly or indirectly, and that he will perform the duties of a commissioner to the best of his ability.

Same Assessment, apportionment

51231. The assessment commissioners shall view and assess upon the district land the sum estimated to be the cost of the reclamation plan, and shall apportion the sum according to the benefits that will accrue to each parcel by reason of the expenditures of the sums of money.

Collection

51232. The assessment shall be collected and paid into the county treasury in the manner provided in Chapter 3 of this part.

Disbursement of money

51233. Money collected on assessments levied pursuant to Section 51231 shall be paid out for reclamation works upon the warrants of the board of trustees, approved by the board of supervisors, or, if bonds of the district have been issued upon the assessment, shall be deposited in a separate fund for the sole purpose of paying principal and interest on the bonds.

Reclamation board approval

51234. When any part of the district is located within the Sacramento and San Joaquin Drainage District, and the reclamation board has approved the reclamation plan, the board shall so report to the board of supervisors, stating the estimated cost of the reclamation works, and petitioning the board of supervisors to appoint three assessment commissioners.

Appointment of commissioners

51235. Upon receipt of the petition from the board, the board of supervisors shall appoint assessment commissioners within 60 days, who shall qualify in the manner provided in Section 51230.

Assessment

51236. The assessment commissioners shall assess the estimated cost of the reclamation plan upon the district land in the manner provided in Section 51231.

Collection

51237. The sums assessed shall be collected in the manner provided in Chapter 3 of this part and paid into the county treasury to the credit of the district.

Disbursement of money

51238. The money collected on assessments levied pursuant to Section 51236 shall be paid out for the reclamation works upon the warrants of the trustees, or, if bonds of the district have been issued upon the assessment, shall be deposited in a separate fund for the sole purpose of paying principal and interest on the bonds and the expenses of the county treasurer.

List of charges assessed

51239. The assessment commissioners appointed pursuant to Sections 51230 and 51235 shall make a list of the charges assessed against each parcel, containing:

(a) A description of each parcel assessed, by legal subdivisions, swamp-land surveys, or other boundaries sufficient to identify the same.

(b) A statement as to the number of acres in each parcel.

(c) The names of the owners of each parcel, if known, and if unknown, that fact.

(d) A statement as to the amount of the charge assessed against each parcel.

Same Error

51240. If the list of charges contains any error in the description of the land or the name of the owner, or if any land which should be assessed is omitted from the list, or if there is an error in any other respect, the assessment commissioners may correct the list at any time before it is approved by the board of supervisors.

Same Effect of error

51241. No error in the list of charges assessed shall render the assessment of a parcel invalid.

51242. The list of charges assessed, when completed, shall be filed with the clerk of the board of supervisors. Same Filing

51243. Upon receipt of the list of charges, the board of supervisors shall appoint a time when it will meet for the purpose of hearing any objections to the assessment. Hearing

51244. Notice of the hearing shall be given by publication once a week for two successive weeks in some newspaper of general circulation published in the principal county. Notice of hearing

51245. Any time before the hearing, any person interested in land upon which any charge has been assessed may file a written objection to the assessment, which shall state the grounds of objections and be verified by the affidavit of the person objecting, or some other person who is familiar with the facts. Objections to assessment

51246. No objection shall be considered by the board of supervisors, or allowed in any other action or proceeding, unless it is made in writing to the board of supervisors. Same Writing

51247. At the hearing the board of supervisors shall hear any evidence offered in support of written objections and may modify or amend the assessment, or make a reapportionment of the entire assessment. Hearing

51248. If the amount of any assessment in the list is changed, the board of supervisors shall set a day for hearing objections to the assessment as changed, and shall publish notice of the hearing as provided in Section 51244. Change of amount Notice, hearing

51249. At the hearing on the changes in the assessment an objection in writing may be made by any person interested, and the board of supervisors shall proceed to hear that objection in the same manner as upon the original hearing. Hearing on changes

51250. If the amount of any assessment is again changed the board of supervisors shall proceed as before to give notice and to hear objections to the changes, and shall proceed in a similar manner until the amount of each assessment is finally fixed and approved. Further changes Notice Hearing

51251. The board of supervisors shall then make an order approving the assessment, and shall endorse the order upon the assessment list. Order

51252. The endorsement shall be signed by the chairman of the board of supervisors and attested by the clerk thereof. Same

51253. The decision of the board of supervisors in approving the assessment list is final, and thereafter the endorsed assessment list is conclusive evidence that the charges were levied according to law, except in an action commenced pursuant to Section 51259. Finality

51254. The assessment list shall be prepared in duplicate, and one original shall be retained in the office of the district, and the second original shall be filed with the county treasurer. Disposition of list

51255. If the district is situated in more than one county a copy of the assessment list certified by the county treasurer, shall be filed with the treasurer of each of the other counties More than one county

51256. When the second original assessment list is filed as provided in Section 51254, the charges assessed thereby upon Lien

parcels constitute a lien thereon, and the filing constitutes notice thereof to all persons.

Same· Termination

51257. The lien of an unpaid assessment upon which bonds have been issued continues until the bonds, and any refunding bonds which have been issued, are paid in full, except as provided in reference to the use of bonds as payment of assessments.

Effect of subsequent act or conduct

51258. No subsequent act or conduct of the board shall invalidate an assessment after it becomes a lien, and the board may be compelled by mandate, or other proper proceeding, to perform its duties as required by law.

Action to correct, etc , list

51259. At any time within 30 days after the assessment list is filed with the county treasurer, any person aggrieved by the decision of the board of supervisors in approving the list may commence an action in the superior court of the principal county to have the list corrected, modified or annulled.

Same· Limitation

51260. If the action is not commenced within 30 days, no action or defense shall thereafter be maintained attacking the legality of the assessment.

Article 2. Additional Assessments

Proceedings

51300. If the original assessment is insufficient to provide for the complete reclamation of district lands, or if further assessments are required to provide for the protection, maintenance and repair of the reclamation works, the board may file with the clerk of the board of supervisors two copies of the reclamation plan and a statement of the work done, or to be done, and its estimated cost, and the same proceedings shall be had as provided for an original reclamation plan.

Unpaid principal or interest of bonds

51301. If any part of the principal or interest of bonds or refunding bonds is unpaid after enforcement of the assessment securing such bonds, the board of supervisors shall order an additional or supplemental assessment to be made as provided in Section 51300, sufficient to pay the unpaid principal and interest.

Manner of levy, etc

51302. An assessment levied pursuant to this article shall be levied and collected in the same manner as the original assessment.

Article 3. Operation and Maintenance Assessments

Valuation assessment commissioners

51320. When the work contemplated by the original or any supplemental reclamation plan is completed, the board may so report to the board of supervisors, and petition the board of supervisors to appoint valuation assessment commissioners.

Report and petition

51321. The report and petition shall state that the work contemplated by the original or supplemental reclamation plan is completed, and that hereafter the district will only require funds for the maintenance, repair and operation of the reclamation works, or construction of works supplemental thereto or in replacement thereof.

51322. Upon receipt of the report and petition the board of supervisors shall appoint three valuation assessment commissioners who shall qualify in the manner provided in Section 51230. Appointment of commissioners

51323. The commissioners shall view and fix upon the district land an assessment valuation per acre for each parcel which is in proportion to the benefits to be derived from the continuance in operation of the district reclamation works. Valuation

51324. The commissioners shall prepare an operation and maintenance assessment roll containing the following information in separate columns: Assessment roll Contents

(a) A description of each parcel assessed by legal subdivisions, swamp-land surveys, or other boundaries sufficient to identify the same.

(b) The number of acres in each parcel.

(c) The names of the owners of each parcel, if known, and if unknown, that fact.

(d) The assessment valuation per acre of each parcel assessed.

(e) The total assessment valuations of each parcel, exclusive of improvements situated thereon.

(f) A blank column for rate to be fixed as shown hereinafter.

(g) A blank column for amount of assessment to be computed as shown hereinafter.

51325. No error in the name of the owner or supposed owner of any parcel assessed, and no error in any other particular, shall render the assessment thereof invalid. Same Error in roll

51326. The assessment valuations shall be used as a basis for levying assessments against the parcels described in the operation and maintenance assessment roll for the purpose of raising funds for the maintenance, repair and operation of the district reclamation works, the payment of incidental expenses thereof, and for the construction of reclamation works supplemental to, or in replacement of, those already possessed, when in the opinion of the board, such works are necessary for carrying out the original or any supplemental plan of the district. Same Use

51327. The operation and maintenance assessment roll shall be filed in the office of the clerk of the board of supervisors in the same manner as a report made under an original, supplemental or additional plan of reclamation. Same Filing

51328. Operation and maintenance assessment rolls adopted by any district prior to September 19, 1939, may be used for any or all of the purposes provided for in this article. Same Use of prior rolls

51329. Upon receipt of the operation and maintenance assessment roll the board of supervisors shall appoint a time when it will meet for the purpose of hearing objections thereto Hearing

51330. No objection to the assessment valuations shall be considered by the board of supervisors, or allowed in any other action or proceeding, unless the objection is made in writing to the board of supervisors before the date of the hearing. Written objections

Notice of hearing

51331. Notice of the hearing shall be given in the same manner and for the same time as the notice of the hearing of objections to an original assessment.

Hearing

51332. At the hearing, the board of supervisors shall hear any evidence offered in support of the written objections and may modify or amend the assessment valuations.

Action to correct, etc., roll

51333. Within 30 days after an operation and maintenance assessment roll is approved by the board of supervisors, any person aggrieved by the decision may commence an action in the superior court of the principal county to have the assessment valuations corrected, modified or annulled.

Same: Limitation

51334. If the action is not commenced within 30 days after approval of the operation and maintenance assessment roll, no action or defense shall thereafter be maintained attacking the legality of the assessment valuations therein.

Rate

51335. When the board determines that it is necessary to raise any sum for a purpose specified in Section 51326 it shall, by order entered in its minutes, state the total amount necessary to be raised and fix a rate designating the number of cents to be levied on each one hundred dollars ($100) of assessment valuation shown on the operation and maintenance assessment roll.

Incidental expenses

51336. Incidental expenses, as used in this article and in Section 52560 include, among other things, the difference in amount between the par value of refunding bonds and the amount less than par for which the bonds are sold, and also the amount necessary to be made available for the payment of interest upon the refunding bonds directed to be sold from the date of sale thereof to the date of maturity of the bonds to be refunded out of the proceeds of the sale.

Amounts assessed for incidental expenses for the difference in amount between the par value of the refunding bonds and the amount less than par for which they are sold, with any interest thereon shall be assessed against the several parcels of district land in the same proportion as the original assessment, or any subsequent reapportionments thereof which secure the payment of the refunding bonds sold for less than par value.

Completion of roll

51337. The board, upon the entry of any order levying an operation and maintenance assessment, shall cause the operation and maintenance assessment roll to be completed with respect to the levy by inserting in columns (f) and (g), respectively, the rate and total assessment to be paid with respect to the property shown on the roll.

Manner of payment

51338. The board, by order entered upon its minutes and endorsed on or made a part of the operation and maintenance assessment roll, may direct that the payment of the assessment be made in one installment or in more than one annual or semiannual installment over a period not to exceed five years.

Installments

51339. If the board orders payment of the total assessment inserted in column (g) in installments over a period of years, the due date and the amount of each installment shall be endorsed by, or under the direction of, the board, on the operation and maintenance assessment roll.

51340. When the operation and maintenance assessment roll has been completed by inserting the rate and assessment in columns (f) and (g), and an order has been entered providing for the payment of all or any part thereof, it shall be filed forthwith in the office of the county treasurer. Filing of roll

51341. An assessment levy is a lien upon the parcels against which it is levied from the date the completed operation and maintenance assessment roll is filed in the office of the county treasurer until paid, and bears interest until paid from a date 60 days after the date of such filing. Lien

51342. The rate of interest on unpaid operation and maintenance assessments is 7 percent per year unless the board, by resolution, adopts a lesser rate and files a certified copy of the resolution with the county treasurer for insertion in the operation and maintenance assessment roll. Interest on unpaid assessments

51343. Additional operation and maintenance assessment levies may be made by the board, as required, so long as the operation and maintenance assessment roll remains in effect Additional levies

51344. The operation and maintenance assessment roll shall be returned to and held by the board except during such periods as it is filed in the office of the county treasurer during the period of assessment or installment collections or while any warrants of the district payable from such assessment levy are outstanding and unpaid, except warrants for the payment of which money has been deposited in the maintenance fund. Custody of roll

51345. The operation and maintenance assessment roll referred to in Sections 51337 to 51344, inclusive, shall be the original operation and maintenance assessment roll or a copy thereof, certified by the secretary of the board as correctly setting forth the subject matter of the original roll, together with all reapportioned assessment valuations of all subdivisions of any original assessment parcel. Original roll

51346. The report of the assessment commissioners fixing the assessment valuations for reclamation purposes shall be used as the basis for raising necessary funds for the purposes specified in Section 51326 until the board, or landowners representing at least 15 percent of the district lands, petition the board of supervisors for an order directing the commissioners who made the original assessment list or other assessment commissioners to be named in the order, to prepare a new operation and maintenance assessment roll. New roll

51347. Assessment commissioners appointed to prepare a new operation and maintenance assessment roll shall have the same qualifications and take the same oath as the original assessment commissioners. Same: Assessment commissioners

51348. The new operation and maintenance assessment roll when prepared by the assessment commissioners shall be filed with the clerk of the board of supervisors, and shall be subject to the same provisions as an original operation and maintenance assessment roll. Same Filing

51349. No bonds shall be issued on the basis of operation and maintenance assessments. Limitation

Article 4. Alternative Method for Levying Operation and Maintenance Assessments

Conditions

51360. If the real property in the district is assessed to 500 or more different individual, joint, or corporate owners, and is located entirely within one county, the board may furnish to the board of supervisors, on or before the date set for consideration of the budget, an estimate in writing of the amount of money needed for payment of maintenance, repair, operation, supplemental construction, and replacement expenses by the district during the ensuing fiscal year in lieu of levying an operation and maintenance assessment as provided in Article 3 of this chapter.

Special tax

51361. The board of supervisors, upon receipt of the estimate from the board, shall levy a special tax on all taxable land and improvements thereon shown on the county tax roll as lying within the district, sufficient to raise the estimated sum.

Same Maximum rate

51362. The tax shall not exceed the rate of ten cents ($0.10) on each one hundred dollars ($100) of the assessed value of all taxable land and improvements thereon within the district.

Same Procedure

51363. The tax upon the land and improvements thereon shall be computed, entered upon the tax rolls, and collected in the same manner as county taxes are computed, entered and collected.

Disposition of money

51364. All money collected shall be paid into the county treasury to the credit of the particular district fund, and shall be held by the county treasurer for the benefit of the district and paid out by him upon warrants authorized by the board.

Limitation

51365. No funds for the payment of the principal or interest of any bonded indebtedness of the district liquidated as of December 31, 1949, shall be raised by the method prescribed in this article.

Article 5. Subsequent Assessments and Reassessments

Conditions

51380. When an assessment levied for reclamation purposes is adjudged invalid by a court of competent jurisdiction, or is adjudged invalid as to any parcel, or any parcel is not charged with the assessment, a new assessment may be levied to raise the amount for which the invalid assessment was levied and any further sum then required, or a subsequent reassessment of the parcels may be made separately for the purpose of charging each parcel with its proper proportion of the reclamation costs.

Amount of charge

51381. In the new assessment or subsequent reassessment each parcel shall be charged with that proportion of the former assessment which the benefits derived by the parcel from the reclamation for which the former assessment was levied bear to the whole amount of the former assessment.

Manner of making assessment

51382. A new assessment or subsequent reassessment shall be made by assessment commissioners appointed by the board

of supervisors as provided in Section 51230, and shall be made and approved in the same manner as an original assessment.

Payments on invalid assessments

51383. When an assessment levied for reclamation purposes upon district lands is adjudged invalid as a whole or as to any parcel upon which it was levied, and any landowner has paid any portion of the amount assessed on any parcel before the assessment was adjudged invalid, the amount paid by the landowner with legal interest thereon from the date of such payment shall be credited by the treasurer of the county where the assessment list is filed on any subsequent assessment on the parcel on which the invalid assessment was paid.

Article 6. Supplemental Assessments

Conditions

51400. When the board has authorized the sale of refunding bonds at less than par value and has determined that it is necessary or advisable that an amount be made available to pay interest on the refunding bonds from the date of sale to the date of maturity of the bonds to be refunded, the board shall declare whether it is necessary or advisable that a supplemental assessment be levied to raise the amounts required under the provisions of subdivisions (a) and (b) of Section 52560, or either thereof.

Assessment list

51401. If the board determines that it is for the best interest of the district that the supplemental assessment be levied, it shall prepare and certify an assessment list for the supplemental assessment in the form prescribed by Section 51239 of this division.

Limitation

51402. The amount of the supplemental assessment shall not exceed 10 percent of the principal of the refunding bonds to be sold, plus the amount to be raised by the supplemental assessment to pay interest on the refunding bonds to the date of maturity of the bonds to be refunded.

Same

51403. The amount of the supplemental assessment shall be levied only upon the parcels upon which an assessment is then outstanding for payment of the bonds to be refunded and shall be levied on such parcels in proportion to the amounts then assessed thereon under the outstanding assessment.

Application of Article 1

51404. The provisions of Article 1 of this chapter relating to the filing of assessment lists, hearings thereon and approval thereof, and actions to correct, modify, or annul the same apply to assessment lists prepared pursuant to this article, except:

(a) Assessment lists prepared pursuant to this article are not required to be prepared in duplicate.

(b) A copy of the assessment list need not be retained in the district office.

(c) Actions for the correction, modification or annulment of a supplemental assessment must be commenced within five days after the assessment list has been filed in the office of the county treasurer.

Call for immediate payment

51405. When a supplemental assessment has been levied, approved, and filed, it shall be called for immediate payment

and shall become delinquent by declaration made in the resolution at a specified date at least five days prior to the date fixed for the sale of the refunding bonds.

Limitation

51406. At least 30 days shall elapse between the date of call and the date of delinquency.

Same

51407. The supplemental assessment shall not bear interest and shall be payable only in lawful money of the United States.

Notice

51408. Notice of the supplemental assessment and of the call thereon shall be served upon each owner of land in the district in the manner prescribed in Section 51519.

Penalty

51409. Upon delinquency a penalty of 10 percent shall be added.

Article 7. Calling Bonded Assessments

Calling bonded assessments

51420. At least 90 days before the interest date of bonds or refunding bonds, the county treasurer shall estimate the amount necessary to pay interest and principal maturing on the interest date, crediting thereon the funds in the treasury applicable to the payment thereof, and excluding therefrom any funds deposited pursuant to Chapter 5, Article 4 of this part, or derived from the sale of lands by the county treasurer as trustee of the district under the provisions of Articles 1 and 2 of Chapter 5 of this part. The estimate shall include expenses of the county treasurer plus 15 percent of the aggregate sum to cover possible delinquencies.

Notice

51421. The county treasurer shall thereupon cause to be published once a week for two weeks in a newspaper of general circulation published in each county in which any of the district is situated a notice substantially in the following form: (Name of reclamation district).

Notice is hereby given that an installment of assessment (describing it) of _____ dollars ($_____), being _____ percent is payable within 30 days from (date) by all assessed landowners of said district in the County of (name of county) to the treasurer of said county. All or any part of said installment which shall remain unpaid on the day (day fixed) will be delinquent, together with 10 percent of such installment added as penalty.

Dated (date).

(Signed)

_____

Treasurer of _____ County

Publication

51422. If no newspaper is published in any county in which the district is situated, the publication shall be made in a newspaper published in an adjoining county.

Credit to bond fund

51423. The county treasurer shall credit to the bond fund of the district all money collected by him, by sale or otherwise, upon assessments against which bonds have been issued, including interest and penalties, and the amounts of purchase money paid in bonds or coupons on sales made for such assessments.

Limitation

51424. No action contesting the validity of any call of an installment of an assessment pursuant to this article may be commenced, unless commenced within six months from the effective date of the call.

Same

51425. No action to contest the validity of any credit on, or payment of, any portion of an assessment called pursuant to this article may be commenced unless commenced within six months from the date of such credit or payment.

Article 8. Assessments for Water Charges

Unpaid charges

51440. When the district has obtained an irrigation system pursuant to Section 50910, and the charges for furnishing water have been fixed pursuant to Section 50911, an assessment may be levied upon the parcels to which water has been furnished to collect unpaid charges for such water.

Commissioners

51441. The board of supervisors, upon application of the board stating the amount of the unpaid charges, shall appoint three disinterested assessment commissioners who shall levy the assessment on the parcels on which charges for irrigation water are unpaid.

Cost of levying, etc

51442. The assessment commissioners shall levy upon each parcel the amount of the charge fixed by the board for water furnished the parcel and a proportionate share of the cost of levying and collecting the assessment, apportioned by the commissioners.

List of charges

51443. The assessment commissioners shall make a list of the charges assessed against each parcel which shall be filed with the clerk of the board of supervisors.

"Irrigation fund"

51444. All the provisions of this part relating to the levy and collection of original assessments are applicable to the levy and collection of the assessment, except that all money collected shall be deposited in the county treasury in a special fund designated the "irrigation fund" of the district.

Separate assessment

51445. When the board of supervisors appoints assessment commissioners to levy an assessment on district lands pursuant to Articles 1 or 3 of Chapter 2 of this part, and the board reports to the board of supervisors that charges fixed for water furnished by the district for the irrigation of any parcels therein have not been paid, the board of supervisors shall direct the assessment commissioners to also levy a separate assessment on the parcels on which the irrigation charges remain unpaid, and the assessment commissioners shall thereupon levy the separate assessment and make and file the separate assessment list in the manner provided in this article.

Article 9. Warrant Assessments

Unpaid warrants

51460. If there are unpaid matured warrants, other than warrants payable from operation and maintenance assessment levies, on January 1st in any year, the board shall call and collect such portion of the principal and interest of any available outstanding unbonded assessment, other than an operation and

maintenance assessment, as is necessary to pay such warrants and any other warrants, other than operation and maintenance warrants, which shall mature within 90 days after January 1st.

Assessment required

51461. When, on the first day of January in any year, there are outstanding unpaid matured warrants of the district, other than warrants payable from operation and maintenance assessment levies, and there is no available outstanding unbonded assessment, the board shall proceed at once to have an assessment levied in the manner provided in Article 1 of this chapter.

Call, collection

51462. The board shall call and collect the assessment in the manner provided in this part in the amount necessary to pay the warrants.

Other arrangements

51463. Nothing in this article shall prevent the board from making other arrangements with holders of district warrants.

Article 10. Assessments to Pay Damages

Imputed negligence

51480. The district may levy assessments to pay any damage incurred through the negligent conduct of the trustees which is imputed to the district under the provisions of Section 50152, and such damages are incidental expenses of the district.

Article 11. Assessments to Pay Costs Under Contracts With the United States

Assessment resolution

51485. When a contract has been executed with the United States Reclamation Bureau pursuant to Section 50902, the board shall adopt a resolution at a regular meeting, or at a special meeting called for the purpose, providing for an assessment upon the lands to be benefited by such reclamation to pay amounts to become due under the contract.

Collection

51486. Assessments levied pursuant to this article shall be collected in the manner provided for the collection of original assessments.

Chapter 3. Payment and Collection

Article 1. General Provisions

Interest on unpaid assessments

51500. The interest due on any unpaid unbonded assessment, or any part or installment thereof, may be called by the board without calling any installment of the assessment.

"Warrant interest fund"

51501. All interest paid on any unbonded assessment shall be deposited with the county treasurer in the "warrant interest fund" and be used only for the payment of interest on warrants unless the board requests the county treasurer to transfer all or a part of the fund to the general fund of the district.

Amount of call

51502. At least 90 days before any installment of interest is due on any time warrants the board shall estimate the amount necessary to pay the interest, after crediting thereon the funds in the "warrant interest fund" applicable to the payment

thereof, and shall add thereto 15 percent of the aggregate sum to cover possible delinquencies, and make a call on interest due on any unpaid unbonded assessment equivalent to the amount so estimated.

Application of provisions

51503. All provisions of this division relative to the making of calls on any unbonded assessment, or installment thereof, and the sale of property for nonpayment thereof, and redemption thereof, are applicable to the making of calls for interest.

Article 2. Original and Additional Assessments

Second original assessment Payment

51510. For 30 days after the filing of the second original assessment list in the office of the county treasurer pursuant to Section 51254 the assessment shall not bear interest, except as provided by Section 51511, and, if bonds have not been authorized and sold on the basis of the assessment, any landowner may pay in lawful money of the United States, or approved warrants of the district, all or any part of the principal and interest of the assessment on any parcel.

Same

51511. Unpaid assessments on which bonds have been issued shall bear interest at the rate of 7 percent per year from the date of the bonds originally issued thereon until such bonds and any refunding bonds issued thereon are fully paid, and the interest due at any time on the unpaid assessment may be called without calling any installment of the assessment. The word installment as used in this section shall be construed as applying to interest as well as the principal as the case may be.

Place of payment

51512. If a district is situated partly in different counties the assessment shall be paid into the treasury of the county in which the particular parcel is situated.

Report of payments

51513. When the district is situated in more than one county the county treasurers of each county wherein any of the lands assessed are situated shall report to the county treasurer of the principal county all payments of assessments on all parcels, whether in cash or warrants, immediately upon such payments being made.

Interest

51514. After the period of 30 days all unpaid original assessments shall bear interest at the rate of 7 percent per year.

Collection of unpaid assessments and interest

51515. Assessments unpaid after 30 days and accrued interest thereon shall be collected by and paid to the county treasurer of the county wherein the parcel is situated, or the board may designate an agent to effect such collection who shall file with the treasurer of such county a detailed report of any and all collections thereon and who shall deposit the money with that county treasurer to the credit of the district.

Agents' bond

51516. The board shall require that an agent give a bond in the amount it considers sufficient for the faithful performance of his duties.

Manner of payment

51517. All payments on unpaid original assessments shall be made in separate installments, of such amounts, and at such times as the board, by order entered in its minutes, may direct.

Notice. Form

51518. Upon making the order the secretary shall enter in the minutes of the board a notice in substantially the following form:

(Name of reclamation district, location or principal place of business.) Notice is hereby given that at a meeting of the board of trustees held on the (date), an installment of (amount) was ordered paid within 60 days from date thereof to _____ at _____. Any installment which shall remain unpaid on the (day fixed) will be delinquent together with the accrued interest thereon.

Same· Service

51519. The notice shall be personally served upon each owner of land in the district, or in lieu of personal service, shall be mailed to the owner at his place of residence, if known or entered upon the assessment roll of the county, and if not known, at the place where the principal office of the district is situated, or be published once a week for two weeks successively in some newspaper of general circulation devoted to the publication of general news within the district and, if no such newspaper is published within the district, published in a newspaper published in the county seat of the principal county.

Report of payment

51520. The county treasurer of each county wherein any of the lands assessed are situated, shall, immediately following the expiration of the period of 60 days from the date of the order, report to the county treasurer of the principal county all payments of assessments on each parcel and shall also report all parcels which are delinquent, and the amount of delinquencies thereon.

Delinquency

51521. Any installment, which is unpaid after 60 days from the date of the order, is delinquent with the accrued interest thereon, and a penalty of 10 percent of the amount of the installment and interest shall be added thereto and collected for the use of the district.

Article 3. Operation and Maintenance Assessments

Notice Form

51540. When the board has ordered an operation and maintenance assessment levy and has fixed the insallments the secretary shall enter in the minutes of the board a notice in substantially the following form:

(Name of reclamation district, location of principal place of business.)

Notice is hereby given that at a meeting of the board of trustees held on the (date) an installment of (amount) was ordered paid within 60 days from (date assessment levy will be filed in office of county treasurer) to _____ at _____. Any installment which shall remain unpaid on the (day fixed) will be delinquent, together with accrued interest (if any be due) and 10 percent will be added thereto and collected for the use of the district.

Same Service

51541. The notice shall be published, mailed, or personally served upon each landowner in the manner provided in Section 51519.

51542. When the operation and maintenance assessment levy is to be paid in more than one installment the secretary shall give notice for 60 days immediately preceding the due date of each installment in substantially the form prescribed in this article. Installment notice

51543. Except as otherwise specifically provided, unpaid assessments for operation and maintenance levied pursuant to this article shall be collected in the manner provided for the payment and collection of original and additional assessments. Collection

51544. The principal and interest of any operation and maintenance assessment levy may be paid in lawful money of the United States or approved warrants of the district payable from such assessment levy. Payment

51545. The money collected on operation and maintenance assessments shall be placed by the county treasurer to the credit of the district in a separate fund designated "maintenance fund" of the district. "Maintenance fund"

51546. The maintenance fund, except as provided in Section 51547, shall be disbursed only upon warrants of the board drawn in payment of the cost or expense of maintenance, repair and operation of the district reclamation works, incidental expenses as defined in Section 51336 and for the construction of reclamation works supplemental to, or in replacement of, the reclamation works already possessed by the district. Same Disbursement

51547. When time warrants have been issued in anticipation of an operation and maintenance assessment levy, money collected upon that levy shall be used only for the payment of the principal and interest on the time warrants so long as such time warrants are outstanding and unpaid. Time warrants

Article 4. Installments Called to Pay Bonds

51560. The installment of an assessment called to pay principal or interest on bonds pursuant to Section 51420 may be paid in cash or in bonds of the district, or their interest coupons, issued upon the assessment, which are matured or will mature within 90 days from the date of the calling of the installment, or part in cash and part in bonds or coupons. Manner of payment

51561. Bonds and interest coupons received in payment for the assessment shall be accepted at face value. Bonds and coupons Value

51562. Any bond or coupon received in payment for such an installment shall be canceled forthwith by the county treasurer and filed in his office. Same Cancellation

51563. Any part of the installment or any interest thereon which is unpaid at the expiration of 30 days from the date of the notice calling the installment, is delinquent, and 10 percent of the unpaid amount of the installment shall be added thereto and collected by the county treasurer. Delinquency

CHAPTER 4. DELINQUENCY SALES

Article 1. Delinquency Sales on Unbonded Assessments

Notice of delinquency

51600. Immediately after any installment of an unpaid assessment on which bonds have not been issued has become delinquent, the county treasurer shall publish once a week for two weeks in some newspaper of general circulation published in each county where a delinquency exists a notice containing a list of all delinquencies in the county.

51601. The notice shall contain:

Same Contents

(a) A description of the parcels assessed, as described in the assessment list or operation and maintenance assessment roll or by reference number as set forth in the assessment list or roll on file in the office of the county treasurer (stating the date and time the list or roll was so filed), or by other appropriate reference thereto sufficient to identfy the parcel, and shall refer to the assessment list or roll for further particulars.

(b) The name of the person to whom the parcel is assessed or a statement that it is assessed to unknown owners if such is the fact.

(c) The amount of the delinquent installment, interest and penalty due on the parcel calculated to the date of call or to the date of the delinquency sale if the delinquency is on an installment of an operation and maintenance assessment.

(d) A notice that the parcel assessed will be sold by the county treasurer on the date therein stated, in front of the courthouse of the principal county to pay the amount of the installment with accrued interest and penalty.

Date of sale

51602. The date of the sale shall be not less than 10 days after the date of the last publication of the notice.

Postponement

51603. The county treasurer may postpone the sale for not less than 10 nor more than 30 days at any one time by a written notice posted at the place of sale.

New notice

51604. If, for any reason, a parcel upon which an assessment or any installment thereof is delinquent in whole or in part is not sold at the time or place specified in the notice of sale or to which the sale was postponed, the county treasurer shall publish a new notice of sale and sell the parcel in the manner provided herein for delinquent sales.

Sale to highest bidder

51605. At the time of the sale, the county treasurer shall sell the parcel to the highest bidder for lawful money of the United States.

Multiple delinquency

51606. If more than one installment of an assessment or more than one assessment on the same parcel is delinquent at the time of the sale, the county treasurer may sell the parcel for the total amount of all installments and assessments then delinquent on the parcel in one sale.

Portion of parcel to be sold

51607. The owner of any parcel offered for sale to pay a delinquent assessment or installment thereof may designate in writing to the county treasurer prior to the sale the portion he wishes first sold if less than the whole.

Same Failure to designate

51608. If the owner fails to designate the portion of the parcel he wishes sold for a delinquent assessment, the county treasurer may sell the whole or the least portion of the land that will bring the amount due for the assessment accrued, interest, penalty and costs, and shall accept the bid of the person who will accept the least portion of the parcel offered for sale for the amount due.

Proceeds of sale

51609. Out of the proceeds of the sale the county treasurer shall place the amount due on the parcel in the proper funds of the district and shall pay any surplus to the owner of the parcel.

Sale to district

51610. If no bid is made for the parcel equal to the amount due thereon, the county treasurer shall sell the parcel to himself and his successors in office as trustee for the district for the amount due on the installment.

Certificate of sale

51611. A certificate of sale shall be executed by the county treasurer to the purchaser, or to the county treasurer, if the parcel is sold to him, and the certificate of sale shall be filed in the office of the county recorder in the county where the parcel described in the certificate is situated.

Same Prima facie evidence

51612. The certificate of sale is prima facie evidence that:

(a) The parcel was assessed and the assessment duly apportioned as required by law.

(b) The assessment was not paid.

(c) Proper notice of the sale was given and published by the county treasurer.

(d) The sale was had at the time and place specified in the notice or at the time to which the sale was regularly continued.

(e) All steps and proceedings required to be taken by the county treasurer to make a valid sale were taken.

(f) The deed thereafter made by the county treasurer, duly acknowledged, if no redemption is made, shall be prima facie evidence of the same facts as the certificates.

Redemption

51613. Any person interested in the parcel may redeem it at any time within one year after the sale by paying to the county treasurer the amount for which it was sold, with interest thereon at the rate of 7 percent per year from the date of the sale.

Same Certificate

51614. When the parcel is redeemed a certificate of redemption shall be issued by the county treasurer to the redeemer, and the certificate shall be filed in the office of the county recorder.

Failure to redeem

51615. If no redemption is made within one year the purchaser, upon demand and surrender of the certificate of sale, or the county treasurer if the parcel was sold to him, is entitled to a deed executed by the county treasurer.

Deed

51616. The deed shall convey the parcel free of all liens and encumbrances excepting any prior or subsequent district assessment.

Invalidation

51617. No sale, certificate of sale, or deed made for a valid delinquent assessment shall be adjudged invalid, unless

the amount of the delinquent assessment, penalties, interest and costs has been refunded to the purchaser of the parcel.

Article 2. Delinquency Sales on Bonded Assessments

Notice: Publication

51630. When any installment of an assessment called to pay principal and interest on bonds is delinquent, the county treasurer shall publish once a week for two weeks in a newspaper of general circulation published in each county in which any of the delinquent land is situated a notice of all the delinquencies.

Same

51631. If no newspaper of general circulation is published in the county where the delinquent land is situated, publication shall be made in a newspaper published in an adjoining county.

Same: Contents

51632. The notice shall contain:

(a) A description of each parcel on which the installment is delinquent, as the description appears on the assessment list or by reference number as set forth in the assessment list on file in the office of the county treasurer (stating the date and time the list was filed) or by other appropriate reference thereto sufficient to identify the parcel, and shall refer to the list for further particulars.

(b) The name of the person to whom the installment is assessed, or a statement that it is assessed to unknown owners if such is the fact.

(c) The amount of the delinquent installment and penalty due on each parcel.

(d) A notice that each of the parcels will be sold at public auction by the county treasurer in front of the courthouse of the principal county, at a specified day and hour.

Same

51633. If the notice is published in more than one county, each respective notice need include only the matters and things provided in Section 51632 in reference to the delinquent parcel located in the county in which the notice is published.

Sale Date

51634. The date of the sale shall not be less than 30 nor more than 60 days from the date of delinquency.

Same Continuance

51635. The county treasurer may continue the sale from day to day by written notice posted at the place of sale to a day not later than the due date of bond principal or interest next following the date of the call.

Sale to highest bidder

51636. The county treasurer shall sell each parcel described in the notice to the highest bidder at the time stated in the notice, or at the time to which the sale is postponed, unless prior thereto he has received payment in full of the delinquent installment and penalty.

Minimum bid

51637. The county treasurer shall not accept any bid for any parcel less than the aggregate sum then due on the installment thereon, with penalty.

Manner of payment

51638. Payment for parcels purchased at the sale shall be made in cash or in bonds or interest coupons of the district issued on the assessment and then matured or to mature within 60 days after the sale.

Same: Bonds, etc

51639. Bonds or interest coupons tendered in payment for a parcel purchased at a delinquency sale, or the redemption of such a parcel, pursuant to this article shall be accepted at face value.

Same Cancellation of bonds, etc

51640. Any bond or coupon received in payment for a parcel purchased at the delinquency sale shall be canceled forthwith by the county treasurer and filed in his office.

Same: Endorsement of bonds, etc

51641. If the entire amount of a bond or coupon tendered in payment for a parcel at the delinquency sale is not required to complete payment of the purchase money, the county treasurer shall endorse thereon as paid, the amount of the purchase money credited thereon.

Sale to district

51642. If no bid is made for a parcel equal to the amount of the installment delinquent thereon with penalty, the county treasurer shall sell the parcel to himself, as trustee for the district, for the amount of the installment, interest and penalty.

Proceeds of sale

51643. Except as otherwise provided in Section 51644 all money derived from sale of land for delinquent installments of assessments on which bonds have been issued, or from redemption thereof, or from sale of lands bought by the county treasurer at any such sale, shall be paid into the county treasury and credited to the bond fund of the district.

Same Disposition surplus

51644. After crediting the amount due on the parcel, as shown in the notice of sale, to the bond fund, the county treasurer shall pay to the owner of the parcel any surplus remaining.

Certificate of sale

51645. The county treasurer shall execute to each purchaser, including himself, a certificate of sale, a duplicate of which shall be filed in the county recorder's office of the county in which the land is situated.

Redemption

51646. Any person interested in the parcel may redeem it within one year after the date of sale, by paying to the county treasurer for the purchaser a sum equal to the purchase price stated in the certificate with interest thereon at the rate of 7 percent per year from the date of sale to such redemption, either in whole or in part, in cash or in bonds of the district, or their interest coupons, issued on the assessment and then matured, or to mature within 60 days from the date of payment.

Failure to redeem

51647. If no redemption is made within one year, the treasurer, upon demand and surrender of the certificate of sale, shall execute to the purchaser, his heirs or assigns, or to himself as trustee of the district if the property was sold to him, a deed to the parcel described in the certificate, conveying the parcel free and clear of all encumbrances except any portion of any reclamation assessment remaining unpaid at the date of the sale.

Deed as evidence

51648. The deed shall be prima facie evidence of the truth of the matters therein recited, and of ownership by the grantee of the lands therein described.

Unpaid assessment

51649. Each installment of an assessment remaining unpaid at the time of the delinquent sale may be called and collected in the manner provided in this article, except that no

parcel sold and conveyed to the county treasurer as trustee for the district shall be sold by the county treasurer for delinquent installments.

Same District land

51650. If a call of an assessment on any parcel sold to the county treasurer as trustee for the district becomes delinquent during the redemption period the parcel shall be again sold as provided in this article, but only to the county treasurer as trustee for the district, for the amount of the subsequent delinquent installment and penalty.

Removal of lien

51651. Any landowner who desires to lessen or remove the lien upon his land of any assessment on which bonds have been issued may deliver to the county treasurer for cancellation any bonds payable out of the assessment, and the treasurer shall credit against the assessment on his land the principal and accrued interest of the bonds.

CHAPTER 5. UNREDEEMED PROPERTY

Article 1. Sale After Expiration of Redemption Period

District land

51660. Any parcel purchased by a county treasurer at delinquency sale, as trustee for the district, may be sold and conveyed by him at any time after the expiration of the redemption period at public or private sale, with or without notice, to any person paying him the amount for which the parcel was purchased, with interest thereon at the rate of 7 percent per year, compounded yearly from the date of the delinquent sale, and:

(a) When the parcel was purchased at a sale for the delinquency of an unbonded assessment, any call that has been made upon any prior or subsequent assessment.

(b) When the parcel was purchased at a sale for the delinquency of a bonded assessment, the amount of all subsequent assessments then delinquent, with accrued interest and penalties thereon.

Payment

51661. When the parcel has been purchased for delinquency of a bonded assessment, payment may be made in cash or in matured bonds and coupons issued on the assessment, taken at their face value.

Conveyance

51662. The county treasurer shall convey parcels purchased by him at a sale for the delinquency of an unbonded assessment, free of all liens and encumbrances except any prior or subsequent district assessment.

Same Bonded assessment

51663. The county treasurer shall convey parcels purchased by him at a sale for the delinquency of a bonded assessment, free of encumbrance except the unpaid balance of the assessment and any other district assessment thereon.

Alternative

51664. After the lapse of one year from the expiration of the redemption period the county treasurer may sell the parcel pursuant to Article 2 of this chapter in lieu of selling the parcel as provided in this article.

Article 2. Sale After One Year After Expiration of Redemption Period

Auction sale

51680. After one year from the expiration of the period of redemption of any parcel sold to the county treasurer at a delinquency sale as trustee for the district, the county treasurer, when directed by the board, shall sell all or any part of any parcel remaining unsold to the highest bidder for cash at the front door of the courthouse of the principal county.

Required sale

51681. Parcels purchased at delinquent sale by the county treasurer as trustee for the district shall be offered for sale within three years from the expiration of the redemption period, or before October 1, 1951, whichever period is greater, in parcels of 320 acres or such lesser number of acres as the board may determine will be most desirable for purposes of assuring the sale thereof.

Notice

51682. Notice describing the parcel to be sold and stating the time and place of the sale shall be published once a week for two successive weeks in some newspaper published in the county in which the parcel to be sold, or some portion thereof, is situated.

Same
Description

51683. It shall be sufficient to describe the parcel to be sold in the notice by reference number as set forth in the assessment lists to which reference is made, by the date and time of filing for further particulars.

Multiple sale

51684. One or more parcels may be included in the same notice and sold severally at the time and place set forth in the notice.

Appraisal

51685. Prior to the sale of any parcel, the county treasurer shall cause its fair market value to be ascertained by an appraisal made by a board of appraisement.

Board of appraisement

51686. The board of appraisement shall consist of:

(a) One member who is an officer or an authorized appraiser of a banking corporation formed under the laws of this State, or the manager of a branch bank of such banking corporation, or an officer or cashier of a national banking association, having a place of business in the county in which the parcel or some portion thereof is situated.

(b) One member who is an inheritance tax appraiser of the county in which the parcel is located.

(c) One member, a disinterested person, who is a licensed real estate broker, selected by the two other members of the board.

Same
Alternate member

51687. If no such banking corporation or national banking association has a place of business in the county in which the parcel or portion thereof is situated, one member of the board of appraisement shall be an officer or an authorized appraiser, or the manager of a branch bank of such a banking corporation, or an officer or cashier of a national banking association, having a place of business in a county adjacent thereto.

Same Disagreement

51688. When all of the members of the board of appraisement cannot agree as to the fair market value of the parcel, the determination of value shall be made in the following manner:

(a) If two of the members of the board agree as to the fair market value, the amount so agreed upon shall constitute the board's appraisal.

(b) If no two members of the board agree as to the fair market value, then each member of the board shall make a separate appraisal and the average of the three appraisals shall constitute the board's appraisal.

Verification

51689. Each appraisal shall be verified by the members of the board of appraisement.

Same Content

51690. The verification shall state that:

(a) The appraisal is made in good faith.

(b) The valuation is honestly determined and represents the bona fide opinion of the board.

(c) If any member does not concur in the appraisal, the manner in which the board determined the appraised fair market value.

Announcement of minimum bid

51691. At the time of the sale of a parcel, the county treasurer shall announce its fair market value, as appraised, and shall not accept any bid therefor less than that value.

Deed

51692. When a sale is made pursuant to this article, the county treasurer shall execute a deed to the purchaser, upon payment of the price bid, which deed shall have the effect of conveying title to the land sold to the purchaser free of encumbrance, except district assessments, including the unpaid balance of said assessment for the delinquency of which said property was sold, which, upon the date of the sale, had not been called and except as may be otherwise provided by law.

Same Prima facie evidence

51693. The deed, duly executed and acknowledged, is prima facie evidence that all the proceedings for the levy and collection of the delinquent assessment for which the parcel was sold, and for the sale of the parcel were duly and regularly taken, and all notices required were given and published for the time and manner required by law.

Reappraisal

51694. If any parcel remains unsold for want of an acceptable bid, the county treasurer shall have the parcel reappraised and offer it for sale to the highest bidder for cash in the manner provided in this article, at least once each year until the parcel is sold.

Reapportionment of assessments

51695. If part of any parcel is sold pursuant to this article the assessments thereon shall be reapportioned as provided in Chapter 6, Article 5 of this part.

Action Limitation

51696. An action, proceeding, defense, counterclaim or cross complaint based on the alleged invalidity or irregularity of any sale by the county treasurer as trustee of a district of a parcel deeded to him as a result of the nonpayment of an assessment, or some portion thereof, may be commenced or interposed only within one year from the date of the sale.

Article 3. Subdivision and Sale

Sale of portion of unredeemed parcel

51720. At any time after the expiration of the redemption period, the county treasurer may sell and convey, pursuant to this article, a portion of any parcel purchased at delinquency sale by a county treasurer as trustee for the district at public or private sale and with or without notice.

Deposit

51721. Upon receipt of a written offer to purchase a portion of any parcel, the county treasurer shall require the intended purchaser to make a partial payment in cash on the purchase price in an amount not less than fifty dollars ($50), fixed by the county treasurer.

Notice to board

51722. When the written offer and partial payment are received by the county treasurer he shall notify the board of the offer and intended sale of a portion of the parcel.

Reapportionment of assessments

51723. When the notification is received the board shall reapportion the assessment upon the parcel, including the delinquencies thereon, and penalties and interest, as provided by Chapter 6, Article 5 of this part.

Same Cost

51724. The board shall apportion the costs of making the reapportionment to the several parts into which the parcel is subdivided and between the several assessments upon the parcel.

Date computed

51725. The board shall set forth in the reapportionment list the date to which the apportioned interest was computed.

Amount due

51726. The county treasurer, upon approval of the reapportionment shall complete the sale of the subdivided parcel upon payment by the purchaser of the total of the following sums, less the amount of the partial payment made by him:

(a) The sum of delinquencies, penalties and interest apportioned and charged to the subdivided parcel.

(b) Interest on the amount for which the parcel was sold, as apportioned to the parcel, at the rate of 7 percent per year compounded annually from the date set forth in the reapportionment list to which interest was computed, to the date of the sale.

(c) The cost of making the reapportionment as charged to the parcel.

Same Payment

51727. The balance of the purchase price may be paid in cash or, to the extent that a bonded assessment constitutes a part of the purchase price in cash or in any matured bonds and coupons issued on the reapportioned assessment taken at their face value.

Deed

51728. The county treasurer shall execute a deed to the purchaser upon completion of the sale conveying the subdivided parcel free of encumbrances, except the unpaid balance of the reapportioned assessment and any other assessments of the district thereon.

Forfeiture of payment

51729. The partial payment shall be forfeited if the purchaser fails to complete the purchase of the parcel within 20 days after tender of the deed thereto by the county treasurer, and a demand for the balance of the purchase price.

Same Disposition of proceeds

51730. A forfeited partial payment shall be applied first to the costs of making the reapportionment, and any balance thereof shall be deposited in the maintenance fund, or in the general fund if the district has no maintenance fund.

Disposition of proceeds of sale

51731. The proceeds of sale of subdivided parcels acquired by the county treasurer at delinquency sale for bonded assessments as trustee for the district, shall be deposited in the bond fund.

Same. Unbonded assessment

51732. The proceeds of the sale of subdivided parcels acquired by the county treasurer as trustee for the district at a delinquency sale for unbonded original and additional assessments shall be credited to the general fund.

Same Maintenance assessment

51733. The proceeds of a sale of subdivided parcels acquired by the county treasurer as trustee for the district at a delinquency sale for operation and maintenance assessments shall be credited to the maintenance fund.

Article 4. Possession

Expiration of redemption period

51750. When the redemption period has expired, and until the sale thereof, the district has the right to the possession of unredeemed parcels purchased at delinquency sale by the county treasurer as trustee for the district.

Action to protect district rights

51751. The board may maintain any action for the protection of the district's rights in the unredeemed parcels, to the same extent as any other owner and the costs and expenses of such action or actions shall be a charge against the district.

Retirement of liens

51752. The board may expend district funds necessary to retire liens against an unredeemed parcel superior to the title of the county treasurer as trustee for the district.

Management, control, etc., of property

51753. The board shall manage and control, and may lease for such reasonable rental and upon such terms as it deems advisable, and receive and collect the rental for all unredeemed parcels which remain unsold.

Application of income

51754. The board may apply all rentals collected or moneys received by it from the lease of unredeemed, unsold parcels, or for the use or occupation of such parcels, to:

(a) The payment of the incidental expenses of holding and leasing the parcels.

(b) The payment of any other incidental expenses of, or legal charge against the district.

(c) The purchase of outstanding district bonds matured or unmatured, with their coupons at not more than the face value of such bonds plus the accrued interest thereon.

(d) The payment of any call of any operation and maintenance assessment on any unredeemed, unsold parcel theretofore purchased by the county treasurer as trustee for the district.

Cancellation of bonds

51755. The bonds or coupons purchased by the board shall be forthwith delivered to the county treasurer and canceled.

Disposition of Chapter 4 income

51756. All rentals collected or moneys received from lease of parcels sold to the county treasurer as trustee for the district pursuant to the provisions of Chapter 4 of this part or for the

use or occupation of such parcels, less the expenditures authorized by subdivisions (a) and (d) of Section 51754, shall be deposited in the county treasury to the credit of the bond fund of the district if the district is in default for interest or principal payment on any bonds issued by it.

Credit against delinquent charges

51757. An amount equal to the revenues derived from each parcel by reason of the leasing, use or occupation thereof, less the incidental expenses of leasing and holding same, shall be credited by the county treasurer on the assessment lists against the delinquent charges on the parcel.

CHAPTER 6. CANCELLATION, REFUND AND REAPPORTIONMENT OF ASSESSMENTS

Article 1. Unnecessary Assessments

Cancellation of assessments

51800. When a district has levied an assessment and it appears to the board that it is unnecessary to collect all, or some portion of it, and it also appears to the board that the assessment or some part thereof is greater than required to meet all obligations incurred or to be incurred for the purposes for which the assessment or part thereof was levied, the board may, by resolution, request the board of supervisors to cancel all or any portion of the assessment including any interest thereon.

Contents of resolution

51801. The board shall specify in the resolution the portion of the assessment levied against each parcel which is to be canceled, describing each parcel as described in the assessment roll or by the number of the parcel as used in the assessment roll.

Time of hearing

51802. The board of supervisors, upon receipt of the request, shall appoint a time when it will meet and hear any objections to the request.

Notice of hearing

51803. Notice of the hearing shall be given as provided in Section 51244.

Filing of objections

51804. Objections shall be written, verified, and filed with the clerk of the board of supervisors, and no objection shall be considered by the board of supervisors or allowed in any other action or proceeding unless made in writing to the board of supervisors within 30 days after the first publication of the notice.

Hearing

51805. At the hearing the board of supervisors shall hear any evidence offered in support of the written objections and may approve, reject, modify or amend the request in any particular.

Order

51806. When an order is made approving, rejecting, modifying or amending the request, a certified copy of the order shall be attached to the assessment roll by the county treasurer in whose office the assessment roll is filed.

Endorsement on roll

51807. When the order is attached to the assessment roll the secretary shall endorse upon the assessment roll after each parcel assessed the amount of the assessment as to each particular parcel which has been canceled.

Prior payment of canceled assessments

51808. When a landowner, in any district in which the board of supervisors has canceled any assessment or portion thereof, has paid the assessment levied against his land, the board shall issue a warrant of the district in favor of the landowner in an amount equal to that portion of his assessment which was canceled, with legal interest thereon from the date of such payment to date of the warrant.

Warrants

51809. The warrants shall be payable out of the general fund of the district.

Cancellation prohibited

51810. No assessment or part thereof shall be canceled pursuant to this article if bonds based thereon and secured thereby have been issued and remain unpaid and provision has not been made for the payment thereof.

Article 2. Calls on Bonded Assessments

Cancellation of call

51830. If an installment of any assessment has been called to pay the principal, interest, or principal and interest on any outstanding bonds secured by the assessment, and any of the bonds of such maturity have been refunded, or canceled, or not less than 90 percent of the bondholders have entered into and executed a plan for refunding the bonds or for the surrender and cancellation thereof, and by reason of any such facts the payment of the principal of such maturity of such outstanding bonds for which the call, in part or wholly, was levied is not required, the board shall, by resolution, cancel the call to the extent not required.

Filing of resolution

51831. A certified copy of the resolution shall be filed in the office of the county treasurer, and the county treasurer shall make the necessary entry in the records of his office to evidence the cancellation of the call.

Effect of cancellation

51832. The cancellation of any call pursuant to this article shall not be construed as reducing the assessment against any parcel.

Prior payment of canceled call

51833. If any landowner has paid the whole or any part of the call so canceled, the county treasurer, upon demand of such landowner, shall refund to him the portion of the amount paid which is not so required, or, if no demand is made, shall hold that portion as a credit to the landowner on future calls against his land under the assessment.

Applicability of article

51834. This article is applicable with respect to all bonds which are exchanged for refunding bonds, or otherwise canceled, either before or after maturity, to any delinquency sale as to which the period of redemption has not expired, and to all parcels purchased by a county treasurer as trustee for the district as to which the period of redemption has expired.

Article 3. Cancellation Prior to Completion of Levy

Insufficient assessment

51850. When assessment commissioners have been appointed and an assessment has been partially or fully completed but has not been approved by the supervisors, and the board finds that the amount to be provided by the assessment is

insufficient to pay the outstanding obligations or to pay for necessary new work, it may by resolution cancel all proceedings, have prepared a new report and estimate, and appoint the same or new assessment commissioners to spread the assessment.

Article 4. Erroneous Assessments and Invalid Calls

Refund

51870. Any assessment erroneously made by reason of inadvertence or clerical mistake may be refunded upon order of the board at any time after payment thereof.

Credit

51871. When an assessment has been levied upon district lands and any installment of the assessment called by the board or by the county treasurer is adjudged invalid by any court of competent jurisdiction, payments of the installment, including penalties and interest, made by any person before the call was adjudged invalid, shall be credited by the treasurer of the county where the assessment list is filed on the assessment on which the invalid call was paid, and shall be applied to the payment of any subsequently called installment of the assessment on the parcel.

Sale voidable

51872. When a parcel is sold by the county treasurer for nonpayment of a call of an installment of any assessment which is thereafter adjudged invalid by a court of competent jurisdiction, the court shall have power to set aside any and all proceedings or acts taken or had in connection with such sale and to cancel any certificate of sale and any deed made in pursuance of the sale.

Article 5. Reapportioning Assessments

Subdivided parcels

51890. When any parcel located in a district, any part of which is within the Sacramento-San Joaquin Drainage District, upon which an original assessment has been levied, or any parcel, in any district, upon which an operation and maintenance assessment has been levied, is subdivided, the board, upon written application signed by any or all of the landowners within the subdivided parcel, may enter a minute order directing the reapportionment of the assessment upon such parcel in such manner as will charge each of the smaller parcels with a just proportion of the assessment.

Application of all landowners

51891. If the application for reapportionment is signed by all of the landowners, the reapportionment is final upon entry of the minute order.

Application of part of landowners

51892. If the application for reapportionment is not signed by all of the landowners within the subdivided parcel, the board upon making the minute order, shall file with the clerk of the board of supervisors a list of the charges assessed against each of the parcels, and the reapportionment must be approved by the board of supervisors in the manner provided in Part 7, Chapter 2, Article 1 of this division.

Ingress, egress requirements

51893. The board shall require, as a condition to the making of any reapportionment pursuant to this article, that each parcel of the subdivided parcel be given suitable means of ingress and egress.

Entry, etc.

51894. When any assessment has been reapportioned on any parcel, the board shall cause such subdivisions and reapportionment to be properly entered or endorsed upon the assessment list, and shall file notice of all such changes with the county treasurer.

PART 8. BONDS AND REFUNDING BONDS

CHAPTER 1. GENERAL PROVISIONS

Article 1. Form

"Bonds"

52100. The term bonds, as used in this chapter, includes bonds and refunding bonds, unless otherwise provided.

Denomination

52101. Bonds shall be of the denomination of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) each.

Execution

52102. Bonds shall be signed by the president and attested by the county auditor of the principal county.

Numbering

52103. Bonds shall be numbered consecutively in the order of their maturity.

Interest rate

52104. Bonds shall bear interest at a rate not to exceed 6 percent per year, payable on the first day of January and the first day of July in each year at the office of the county treasurer upon the presentation of the proper coupons therefor.

Coupons

52105. Coupons for each installment of interest shall be attached to the bonds and shall bear the facsimile signature of the county auditor of the principal county.

Maturity

52106. The principal of bonds shall be made payable on the first day of July, or the first day of January in such years as the board prescribes.

Article 2. Action to Determine Legality

Time, venue

52120. At any time within 30 days after bonds are delivered to the county treasurer, the board may commence an action in the superior court of the principal county to determine that the bonds are a legal obligation of the district.

Parties

52121. An action to determine the legality of bonds shall be commenced in the name of the district against the lands in the district and all persons having an interest therein.

Same

52122. If the action is not commenced by the board within 30 days after delivery of the bonds to the county treasurer, it may be commenced by any landowner within 30 days thereafter.

Description of lands

52123. The complaint is sufficient if it describes the lands as all lands in the district (naming it), without a more specific description.

Publication

52124. The summons shall be published once a week for two weeks in a newspaper of general circulation published in the principal county.

Appearance, answer

52125. Any person interested in district lands may appear and answer the complaint within 30 days after the first

publication of the summons, stating in his answer, the facts relied upon to show the invalidity of the bonds.

Default

52126. The default of all defendants not so appearing may be entered.

Priority of action

52127. The action shall be given precedence in hearing and trial over all other civil actions in the court, and judgment shall be rendered therein declaring the bonds either valid or invalid.

Nature of judgment

52128. Judgment for the plaintiff is a judgment in rem and is conclusive against the district, the lands therein, and all interested persons.

Appeal

52129. Any party not in default may appeal to the Supreme Court within 30 days after the entry of judgment.

Article 3. Sale of Bonds

Notice Publication

52150. The county treasurer shall publish notice of the sale of bonds, at least once a week for two weeks prior to the sale, in a newspaper of general circulation published in the principal county.

Same Contents

52151. The notice shall state that the county treasurer will sell a specified amount of bonds at the time and place specified therein, and ask sealed proposals for the purchase of the bonds, or any part thereof.

Procedure for sale

52152. At the time stated in the notice of sale, the county treasurer shall open the bids and award the bonds to the highest responsible bidder as provided in Article 2, Chapter 2 of this part with respect to the sale of bonds or Article 3, Chapter 3 of this part with respect to the sale of refunding bonds.

Date of sale: Refunding bonds

52153. The date fixed for the sale of refunding bonds shall be at least 95 days prior to the maturity date of the principal of the bonds to be refunded by the sale of the refunding bonds.

Rejection of bids

52154. The county treasurer may, and upon written request of a majority of the board, shall reject any and all bids.

Record of sale

52155. A record of the sale shall be made upon the books of the county treasurer.

Article 4. Callable Bonds

Provisions for call

52170. The board may provide at any time before the sale of bonds that the bonds shall be callable at face value, plus accrued interest, on any interest payment date, with or without a premium to be specified by the board, and inserted in the bonds.

Order

52171. At least 120 days prior to any interest payment date, the board may, by a two-thirds vote, adopt an order calling any amount of callable bonds for payment on the interest payment date.

Drawing

52172. If less than all bonds of any maturity are called, the board shall ascertain, by a drawing, the bonds to be called in such maturity.

Order Specification of maturities called

52173. The order calling bonds shall specify the maturities of the bonds called, commencing with the earliest maturities, and, if less than all bonds of any maturity are called, shall designate the numbers of the bonds drawn.

Same: Copy

52174. A certified copy of the order shall be delivered to the county treasurer.

Addition of principal, premium

52175. The county treasurer shall add the principal of the bonds specified in the order, and any premium provided by those bonds, to the amount which he is required to collect for payment of the next maturing interest coupons.

Same: Specification in order

52176. The county treasurer, in his notice of call of assessment, shall specify the amount which is included for payment of principal of bonds and premium.

Notice of call. Publication

52177. The county treasurer shall publish, in a newspaper of general circulation printed and published in the principal county once a week for four weeks prior to the date on which bonds are called for payment, a notice of the call of bonds.

52178. The notice of the call of bonds shall contain:

Same Contents

(a) The order of the board calling the bonds.

(b) Notification to all holders of bonds called, to present the bonds for payment on the date specified in the order.

(c) Notification to all holders of the bonds called that whenever, on or after the date specified in the order, funds are received by the county treasurer for payment of the bonds and premium, all interest thereon shall cease.

Payment

52179. Bonds called by the board shall be paid in order of presentation.

Article 5. Bond Fund

Disposition of funds from bond assessment

52190. All money, including interest and penalties, derived by sale, or otherwise, from an assessment against which bonds have been issued, and amounts of purchase money paid in bonds or coupons on delinquency sales made for such assessments, shall be credited to the bond fund of the district, except as provided in Section 51644.

Expenses

52191. The county treasurer shall charge to the bond fund the expenses of publication and such other incidental expenses of the county treasurer as are necessarily incurred by him in collecting and disbursing the moneys received and disbursed by him, as well as the cost of keeping such additional records as are necessary to carry out the provisions of this division relating to bonds.

Claims

52192. All claims by the county treasurer and the expenditures shall be first approved by the board, and a warrant shall be drawn by the board on the bond fund in favor of the county treasurer in payment for such expenditures.

Transfer of balance in bond fund

52193. The county treasurer shall transfer the balance remaining in the bond fund, after payment in full of the principal and interest of all outstanding bonds, to the general fund of the district.

Article 6. Expenses of County Treasurer

52195. The county treasurer shall present to the board, from time to time, a statement of all expenses incurred or to be incurred by him in performing his duties concerning bonds and thereupon the board shall issue warrants to the county treasurer due immediately in payment thereof. Statement of expenses

CHAPTER 2. BONDS

Article 1. Issuance

52200. All provisions of Chapter 1 of this part are applicable to bonds issued pursuant to this article. Application of provisions

52201. When any assessment, except an operation and maintenance assessment, levied and assessed upon district lands remains unpaid in whole or in part and, in the judgment of the board it would be for the best interest of the district or the landowners therein to issue bonds to obtain money to pay the cost of reclamation, the indebtedness of the district, or any other legal charge, or when a petition signed by the owners of more than one-half of the land in the district is filed with the secretary, the board, by order entered upon its records, shall order a special election to be held at some place in the district to be designated by the board. Bond election

52202. At the special election the board shall submit to the landowners the question of whether bonds shall be issued in an amount equal to the amount of such assessment, or the part of such assessment remaining unpaid, which amount shall be entered by the board in its records and stated by it in the order for the special election. Question

52203. If a majority of the votes cast at the election are in favor of the issuance of bonds, the board shall cause the amount of bonds stated in the order for the election to be executed and delivered, with the assessment list, to the county treasurer. Execution, delivery of bonds

52204. If the board deems it advisable, it may order a special election to be held prior to making any assessment, to determine whether bonds shall be issued for an amount to be stated in the order for the election, but no bonds shall, in such instance, be issued until an assessment for the amount of the bonds authorized at the election has been made and filed with the county treasurer. Alternate election question

52205. The county treasurer shall place the bonds to the credit of the district. Bond

52206. The bonds shall be payable serially within 20 years from their date, as follows: Maturity

(a) Not less than 10 percent of the aggregate face value of bonds issued shall be payable within 10 years from their date.

(b) Not less than 10 percent of the aggregate face value of bonds remaining unpaid at the end of 10 years shall be payable each year beginning with the eleventh (11th) year from their date, until the whole amount of the bonds is paid.

Form

52207. The bonds shall be substantially in the following form:

FORM OF BONDS
United States of America
State of California
County of_____

No._____ $_____

Reclamation District _____

Reclamation District No. _____, for value received hereby acknowledges itself indebted to and promises to pay to the holder hereof at the office of the treasurer of said county, in the State of California, on the first day of _____, 19____, the sum of _____ dollars ($_____), in lawful money of the United States of America, with interest thereon in lawful money from date hereof until paid, at the rate of _____ percent, per year, payable at the office of said treasurer on the first day of January, and the first day of July in each year on presentation and surrender of the interest coupons hereto attached.

This bond is one of a series of _____ bonds of like tenor and effect, except as to denomination and maturity, numbered from _____ to _____ inclusive, amounting in the aggregate to _____ dollars ($_____), issued in accordance with Division 15 of the Water Code of the State of California pursuant to an election held in said reclamation district on the _____ day of _____, 19____, authorizing its issuance, and is based upon and secured by an assessment levied on the lands in said district, and filed in the Office of the County Treasurer of said County of _____, on the _____ day of _____, 19____, and the said reclamation district does hereby certify and declare that said election was duly called and held upon due notice, and the result thereof was duly canvassed and ascertained, in pursuance of and in strict conformity with the laws of the State of California applicable thereto, and that all of the acts and conditions and things required by law to be done, precedent to and in the issue of said bonds have been done and have been performed in regular and in due form and in strict accordance with the provisions of the law authorizing the issuance of reclamation bonds.

In testimony whereof, the said district, by its board of trustees, has caused this bond to be signed by the president of said board and attested by the Auditor of said County of _____ with his seal of office affixed this _____ day of _____, 19____.

_____
President of said board

Attest _____

Auditor of the County of _____, State of California

Form of coupons

52208. The interest coupons may be substantially in the following form:

No. _____ $_____

The County Treasurer of _____ County, California, will pay to the holder hereof on the _____ day of _____, 19____,

at his office in said County of _____, the sum of _____ dollars ($_____) in lawful money of the United States out of the funds of Reclamation District No. _____ for interest on bonds of said district numbered _____.

_____
County Auditor

Article 2. Sale

52220. When directed by resolution of the board, the county treasurer may sell all or any designated number of the bonds for the best price obtainable, but in no event for less than 90 percent of the face value of the bonds and the accrued interest thereon. Minimum price of bonds

52221. The bonds shall be sold in the manner provided in Article 3 of Chapter 1 of this part. Manner of sale

52222. The county treasurer may accept in full or partial payment for bonds, outstanding warrants of the district at face value plus the accrued interest thereon. Warrants as payment

52223. When bonds authorized before payment on an assessment are not sold, the amount to be sold shall be reduced by the amount paid on the principal of the assessment. Reduction of bonds authorized

52224 The reduction shall be only in the latest maturities and such changes and cancellation necessary to accomplish the reduction shall be made in the unsold bonds. Same

52225. The proceeds from the sale of the bonds shall be placed in the county treasury to the credit of the district. Proceeds of bond sale

52226. A sale and delivery of the bonds by the county treasurer is conclusive evidence in favor of the purchaser and all subsequent holders of the bonds that the sale was made upon due authority and notice. Effect of sale

52227. The board may draw demand warrants upon the county treasurer against the funds provided by sale of bonds. Warrants on funds from bond sales

52228. Bonds issued pursuant to this chapter which have been investigated and certified by any officer of this State authorized to make such investigation and certification, and declared to be legal for investments by savings banks of the State, may be purchased, or received in pledge for loans by savings banks, trust companies, insurance companies, guardians, executors, administrators and special administrators, or by any public officer or officers of this State or of any county, city, or other municipal or corporate body within this State having or holding funds which they are authorized to invest or loan. Bonds as legal investments

Article 3. Additional Series

52240. When any district, having authorized the issuance of a series of bonds, issues an additional series based on another assessment, the dates of maturity of the additional series shall be such that the latest maturities thereof do not exceed 30 years, and the earliest maturity shall be later than the latest maturity of bonds of any earlier series. Maturity

Other provisions applicable

52241. The provisions of this part relative to the original issue of bonds shall apply to additional series of bonds so far as applicable.

Article 4. Exchange

Exchange of bonds

52260. Any district which has issued bonds of different denominations, may, by order entered in its minutes, upon request of holders thereof, and upon the deposit of the outstanding bonds with the board, issue to the holders of the deposited bonds, bonds in the same form but in different denominations having the same aggregate face value and maturity.

Execution

52261. Exchange bonds shall be executed by all persons required by law to execute the bonds for which the exchange is made.

Cancellation

52262. Bonds deposited for exchange shall be canceled by the county treasurer and the board.

Article 5. Cancellation

Unsold, undelivered bonds

52280. The board, by an order entered in its minutes, may cancel all proceedings taken in connection with bonds remaining unsold one year after they are delivered to the county treasurer, or which are not delivered to the county treasurer within one year from the date of the election authorizing the issuance thereof.

Filing of order

52281. A certified copy of the order shall be filed with the county treasurer of each county wherein lands affected by the assessment on which the bonds were based are situated.

Cancellation of unsold bonds

52282. Upon receipt of the order, the county treasurer to whom the unsold bonds have been delivered shall cancel the unsold bonds and all coupons attached thereto.

Same Effect

52283. Cancellation of unsold or unissued bonds shall not affect the validity of the assessment upon which the bonds were issued, and the board may call for the payment of any part of the assessment as provided in Section 51517 or may cause bonds to be authorized and issued upon the unpaid portion of such assessment.

Same Assessment call

52284. When a portion of any bond issue is canceled, the board shall call the portion of the assessment securing the canceled bonds, in such installment or installments as the said board shall determine, and the amount collected shall be deposited in the county treasury and paid out on warrants of the district in the order of their registration drawn in payment of costs for the payment of which the assessment was levied.

Call Limitation

52285. Calls of assessments pursuant to Section 52284 shall be limited to amounts which will leave uncalled a sufficient portion of the assessment to pay principal and interest on the outstanding bonds.

Article 6. Miscellaneous

Application of provisions

52300. The provisions of this division as to the procedure for calling assessments to meet payments of principal or interest

of bonds, the provisions of Section 51258, and the provisions of this division relating to refunding bonds, shall apply to and inure to the benefit of bonds which were issued prior to July 27, 1917.

Bonds in lieu of cash

52301. In all cases where it is provided in this division that bonds and interest coupons may be used in lieu of cash, and the entire amount of any bonds or coupons tendered is not required to complete the particular transaction, the county treasurer shall endorse thereon, as paid, the amount thereof which is tendered for payment or cancellation, and shall endorse on the unmatured coupons attached to such bond the amount for which the unmatured coupons are redeemable, the amount to be computed on the unpaid portion of the bond at the rate of interest provided in the bond.

Duplicate bonds

52302. Bonds which are, without bad faith on the part of the holder, lost, destroyed, or so mutilated as to impair their value to the holder, may be replaced by the issuance of duplicates in the manner provided with respect to warrants in Part 9, Chapter 2, Article 3 of this division.

CHAPTER 3. GENERAL REFUNDING BONDS

Article 1. Issuance and Form

Power to refund

52500. A district may refund the whole or any part of any installment of the principal of an outstanding bond issue.

Procedure

52501. All proceedings for the issuance of refunding bonds commenced prior to August 14, 1929 shall be completed in accordance with the provisions of this part.

Refunding bond election

52502. When the board determines that it would be for the best interest of the district or the landowners therein to refund any installment, or portion thereof, of the principal of any outstanding bonds of the district, the board may, by order entered upon its records, order a special election to be held at some place in the district to be designated by the board.

Same Question

52503. At the election the board shall submit to the landowners the question of whether any installment of the principal of the outstanding bonds of the district, or any part of such installment shall be refunded.

Same Order

52504. The order for the election shall state the maturities and rate of interest of the refunding bonds, and the total amount of the principal thereof, and shall designate the bonds which are to be refunded.

Execution, delivery of refunding bonds

52505. If a majority of the votes cast at the election approve the issuance of refunding bonds, the board shall prescribe the date and rate of interest of the refunding bonds authorized at the election and shall cause them to be executed and delivered, with a certified copy of the order of election, to the county treasurer.

Limitation

52506. The principal of the refunding bonds shall not exceed 110 percent of the principal amount of the bonds to be refunded.

Basis 52507. The principal and interest of refunding bonds shall be based on and payable out of the assessment upon which the bonds to be refunded are payable.

Maturity 52508. Refunding bonds shall be payable serially within at least 50 years from their date.

Form 52509. Refunding bonds may be in substantially the following form:

UNITED STATES OF AMERICA
State of California
County of _____

No. _____ $_____

Reclamation District No. _____

Reclamation District No. _____ for value received, hereby acknowledges itself indebted to and promises to pay to the holder hereof at the office of the treasurer of _____ County, in the State of California, on the _____ day of _____, 19___, the sum of $_____ in lawful money of the United States of America, with interest thereon in like lawful money from the date hereof until paid at the rate of _____ percent per year, payable at the office of said treasurer on the first day of January, and the first day of July in each year on presentation and surrender of the interest coupons hereto attached. This bond is one of a series of refunding bonds of like tenor and effect, except as to denomination and maturity, numbered from _____ to _____ inclusive, amounting in the aggregate to the sum of _____ dollars ($_____), issued in accordance with Division 15 of the Water Code of the State of California pursuant to an election held in said reclamation district on the _____ day of _____, 19___, authorizing their issuance, and are issued for the purpose of refunding _____ $_____ of the principal amount of the bonds of this district dated the _____ day of _____, 19___, and outstanding on the _____ day of _____, 19___, and this bond is based upon and secured by an assessment levied on the lands in said district, and filed in the office of the county treasurer of said County of _____ on the _____ day of _____, and the said reclamation district does hereby certify and declare that said election was duly called and held upon due notice, and the result thereof was duly canvassed and ascertained, in pursuance of and in strict conformity with the laws of the State of California applicable thereto, and that all of the acts and conditions and things required by law to be done, precedent to and in the issue of said bonds have been done and have been performed in regular and in due form and in strict accordance with the provisions of the law authorizing the issuance of reclamation bonds.

This bond is one of the bonds issued to refund $_____ principal amount of bonds of this district numbered _____ dated the said _____ day of _____, 19___, and maturing _____, 19___.

In testimony whereof, the said district, by its board of trustees, has caused this bond to be signed by the president of said

board and attested by the auditor of said County of _____ with his seal of office affixed this _____ day of _____, 19___.

_____
President of said board

Attest: _____
Auditor of the County of _____, State of California.

52510. The interest coupons may be substantially in the following form: Form of coupons

No. _____ $_____

The county treasurer of _____ County, California, will pay to the holder hereof on the _____ day of _____, 19___, at his office in the County of _____ the sum of $_____ in lawful money of the United States out of the funds of Reclamation District No. _____ for interest on refunding bond of said district, No. _____.

_____
County Auditor

Article 2. Exchange

52530. The board, with the consent of the holders of any or all of the outstanding bonds to be refunded, may direct the county treasurer to deliver to such holders at any time, in exchange therefor, refunding bonds issued pursuant to this chapter, having maturities agreed upon by the board and the holders of the bonds to be refunded. Delivery

52531. The aggregate principal amount of the refunding bonds delivered to bond holders shall not exceed the aggregate principal amount of the bonds exchanged therefor. Limitation

52532. The bonds delivered to the district in exchange for refunding bonds shall be immediately canceled by the county treasurer. Cancellation

52533. The outstanding bonds may be refunded pursuant to this article with the consent of the holders thereof at any time before or after their final maturity date. Time of refund

Article 3. Sale

52550. The board, in lieu of exchanging refunding bonds for outstanding bonds, may declare by resolution that it will be for the best interests of the district to sell all or any specific portion of the refunding bonds. Resolution of sale

52551. The board, having adopted a resolution of sale, may declare by resolution, on or before the February 1st or the August 1st prior to the date of maturity of the outstanding bonds next maturing and to be refunded, either in whole or in part, that any portion of the refunding bonds available for the refunding of the outstanding bonds next maturing shall be sold. Same

Same Contents

52552. The resolution shall direct the county treasurer to sell the refunding bonds on a date not less than five days, nor more than 10 days, prior to the April 1st or October 1st prior to the maturity of the bonds to be refunded, and shall declare whether the refunding bonds may be sold for less than the face value thereof, plus accrued interest. In no event shall refunding bonds be sold for less than 90 percent of their face value plus accrued interest.

Manner of sale

52553. The refunding bonds shall be sold by the county treasurer in the manner provided in Article 3, Chapter 1 of this part for the sale of bonds and refunding bonds.

Effect of sale

52554. A sale by the county treasurer is conclusive evidence in favor of the purchaser and all subsequent holders of the refunding bonds that the sale was made upon due authority and notice.

Unsold bonds

52555. Refunding bonds which are not sold when offered for sale may again be offered for sale from time to time prior to their fixed maturity, or may be exchanged for outstanding bonds as provided in this chapter.

Proceeds of sale

52556. The proceeds of the sale of refunding bonds shall be placed in the county treasury to the credit of the bond fund, and used only in payment of the principal of the outstanding bonds to be refunded by the refunding bonds so sold.

Limitation

52557. The board shall sell or exchange refunding bonds only of such maturities as have been declared in the notice of election for the issuance of refunding bonds to be available for the refunding of particular maturities of the district's outstanding bonds.

Prior authorization

52558. If any district authorized the issuance of refunding bonds prior to August 14, 1929, and the same or any part thereof are unsold, the board may call an election in the manner and upon the notice prescribed for the issuance of refunding bonds, at which election there shall be submitted the question of whether such refunding bonds of any maturity shall be sold or exchanged to refund any maturity of outstanding bonds of the district as the board shall determine, or as may otherwise be specified in the notice of such election.

Sale at less than par

52559. If the board, in its resolution, determines that the refunding bonds may be sold for an amount less than their aggregate par value, and that it is necessary or advisable that an amount be made available for the payment of interest upon the refunding bonds from the date of the sale thereof to the date of maturity of the bonds to be refunded out of the proceeds of the sale, the resolution of sale shall direct that a warrant be forthwith drawn against the general or maintenance fund of the district in favor of the county treasurer as trustee of the bond fund and delivered to the county treasurer.

Amount of warrant

52560. The warrant shall be drawn for an amount equal to the sum of:

(a) The excess of the par value of the refunding bonds directed to be sold over the amount for which the board has determined the refunding bonds may be sold, which shall not in

any event, exceed 10 percent of the par value of the refunding bonds directed to be sold.

(b) An amount sufficient to pay interest at the rate provided in the refunding bonds from the date of sale thereof to the date of the maturity of the bonds to be refunded out of the proceeds of the sale.

Items (a) and (b) are incidental expenses of the district as defined in Section 51336.

Inclusion in next assessment

52561. When the warrant has been drawn, there shall be included in the next succeeding assessment call levied for maintenance purposes, an amount equal to that of the warrant, and that amount shall be assessed against the several parcels in the same proportion as the original assessment, or any subsequent reapportionments thereof, which secures the payment of the refunding bonds, and, when collected, shall be placed to the credit of the maintenance fund, in reimbursement of that fund.

Article 4. Collection and Disposition of Supplemental Assessment

Supplemental assessment

52580. The board, in lieu of drawing a warrant pursuant to Section 52560 may raise the amounts indicated in that section by a supplemental assessment levied as provided in Part 7, Chapter 2, Article 6 of this division, in which event the warrant shall be drawn against the fund created by the supplemental assessment.

Voluntary payment

52581. If the landowners in a district voluntarily pay to the county treasurer, on the call of the board the amount required to be made available by reason of the sale of the refunding bonds at less than par, no supplemental assessment shall be levied.

Delinquency

52582. If a sale of the refunding bonds is consummated by payment of the purchase price and the delivery of the bonds, the board shall enforce payment of delinquencies in the supplemental assessment in the manner set forth as provided in Chapters 3 and 4 of Part 7 of this division.

Use of proceeds

52583. The county treasurer shall use the proceeds of the supplemental assessment or of the warrant delivered to him pursuant to Section 52559, as the case may be, for the following purposes:

(a) The payment of any amount by which the total amount necessary to pay the principal and accrued interest on the bonds next maturing exceeds the proceeds from the sale of the refunding bonds, exclusive of accrued interest.

(b) The payment to the purchaser of the refunding bonds at the time he takes delivery thereof, of interest at the rate provided in the refunding bonds from the date the sale is completed by the payment of the purchase price until the date when, pursuant to the terms of the refunding bonds and the coupons thereto attached, interest thereon shall begin to accrue.

Refund of surplus

52584. Any surplus in the supplemental assessment fund after the principal and interest on the bonds next maturing are

paid in full shall be refunded by the county treasurer to the persons who have paid the supplemental assessment, in proportion to the amounts they paid.

Article 5. Cancellation

Unused bonds

52600. Refunding bonds remaining in the hands of the county treasurer after the outstanding bonds to be refunded thereby are discharged, shall be forthwith canceled by the county treasurer and shall never be an obligation of the district.

Cancellation of proceedings

52601. If, upon the expiration of one year after an issue of refunding bonds, heretofore or hereafter issued was deposited with the county treasurer, all or part of the refunding bonds are unsold or unexchanged, the board, by an order entered in its minutes, may cancel all proceedings taken in connection with the unsold or unexchanged refunding bonds as provided in Article 5, Chapter 2 of this part.

Effect of cancellation

52602. The cancellation will not affect the validity of the assessment upon which the bonds are based, nor the validity of any bonds previously sold or exchanged, or previously issued on the assessment.

Chapter 4. Alternate Method for Refunding Bonds

Article 1. Issuance and Forms

Power to refund

52700. The board may cause refunding bonds to be issued as provided in this chapter for the purpose of refunding any outstanding bonds, including original issues and refunding issues.

Application of Chapter 3

52701. Refunding bonds issued pursuant to this chapter shall be issued in substantially the manner prescribed by Chapter 3 of this part for the issuance of refunding bonds, except as otherwise provided herein, and the provisions thereof concerning the authorization, issuance, exchange and sale of refunding bonds issued pursuant thereto shall be applicable to refunding bonds issued pursuant to this chapter.

Districts Securities Commission approval

52702. The board of a district proposing to issue refunding bonds pursuant to this chapter shall cause to be prepared a plan for the refunding of any or all of its outstanding bonds and shall submit the plan for the approval of the California Districts Securities Commission.

Election

52703. When the plan is approved by the California Districts Securities Commission, the board shall call and conduct an election of the landowners in the manner provided in Chapter 3 of Part 4 of this division for the purpose of authorizing the issuance of the refunding bonds.

Requirement

52704 Prior to the issuance of any refunding bonds pursuant to this chapter the board shall file with the county treasurer a copy of the refunding plan, certified copy of the order of the board providing for the issuance of the refunding bonds,

and a certified copy of the order of the California Districts Securities Commission approving the refunding plan and the issuance of refunding bonds.

52705. The refunding bonds may be in substantially the following form: Form

(Form of Bond)

UNITED STATES OF AMERICA

State of California

County of _____

Refunding Bond of

Reclamation District No. _____

Reclamation District No. _____, in the County of _____, in the State of California, a reclamation district duly organized and existing under and pursuant to the laws of said State, is indebted to and promises to pay to the bearer hereof, for value received, the sum of _____ dollars ($_____), on the _____ day of _____, 19___, (unless before that date this bond is called for redemption, and payment hereof provided for, in the manner set forth in the refunding plan hereinafter mentioned) with interest thereon at the rate of _____ per cent (_____%) per year from _____, 19___, to and including the date of maturity of this bond. Said interest shall be payable on the first day of January and the first day of July of each year. Said principal and interest are payable in lawful money of the United States of America at the Office of the Treasurer of the County of _____, State of California, and are payable only on presentation and surrender of the proper interest coupons hereto attached as the same mature.

This refunding bond is one of an authorized issue of refunding bonds of said district in the aggregate principal amount of _____ dollars ($_____), known as the _____ Refunding Issue, all of like date and tenor, and all issued under and subject to the provisions of a refunding plan dated _____, to which refunding plan reference is hereby made for the statement of the nature and extent of the security, the rights of the holders of the refunding bonds and of the interest coupons in respect thereto and the terms and conditions upon which the refunding bonds are issued and secured, to all of the provisions of which refunding plan, the bearer or registered owner of this refunding bond, by his acceptance hereof, assents. This refunding bond is issued by authority of the provisions of Division 15, Part 8, Chapter 4, of the Water Code of the State of California, and pursuant to a vote of the landowners of said district at an election duly called, held and canvassed in conformity with the requirements of said chapter, and the bonds of this issue are issued for the purpose of refunding _____ dollars ($_____) of the principal amount of the bonds of this district, and outstanding on the _____ day of _____, 19___, and this bond is secured by an assessment or assessments levied on the lands of said district and filed in the Office of the County Treasurer of said County of _____ on the _____ day of _____, 19___.

It is hereby recited, certified and declared that this refunding bond is issued in strict conformity with the Constitution and laws of the State of California, and with proceedings of said reclamation district authorizing the same, and that all acts, conditions and things required to exist, happen and to be performed precedent to and in the issuance of this refunding bond, have existed, happened and been performed in regular and due time, form and manner as required by law, and that this refunding bond together with all other indebtedness and obligations of said reclamation district does not exceed any limit prescribed by the Constitution or Statutes of the State of California.

It is further certified, recited and declared that the indebtedness which this bond is issued to refund, is a valid, subsisting, outstanding and legally binding indebtedness, evidenced by bonds and coupons of said district, and that this refunding bond shall be applied only to the refunding of the indebtedness for which it is issued, and for no other purpose.

This bond is subject to call and redemption on any interest payment date at not exceeding the par value thereof and accrued interest as provided in said refunding plan.

In testimony whereof, the said district by its board of trustees, has caused this bond to be signed by the president of said board and attested by the Auditor of said County of _____ with his seal of office affixed this _____ day of _____, 19___.

_____
President of said board.

Attest: _____
Auditor of the County of _____,
State of California.

Form of coupons

52706. The interest coupons to be attached to the refunding bonds may be in substantially the following form:

No. _____ $_____

The County Treasurer of _____ County, California, will pay to the holder hereof on the _____ day of _____, 19___, (unless before that date the within bond is called for redemption, and payment hereof provided for, in the manner set forth in the refunding plan referred to in said bond), at his office in the County of _____, the sum of $_____ in lawful money of the United States out of funds of Reclamation District No. _____, for interest due on said date on refunding bond of said district, No. _____.

_____
County Auditor.

Validation action Venue

52707. At any time within 30 days after the refunding bonds are delivered to the county treasurer, an action may be commenced in the superior court of the principal county to have it determined that the refunding bonds are a legal obligation of the district.

Same Procedure

52708. The action shall be commenced and prosecuted as provided in Chapter 1, Article 2, of this part for the validation of bonds and refunding bonds.

Sale, exchange of bonds

52709. Refunding bonds issued pursuant to this chapter may be sold from time to time in the same manner as other bonds of the district, or may be exchanged for other bonds of the district upon terms and conditions approved by the California Districts Securities Commission.

Cancellation of bonds

52710. The outstanding bonds refunded or exchanged shall be immediately canceled by the county treasurer.

Maturity

52711. The maturity of the refunding bonds issued pursuant to this chapter and the rate of interest thereon shall be fixed by the board, but in no case shall the maturity of any of the refunding bonds exceed 50 years nor the rate of interest exceed 6 percent per year, payable semiannually.

Basis

52712. An issue of refunding bonds issued pursuant to this chapter shall be based upon and payable out of the assessment from which the bonds to be refunded were payable, and shall mature at one time.

Expenses

52713. The board may, with the approval of the California Districts Securities Commission, make expenditures, or incur indebtedness, and issue warrants therefor to pay the cost and expenses incident to any refunding plan or in connection with the refunding of its bonds.

Alternate method

52714 The authority to issue refunding bonds pursuant to this chapter is in addition to the authority granted by Chapter 3 of this part, and nothing in this chapter shall be deemed to amend or modify Chapter 3 of this part or be applicable to refunding bonds issued under the provisions thereof, except that the procedure specified in that chapter, insofar as it is adopted herein, is a part hereof, it being the intent of the Legislature to provide an alternative method of issuing refunding bonds.

Article 2. Sinking Fund

Duty to provide sinking fund

52730. The board, prior to, or at the time of, issuance of the refunding bonds under the provisions of this chapter, shall provide for the creation of an annual sinking fund for the payment of the refunding bonds in amounts determined by the board with the approval of the Districts Securities Commission.

Levy required

52731. The county treasurer, at least 90 days before the first day of January in each year during which the refunding bonds are outstanding, shall levy and collect a call against the assessment securing the payment of the principal and interest of the refunding bonds, in addition to all other calls required by law to be made, sufficient to provide the amounts of such sinking fund payments for the then current year.

Modification of fund payment

52732. Ninety days, or more, before the first day of January in any year the board may, with the approval of the California Districts Securities Commission, modify the amount of the sinking fund payment.

Approval of modification

52733. If the California Districts Securities Commission approves a modification of the sinking fund payment, it shall forthwith mail the county treasurer a copy of its order approving the modification.

Same Statement

52734. An order of approval shall state specifically the amount to be called by the county treasurer if the amount is less than that stated in the sinking fund schedule.

Deposit of surplus

52735. In any year in which the district has surplus funds from other sources available for the sinking fund payment and has deposited such funds in the sinking fund the call of assessment for sinking fund purposes for that year shall be limited to any amount by which the amount of the sinking fund payment exceeds the amount of surplus funds so deposited.

Permissible investments

52736. The board may invest the money in the sinking fund in bonds of the United States or of the State of California, and hold the bonds so purchased, and the income therefrom, as part of the sinking fund until such time as the board determines that it is for the best interests of the district that all or part of such bonds be sold.

Proceeds of sale

52737. The proceeds of sale of any bonds in which any part of the sinking fund is invested shall be deposited in the sinking fund.

Article 3. Redemption

Notice of invitation to sell bonds

52750. When the sinking fund contains at least ten thousand dollars ($10,000), the county treasurer shall, upon request of the board, by notice published once a week for two successive weeks in some newspaper published in the county where the office of the district is located and, in its discretion, in any other newspaper, invite sealed proposals for the sale to the district of any of its outstanding bonds or refunding bonds secured by the assessment out of which the sinking fund was created.

Same Content

52751. The notice shall state the amount available for the redemption of bonds or refunding bonds and shall specify when and where the proposals will be opened.

Proposals Opening

52752 All proposals shall be opened at the office of the county treasurer at an open meeting of the board convened at the time specified in the notice or at some subsequent time to which the meeting is adjourned.

Same Rejection

52753. Any or all proposals may be rejected by the county treasurer, and shall be rejected by him if requested to do so in writing by a majority of the board.

Private sale

52754. If no bids are received, or if the bids accepted are not sufficient to exhaust the money available for the purchase of outstanding bonds or refunding bonds, the county treasurer may, with the written assent of at least two members of the board, purchase at private sale with available money in the sinking fund, any of the refunding bonds for the payment of which the sinking fund was created.

Limitation

52755 No proposal to sell bonds to the district at a price in excess of the par value thereof shall be accepted.

52756. All bonds purchased with sinking fund moneys shall forthwith be canceled. Cancellation of purchased bonds

52757. The board may, by resolution adopted prior to the time of issuing any refunding bonds, provide for the call and redemption thereof, in numerical order, or by lot, as prescribed in the resolution, on any interest payment date prior to their fixed maturity, at not exceeding the par value thereof and accrued interest, in which event a statement to that effect shall appear on the face of the refunding bond. Callable refunding bonds

52758. Notice of redemption of callable refunding bonds shall be published once a week for three successive weeks in a newspaper of general circulation printed and published in the principal county. Notice of call

52759. The first publication of the notice shall be not less than 30 days nor more than 90 days prior to the date fixed in the refunding bonds for the redemption. Same Publication

52760. Interest on refunding bonds declared to be callable shall cease after the date fixed for redemption if the district has provided funds for the payment of the principal and interest thereof. Interest

CHAPTER 5. CREATION OF RESERVE FUND PURSUANT TO AGREEMENT WITH THE UNITED STATES

52850. When there is an agreement between a district and the United States of America, or any department or agency thereof, which provides for the issuance of refunding bonds of the district aggregating in principal amount a sum less than the principal amount of the bonds to be refunded and for the creation of a reserve fund to pay installments of principal or interest of the refunding bonds when the amount in the bond fund is insufficient to pay the installments, and when the unpaid principal amount of the assessment securing the bonds to be refunded is, or upon the carrying out of the plan for refunding provided in the agreement will be, in excess of the principal amount of bonds secured by the assessment, the board may declare by resolution that all or part of the excess of the assessment shall be called from time to time for the purpose of creating a reserve fund. Agreement to create reserve fund

52851. The money in the reserve fund shall be used to pay the installments of principal and interest of any outstanding bonds secured by the assessment when the amount in the bond fund is insufficient to meet such installments on any January 1st or July 1st, as the case may be. Use of fund

52852. If the bond fund contains a sum derived from an assessment securing the bonds to be refunded pursuant to the agreement which is in excess of the amount required to pay all installments of principal and interest due or to become due within six months upon all outstanding bonds secured by the assessment, the board may by resolution direct that the excess, or such part thereof as they deem advisable, be set apart for the purpose of creating a reserve fund. Excess in bond fund

Restoration reserve fund

52853. The county treasurer shall call such part of the principal of the assessment securing the refunding bonds, not exceeding the amount by which the unpaid principal amount of the assessment exceeds the principal amount of bonds secured thereby, as is necessary to restore the amount of depletion of the reserve fund caused by authorized payments therefrom.

Same Call

52854. The call shall be made at the time prescribed by Section 51420 for making the next call for the payment of principal or interest of the bonds after the reserve fund has been depleted.

Same Three year period

52855. The board may direct that the restoration of the reserve fund be effected over a period not exceeding three years next after the reserve fund was depleted, in which case not less than one-third of the amount of the depletion shall be restored during each of the three years.

Limitation

52856. No call for the purpose of creating a reserve fund shall be made until the United States, or department or agency thereof, has accepted 50 percent or more of the refunding bonds proposed to be issued under the plan.

Permissible investments

52857. The county treasurer may invest any money in the reserve fund in bonds of the United States or of the State of California, and bonds so purchased and held in the reserve fund may be sold by the county treasurer and the proceeds temporarily reinvested in such bonds

Same Timely sale

52858. Sales of bonds of the United States or of the State of California purchased with reserve fund money shall be made by the county treasurer in sufficient time that the proceeds may be applied to the purposes for which the reserve fund was created.

Disposition of excess funds

52859. The board of a district which has entered into an agreement pursuant to Section 52850, may, by resolution, direct that any money on deposit in the county treasury to the credit of any bond fund or bond reserve fund of the district, which was derived from an assessment against district lands securing said bonds and which is in excess of the amount required to pay principal and interest then due or to become due within six months thereafter upon bonds secured by the assessment, be applied to either or both of the following purposes:

(a) The purchase of bonds secured by the assessment.

(b) Deposit with the Federal Reserve Bank in San Francisco, California, subject to withdrawal therefrom only upon written orders of the district and the United States of America, or the department or agency thereof, including Reconstruction Finance Corporation, interested in the creation and maintenance of the fund, or by the district with the written consent of the United States of America, or the department or agency thereof, including Reconstruction Finance Corporation, interested in the creation and maintenance of the reserve fund.

Cancellation of bonds

52860. The county treasurer shall forthwith cancel all bonds purchased pursuant to subsection (a) of Section 52859.

Limitation Purchases

52861. No purchase of bonds shall be made pursuant to subdivision (a) of Section 52859 unless the unpaid principal

amount of the assessment securing such bonds is in excess of the principal amount of outstanding and authorized bonds secured by such assessment.

Same
Withdrawals

52862. No funds deposited pursuant to subdivision (b) of Section 52859 may be withdrawn except to pay the principal or interests upon any bonds of the district held by Reconstruction Finance Corporation, or its successors in interest, or for repayment to the treasurer of the district for the purposes and uses of the district.

PART 9. WARRANTS

CHAPTER 1. ISSUANCE, REGISTRATION AND PAYMENT

Article 1. General Provisions

Purposes

53000. The board may issue warrants drawn on the appropriate funds of the district to pay indebtedness of the district incurred in carrying out the works of reclamation and to raise money in anticipation of the collection of operation and maintenance assessment levies.

Types

53001. The board may draw demand warrants or time warrants, subject to the provisions of this part.

Demand warrants

53002. Demand warrants are warrants, drawn for any purpose, which are payable upon demand.

Time warrants

53003. Time warrants are warrants, based upon an operation and maintenance assessment, payable at a specified future date expressed in the warrant.

Date of warrant

53004. The date of a warrant is the date inserted as such on the face of the warrant.

Article 2. Demand Warrants

Form

53020. Demand warrants may be in substantially the following form:

Face

No._____ $_____

Office of the Board of Trustees of
Reclamation District No. _____

The Treasurer of _____ County will pay to the order of _____ out of Reclamation District No. _____ fund the sum of _____ dollars ($_____) for _____ allowed by the board of trustees of said Reclamation District No. _____.

Dated _____, 19___.

_____
_____
_____
Trustees

Attest:

_____
Secretary

Reverse

When registered this warrant bears interest at the rate of _____ percent per year, computed from the date of registration hereof.

This warrant will outlaw and cannot legally be paid four years after date, unless it is payable by its terms at a future date.

Pay to _____ or order _____.

Presented for payment but not paid for want of funds, this _____ day of _____, 19___.

_____

Treasurer of _____ County

Presentation, registration

53021. Demand warrants shall be presented to the county treasurer, and, if not paid on presentation, shall be registered and an endorsement of nonpayment made thereon.

Interest

53022. Demand warrants not paid on presentation shall bear interest from date of registration at the rate of not to exceed 7 percent per year.

Payment

53023. Demand warrants registered for nonpayment shall be paid by the county treasurer in the order of registration.

Article 3. Time Warrants

Time warrants When authorized

53040. When the board has filed an operation and maintenance assessment roll in the office of the county treasurer, and has directed an assessment levied against that roll to be paid in annual installments over a period of not to exceed five years, it may issue and sell, or otherwise dispose of, time warrants based upon, and in anticipation of, the collection of such assessment levy, to pay the expenses for the payment of which the assessment was levied on a cash basis, or for the purpose of paying any outstanding warrants payable from such assessment levy.

Form

53041. Time warrants may be in substantially the following form:

Face

No._____ $_____

Office of the Board of Trustees of
Reclamation District No. _____.
_____, California

The Treasurer of _____ County will, on the _____ day of _____, 19___, pay to the order of _____ out of Reclamation District No. _____ maintenance fund, the sum of _____ dollars ($_____), together with interest on said sum from date of registration of this warrant in the office of the county treasurer until paid at the rate of _____ percent per year, the interest payable on January 1st and July 1st of each year until this warrant is paid in full, upon the presentation of this warrant to said county treasurer.

This warrant is one of a series of warrants aggregating in face amount _____ dollars ($_____) all issued by the

above-named reclamation district, and payable out of the proceeds of levies made by the board of trustees of said district by order entered on the minutes of said board on the _____ day of _____, 19___, against an operation and maintenance assessment filed in the office of the treasurer of the above-named county on the _____ day of _____, 19___. This warrant and each of the warrants of said series are payable exclusively from the proceeds of said levies when collected.

Dated this _____ day of _____, 19___.

_____
_____
_____
Trustees

Attest:

_____
Secretary

Reverse

Registered this _____ day of _____, 19___.

_____ Treasurer of _____ County

This warrant will outlaw four years after it matures and cannot thereafter be legally paid unless extended by order of the board of trustees on or before maturity.

Interest Endorsements

Date Due	Date Paid	Amount Paid
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Transfer Endorsements

Limitation Amount

53042. The time warrants which may be issued to mature in any year shall not exceed the amount of the assessment installment payable in such year, and the principal amount of time warrants which is outstanding at any time shall not exceed an amount determined by multiplying the number of acres within the district by five dollars ($5).

Same Consideration

53043. No time warrants shall be issued, sold, or disposed of for less than the face amount thereof and accrued interest thereon to date of delivery.

Disposition of proceeds

53044. The proceeds from the issuance and sale of time warrants shall be deposited in the maintenance fund and shall be applicable to the payment of the expenses payable from that fund, or to the payment of outstanding warrants to the same

extent as funds collected upon the operation and maintenance assessment levies.

Registration

53045. Time warrants shall be registered with the county treasurer prior to their issuance.

Payment

53046. Time warrants shall be paid upon their due date upon presentation and surrender to the county treasurer.

Unpaid warrants

53047. If time warrants are not paid by reason of lack of funds, no further registration is required, and they shall continue to bear interest after their due date until paid, reissued, extended or canceled.

Same Priority

53048. Time warrants which are not paid on their due date because of lack of funds have priority and shall be paid out of the proceeds of the collection of the operation and maintenance assessment against which they have been issued, in preference to any demand warrants issued and registered after the date of registration of such time warrants which are payable out of the same assessment.

Repayment

53049. The county treasurer, upon the request of the board, shall pay all time warrants before the maturity thereof, providing there are sufficient funds, after payment of all outstanding demands warrants, and all such time warrants shall be presented for payment.

Article 4. Warrants Drawn on Maintenance Fund

Designation, form

53070. A demand warrant on the maintenance fund pursuant to Section 51546 shall designate that it is so drawn and is to be paid therefrom, and is not required to be in the form specified in Article 2 of this chapter.

Insufficient funds

53071. A demand warrant drawn on the maintenance fund shall be presented to the county treasurer and, if there is insufficient money in the maintenance fund to pay it, endorsement of that fact shall be made on the warrant by the county treasurer.

Registration, interest

53072. A demand warrant unpaid for want of funds at the time of presentation shall be registered by the county treasurer separately from other warrants of the district and shall bear interest from its date at the rate of 7 percent per year until paid, unless the board has adopted a lesser rate as authorized in Section 53300.

Payment Source, time

53073. A demand warrant issued pursuant to this article, shall be paid only from the maintenance fund, and, when registered, in the order of its registration.

Same Application of Art 2, Art 2, Ch 2

53074. The provisions of Article 2 of this chapter and Article 2, Chapter 2 of this part relating to the payment or renewal of a demand warrant apply to a warrant issued pursuant to this article.

Article 5. Warrants Drawn on Irrigation Fund

Designation, form

53090. A warrant drawn on the irrigation fund shall designate that it shall be paid therefrom, and is not required to be approved by the board of supervisors nor be in the form prescribed by Article 2 of this chapter.

53091. A warrant drawn on the irrigation fund shall be presented for payment to the county treasurer. Presentation

53092. If there is insufficient money in the irrigation fund to pay a warrant when presented, endorsement of that fact shall be made thereon by the county treasurer, who shall register it separately from other warrants of the district, and it shall thereafter bear interest from its date at the rate of 7 percent per year until paid. Insufficient funds

53093. All the provisions of Article 2 of this chapter and Chapter 2, Article 2 of this part relating to the payment or renewal of warrants apply to a warrant drawn on the irrigation fund. Application of Art 2, Art 2, Ch 2

CHAPTER 2. CANCELLATION AND REISSUANCE

Article 1. Permissive

53200. The board, at the request of the holder of any warrant, may cancel it and issue two or more warrants in lieu thereof. Request for reissuance

53201. If the canceled warrant has been registered each new warrant shall state that it is issued partly in lieu of a registered warrant, giving the dates of issuance and registration thereof, and upon registration of the new warrant it shall be considered as registered upon the date of registration of the canceled warrant. Registration

53202. New warrants issued pursuant to this article shall be issued for the principal only of the old warrant, but, upon registration, shall bear interest from the date of registration of the canceled warrant. Principal, interest

Article 2. Mandatory

53220. The board shall, on demand of the holder of any demand warrant outstanding one year or more, or any time warrant overdue one year or more, cancel the same and issue a new demand warrant for the face value of the old warrant, and a separate warrant for any interest then due thereon, or the board may allow a claim for the amount of any interest due on such warrant and may draw a warrant therefor. Overdue warrants

53221. Warrants issued for interest pursuant to this article shall not bear interest. Interest warrants

53222. Upon drawing an interest warrant the board shall endorse on the reverse of the old warrant the fact that interest has been paid to the date of drawing the interest warrant. Same Endorsement

53223. An interest warrant shall state that it is drawn for interest on warrant No._____ to _____ (date). Same Statement

53224. The board shall notify the county treasurer upon drawing an interest warrant, and he shall note on his register of warrants the fact that interest has been paid on the warrant for which the interest warrant was issued. Same Notification

53225. A demand warrant not paid or presented for reissuance within four years after its date, or a time warrant not Extension

paid within four years after its maturity may, upon the demand of the holder, be extended one or more times until repayment or reissuance, for a like period of four years from the date of each extension, upon presentation to the board, such extension being endorsed thereon by the board.

Cancellation

53226. The board and the county treasurer may cancel all warrants which have not been paid or reissued, or which have not been extended one or more times, within four years after the date of demand warrants, or within four years after the date of maturity of time warrants.

Article 3. Lost, Destroyed, Mutilated or Defaced Warrants

Duplicate warrants

53240. When the board is convinced by clear and unequivocal proof that a warrant of the district, without bad faith on the part of the holder, has been lost, destroyed, or so mutilated or defaced as to impair its value to the holder, and when such instrument is capable of being identified by number and description, the board may issue or cause to be issued a duplicate thereof having the same maturity, bearing like interest, and having the same number as the warrant proved to have been lost, destroyed, mutilated or defaced.

Written application

53241. A holder desiring to have a duplicate warrant issued shall make a written application to the board stating the facts, and shall accompany the application with a deposit of such a sum of money as is required by the board to cover the cost of preparing and issuing the duplicate.

Bond

53242. The holder of a lost or destroyed warrant shall file, with the application, a bond in double the face value of the lost or destroyed warrant.

Same Approval, terms

53243. The bond must be approved by the board and conditioned to indemnify and save harmless the district for any claim upon the lost or destroyed warrant.

Same Execution

53244. The bond of indemnification shall be executed jointly and severally by the holder and a corporate surety approved by the board and duly authorized to do business, and doing business, in the State.

Cancellation of mutilated, etc., warrants

53245. The holder of a mutilated or defaced warrant shall, at the time of filing the application for a duplicate, deliver the mutilated or defaced warrant to the board for cancellation.

Resolution

53246. The board, upon receipt of an application for the replacement of a lost, destroyed, mutilated, or defaced warrant, shall pass a resolution stating the facts, the filing of the application, the compliance with the conditions prescribed in this article and directing the officer who supervised the preparation and issuance of the original warrant to issue or cause to be issued a duplicate thereof.

Execution of duplicate warrant

53247. The duplicate warrant shall be signed by the same officers and issued in all respects as nearly as possible as the original instrument, and shall have all the force, effect and validity of the original warrant.

Chapter 3. Miscellaneous Provisions

Article 1. Interest Rate

Warrants Interest rate

53300. The board may provide, by resolution entered in its minutes, such rate of interest upon warrants as it deems reasonable, not to exceed 7 percent per year.

Article 2. Calling Warrants

Call

53320. When there is sufficient money in the hands of the county treasurer applicable to the payment of any outstanding warrants which have not been presented for payment, the county treasurer may give notice by one publication in some newspaper of general circulation published in the principal county that there is money available to pay certain warrants, giving their numbers in the order of their registration, and stating that at midnight of the date of the publication the warrants mentioned shall cease to bear interest, and thereafter interest on such warrants shall cease.

Article 3. Actions on Warrants

Limitation on actions

53340. An action based upon, or connected with, a demand warrant shall be commenced within four years from the date of the warrant, and an action based upon, or connected with, a time warrant shall be commenced within four years from the date of maturity of the time warrant.

Basis of payment

53341. If an action or proceeding based upon, or connected with, a demand warrant is commenced within four years after the date of the warrant, or within four years after the maturity of a time warrant, and final judgment is in favor of the holder or owner thereof, the warrant shall be paid the same as if it had been paid before the expiration of four years from the date of the warrant.

Disputed amount

53342. In any proceeding to compel the board to issue a warrant, if a controversy arises as to the amount that is due to the plaintiff, the court shall determine the same in the manner provided for determining controversies in other civil actions, and shall cause a writ to issue for any sums found to be due.

PART 10. CHANGES IN ORGANIZATION

Chapter 1. Consolidation

Notice Filing

53500. When the owners of a majority of the acreage of the land in each of two or more districts desire to consolidate and reorganize, they may do so by filing a notice signed by them with the county recorder of the county in which the greater portion of the lands of the combined district is situated, stating that they desire to consolidate and reorganize.

Same
Contents

53501. The notice shall state:

(a) The exterior boundaries of the districts.

(b) The name and number of each district.

(c) The number of acres of land that each district contains.

(d) The number of acres owned by each signer and the district in which his land is situated.

Consent to inclusion

53502. No land not included in one of the original districts shall be included in the reorganization and consolidation without the consent of the owner.

Recordation of notice

53503. The county recorder shall record the notice in a book kept for recording papers relating to reclamation districts, and shall make and forward a certified copy thereof to the State Lands Commission.

District number

53504. The State Lands Commission shall assign to the reorganized district the number of the original district containing the largest area of land, and the reorganized district shall thereafter be known by such number and all proceedings thereafter shall be the same as though the district was organized upon an original petition granted by the board of supervisors.

Effect on indebtedness, laws, etc

53505. The indebtedness of the original districts is not invalidated by their consolidation and reorganization, and all laws, rules, and regulations for assessing, levying, and collecting assessments in the original districts and for the issuance and sale of bonds, and all assessments and collections required to pay the outstanding indebtedness in those districts, remain operative until the indebtedness is paid.

Continued existence

53506. If a district which has issued bonds is consolidated so as to become a part of a new district, it shall be deemed as still in existence for the purpose of liquidating its original bonds, either by making calls on the assessments securing the bonds, from time to time as required, or by causing refunding bonds to be issued and sold pursuant to the provisions of Part 8, Chapter 3.

Limitation

53507. No reorganization and consolidation of districts under the provisions of this chapter shall be construed to legalize any indebtedness or any act of the original districts, or the officers thereof, prior to the reorganization and consolidation.

CHAPTER 2. CHANGE OF BOUNDARIES

Article 1. Separation

Conditions

53600. If landowners representing more than two-thirds of any body of lands within a district, which lands have not been reclaimed, desire to have the lands set off from the district, they shall, in addition to the petition required by Section 50301, show to the board of supervisors that the lands are capable of an independent reclamation, and that the district is not prosecuting its work of reclamation with reasonable diligence, or that the lands sought to be set off are not susceptible of practical reclamation in connection with the other district lands.

53601. A district separated pursuant to this article is liable for its just proportion of the legal indebtedness of the original district from which it was separated, when the same is ascertained by law. Liability

Article 2. Exclusion

53620. The boundaries of a district may be changed and parcels which were included within the boundaries of the district at or after its organization may be excluded therefrom in the manner prescribed in this article. Change of boundaries

53621. The owners in fee of one or more parcels within a district may jointly or severally file with the board of supervisors a petition praying that such parcels, and any other parcels contiguous thereto, be excluded from the district. Petition for exclusion

53622. The petition shall: Same Content

(a) State the grounds upon which it is claimed that the lands should be excluded from the district.

(b) Describe the boundaries of the district.

(c) Describe the boundaries of the lands of the petitioners which are included within the boundaries of the district.

53623. The petition shall be acknowledged in the manner and form required for a conveyance of land, and the acknowledgment has the same force and effect as evidence as the acknowledgment of such a conveyance. Same Acknowledgment

53624. The filing of the petition with the board of supervisors is deemed an assent by each of the petitioners to the exclusion from the district of all or a part of the lands mentioned in the petition. Same Effect

53625. The clerk of the board of supervisors shall publish a notice of the filing of the petition for at least two weeks in a newspaper of general circulation published in the principal county. Notice of hearing Publication

53626. If any portion of the land to be excluded from the district is situated outside the principal county, the notice shall be published in a newspaper published within each of the counties wherein such land is situated. Same

53627. If no newspaper is published in a county wherein publication is required, the notice may be posted for the prescribed period in at least three public places in the district, one of the notices being posted on the lands proposed to be excluded. Posting

53628. In addition to the notice by publication or posting, the clerk of the board of supervisors shall, at least 10 days before the day set for the hearing, mail a notice postage prepaid, to the post-office address of each person owning property within the district. Mailing

53629. The notice shall: Contents

(a) State that the petition has been filed.

(b) State the names of the petitioners.

(c) Contain a description of the lands mentioned in the petition.

(d) State the prayer of the petition.

(e) Notify all persons interested in, or who may be affected by, such change of the boundaries of the district to appear at the office of the board of supervisors at a time named in the notice and show cause in writing, if any, why the change of the boundaries of the district, as proposed in the petition, should not be made.

Time of hearing

53630. The time to be specified in the notice for appearance to show cause shall be at a regular meeting of the board of supervisors.

Hearing

53631. The board of supervisors, at the time and place mentioned in the notice, or at the time to which the hearing is adjourned, shall hear the petition, all evidence or proofs introduced by or on behalf of the petitioners, all written objections, and all evidence and proofs introduced in support of such objections.

Same. Evidence

53632. Evidence presented at the hearing shall be taken down in shorthand and a record made thereof and filed with the board of supervisors.

Failure to show cause

53633. The failure of any person interested in the district, other than the holders of bonds thereof outstanding at the time of the filing of the petition, to show cause in writing why the parcels mentioned in the petition should not be excluded from the district, is an assent by him to the exclusion of such parcels, or any part thereof, from the district.

Denial of petition

53634. If no evidence or proofs in support of the petition are introduced, or the evidence fails to sustain the petition, or the board of supervisors determines it is not for the best interests of the district that the lands, or some portion thereof, mentioned in the petition should be excluded therefrom, the board of supervisors shall order that the petition be denied as to such lands.

Approval of petition

53635. If the board of supervisors determines it is for the best interests of the district that the lands mentioned in the petition, or some portion thereof, be excluded from the district, and no person interested in the district shows cause in writing why the lands, or some portion thereof, should not be excluded therefrom, or, having shown cause, withdraws the same or fails to establish such objections as he has made, the board of supervisors shall forthwith make an order that the lands be excluded from the district.

Denial required

53636. The board of supervisors shall deny the petition if the landowners representing 10 percent of the assessed valuation of all the land within the district, as appears from the last preceding assessment roll, file written objections to the withdrawal of such land from the district.

Exclusion Determination of boundaries

53637. If the board of supervisors excludes any lands from the district upon petition therefor, it shall make an entry in its minutes describing the boundaries of the district if the exclusion changes the boundaries, and for that purpose may cause a survey to be made of such portions of the district as it determines to be necessary.

53638. A copy of the entry in the minutes of the board of supervisors excluding any land, certified by the clerk of the board of supervisors, shall be filed for record in the recorder's office in each county within which are situated any of the lands of the district. Recordation of exclusion entry

53639. The holders of bonds of the district outstanding at the time of the filing of the petition may severally consent in writing to the exclusion of the lands mentioned in the petition, or such portion thereof as may be excluded from the district by order of the board of supervisors. Bondholders' consent

53640. The assent must be acknowledged by the several bondholders in the manner and form required for a conveyance of land, and the acknowledgment shall have the same force and effect as evidence as the acknowledgment of such conveyance. Same Acknowledgment

53641. The assent shall be filed with the clerk of the board of supervisors and recorded in the minutes thereof. Same Filing

53642. A copy of the minutes of the board of supervisors containing the record of the bondholders' assent, certified by the clerk, shall be recorded in the office of the county recorder of each of the counties wherein the lands to be excluded are situated, and shall be admissible in evidence with the same effect as the bondholders' assent. Same Recordation

53643. When the bondholders' assent to the exclusion of land has been filed as provided in this article, and the lands, or any portion thereof, are thereafter excluded from the district, the lands so excluded shall be released from the lien of the outstanding bonds. Release from lien

53644. Except when the bondholders have consented to the exclusion of land as provided in this article, any land excluded from the district shall be held subject to liens therein, and answerable and chargeable with the payment and discharge of all outstanding obligations at the time of the filing of the petition for exclusion, and for the purpose of discharging such outstanding indebtedness, the lands so excluded shall be deemed part of the district the same as though the petition for exclusion had never been filed. Where no consent

53645. Land excluded from a district pursuant to this article is not chargeable for any obligation incurred after the filing of the exclusion petition with the board of supervisors. Subsequent obligations

53646. Neither a change of the boundaries of the district nor an exclusion of land therefrom shall impair or affect its organization, its right in or to property, or any of its rights or privileges of whatever kind or nature, nor shall it affect, impair, discharge any contract, obligation, lien, or charge for or upon which the district was, or may become, liable or chargeable had the change of its boundaries not been made, or had the land not been excluded therefrom. Effect of change, exclusion

53647. The expenses of giving the notice, and of the proceedings required in this article, shall be paid by the persons filing the petition. Expenses

Article 3. Inclusion

Application for inclusion

53660. The owners of a majority of acres of land in compact form, capable of being embraced in a district, and not a part of another district, desiring to have their lands included within a district may apply in writing to the board of the district to have their lands included within the district.

Petition

53661. The board, upon receipt of the application, shall file with the board of supervisors a petition to include the lands within the district.

Same Content

53662. The petition shall also set forth the following:

(a) A description of the lands sought to be included within the boundaries of the district.

(b) A description of the exterior boundaries of the district after the lands described in the petition are included therein.

(c) The names of each owner of record of the lands sought to be included within the exterior boundaries of the district.

(d) The benefits the lands will derive from the reclamation works of the district.

(e) The amount each parcel should be charged under any existing assessments for the construction of reclamation works unpaid at the time of the filing of the petition.

(f) The amount the lands, or any part thereof, should be charged under any previous assessments for reclamation works which have been paid in full prior to the time of the filing of the petition.

(g) In the event an assessment has been levied on the lands of the district pursuant to Part 7, Chapter 2, Article 3 of this division prior to the filing of the petition:

(1) The assessment value per acre of each parcel sought to be included in the district.

(2) The total assessment valuation of each parcel sought to be included in the district.

(h) The sum of money that would be due for calls theretofore made and paid on any assessment still a lien upon the lands in the district.

(i) The sum of money that would be due upon the parcels sought to be included, upon any assessment theretofore levied in the district, which has been paid in full prior to the filing of the petition.

(j) The sum due upon a call for the current year, made before the hearing of the petition, upon an assessment for operation and maintenance, on each parcel sought to be included.

Written request

53663. There shall be attached to, and made a part of, the petition a written request to have the lands included within the district, and a consent to the statements contained in the petition signed by the owners of the lands making the request to have their lands included in the district.

53664. When the petition is filed with the clerk of the board of supervisors, he shall give notice of: Notice

(a) The filing of the petition.

(b) The time when the petition will be presented to the board of supervisors.

(c) The time when the board of supervisors will consider objections, if any, to the petition for the inclusion of the lands.

53665. The notice shall be given by the clerk by posting copies thereof in three public places in the principal county. Same: Posting

53666. The notice shall be in substantially the following form: Same Form

"Notice to the Landowners of Reclamation District No _____.

Notice is hereby given that there has been filed with the County Clerk of the County of _____, a petition for the inclusion, within the boundaries of Reclamation District No. _____ of the following described parcel of land situate, lying and being in the county of _____ and more particularly described as follows, to wit:

(Description.)

That the Board of Supervisors of the County of _____ will hold a meeting at its office in the City of _____, County of _____, State of California, on the _____ day of _____, 19___, at _____ o'clock ___m. at which time any person interested may appear and object to the inclusion of said lands within said Reclamation District No. _____."

That at the hearing the board of supervisors shall hear such evidence as is offered in respect to the petition and shall thereafter grant or deny the petition, or may grant the petition as to a part of the lands sought to be included and deny the petition as to the remainder of the lands sought to be included.

53667. The hearing upon the petition shall be held by the board of supervisors at any time after 15 days following the day on which the petition is filed with the clerk of the board of supervisors. Hearing Time

53668. At the hearing the board of supervisors shall hear evidence offered in respect to the petition and shall grant or deny the petition, or shall grant the petition as to part of the lands and deny the petition as to the remainder. Same Evidence, action

53669. The order of the board of supervisors granting a petition shall: Order

(a) Describe the exterior boundaries of the district after the inclusion of any of the lands described in the petition.

(b) State the amount of the assessment levied on each parcel being included within the boundaries of the district under all existing, outstanding, and unpaid assessments for the construction of reclamation works.

(c) Prescribe the sum to be paid by the owners of the respective parcels being included within the boundaries of the district upon calls made on assessments theretofore made and paid upon other lands in the district.

(d) State the assessment valuation per acre and the total assessment valuation of each parcel being included within the

boundaries of the district under any existing assessment for operation and maintenance theretofore levied in the district.

(e) Prescribe the sum to be paid by the owners of the respective parcels being included within the boundaries of the district for calls made during the year in which the petition was filed under assessments for operation and maintenance.

(f) Prescribe the sum to be paid by the owners of the respective parcels being included within the boundaries of the district upon any assessment for reclamation work theretofore levied and wholly paid prior to the inclusion of the lands within the district.

(g) Prescribe the sum due upon each parcel being included within the boundaries of the district upon a call made upon an assessment for operation and maintenance.

(h) If it is deemed advisable, require the payment of any sums on account of any assessment in such installments as the board of supervisors orders. The amount and time of payment of the installments shall be specified in the order.

Payment

53670. The owners of the parcels described in the order of the board of supervisors shall, within 30 days, pay to the county treasurer any sums of money fixed in the order as being due upon assessments.

Inclusion order

53671. The board of supervisors, upon presentation of the receipt of the county treasurer showing the payment of the sum fixed in the order, shall make its order including the parcels within the district, and shall include in the order a description of the exterior boundaries of the district after the inclusion of the lands.

Same Filing

53672. When the board of supervisors has made the order including the lands within the district, the board of trustees shall file a certified copy of the petition, and a certified copy of the order of the board of supervisors including the lands within the district, in the office of the county recorder of the county in which the lands are situated, and, also, with the State Lands Commission.

Same

53673. The board shall file with the officer having custody of the assessment lists certified copies of the petition and orders of the board of supervisors.

Assessment list entries

53674. The officer having custody of the assessment lists shall, when the petition and orders of inclusion are filed with him, enter the lands and amounts stated in the order of, and fixed by, the board of supervisors upon the assessment list of the district.

Assessments Lien

53675. All assessments, as fixed by the board of supervisors, are a lien upon the lands from the date of the filing of the certified copy of the petition for the inclusion of lands and the order including the parcels within the district, and shall be collected in the manner provided in this division for the collection of assessments.

Same: Installment payment

53676. If the inclusion order of the board of supervisors directs that the amount due at the time of the inclusion shall

be payable in installments, default of the payment of any installment thereof shall render the installment delinquent, and it shall be subject to the same penalties, and collectible in the same manner, as any other assessment.

Credit of payments

53677. All payments made to the county treasurer pursuant to the order of the board of supervisors shall be credited to the proper fund of the district.

Effect of inclusion

53678. No proceeding to include land within a district pursuant to this article shall invalidate or act as a reapportionment of any existing assessment in a district.

CHAPTER 3. DISSOLUTION

Petition, election

53700. When landowners representing at least 50 percent of the lands of the district, as shown by the last county assessment rolls, file with the board a petition requesting dissolution of the district, the board shall submit the question of dissolution to the voters of the district at the next biennial election.

Limitation

53701. The board is not required to accept a petition for the dissolution of the district within 10 days preceding the biennial election.

Order

53702. If 60 percent of the votes cast at the election favor the dissolution of the district, the board, within 60 days thereafter, shall file for record in the office of the county recorder a certified copy of an order declaring the district dissolved, cease all activities, and proceed immediately to wind up the affairs of the district.

Disposition of properties

53703. The board, within 60 days after an election for dissolution has carried, may dispose of any of the physical properties, consisting of ditches, canals, laterals and other reclamation works, of the district to any irrigation district within its boundaries for the use and benefit of the lands of the reclamation district.

Delivery of property, etc

53704. The board, within 90 days after the election, shall deliver all property and assets in its possession, belonging to the district, to the clerk of the board of supervisors of the county to be held and used by him for the best interest of the district.

Transfer of funds

53705. Funds which are in the hands of the county treasurer to the credit of the district, or to which the district may thereafter become entitled, shall be transferred to the credit of the county in which the district is located, and shall be expended by the board of supervisors for the benefit of the district.

Claims Presentation, approval

53706. Claims and accounts against the district which are not settled by the board within 90 days after the election authorizing the dissolution of the district shall be presented to the board of supervisors of the county in which said district was located and shall be passed and approved by them in the same manner as county claims.

Same Payment

53707. Claims and accounts against the district shall be paid out of the funds of the dissolved district.

Insufficient funds

53708. If there are insufficient funds to discharge all claims and accounts, the board of supervisors, at the time of levying the next general county taxes, shall make a levy upon the property of the dissolved district sufficient in amount to discharge all outstanding claims and accounts against the district.

CHAPTER 4. TRANSFER OF DISTRICTS FROM ONE COUNTY TO ANOTHER

Change of county boundaries

53800. When a district, by a legislative act changing county boundaries, is transferred wholly from one county to another, the board of supervisors of the county to which the district is transferred, shall exercise all of the jurisdiction, power, and authority over the district theretofore exercised by the board of supervisors of the county wherein the district was originally formed.

Effect of transfer

53801. The board of supervisors of the county to which the district is transferred, the officers thereof, and the officers of the district shall thereafter perform all acts required to be performed in connection with the district with the same authority and effect as though the district had been originally organized within that county.

Transfer of funds

53802. The auditor and treasurer of the county to which a district is transferred shall draw their warrant upon the treasurer of the county within which the district was previously situated for all of the funds of the district in the treasury of such county, and the funds shall be so transferred into the treasury of the county to which the district is transferred.

Collections

53803. After a district is transferred to another county, all assessments shall be collected and paid into the treasury of the county to which the district is transferred.

Partial transfer

53804. When, by any change of county boundaries made by the Legislature of this State, any district is transferred in whole or in part to another county than the one within which it was organized, then as to such part of the district so transferred to another county, the same power and authority shall exist, and the same proceedings shall be had in the conduct and management of the district, and in the levy and collection of assessments, and in all other ways with respect to its conduct and management, as though it had been originally organized in the county where it was organized and partially in the county to which it is transferred.

Transfer of records

53805. When a district is transferred in whole or in part to another county from that in which it was organized, all proceedings, petitions or orders which should have been recorded in the county to which the district is in whole or in part transferred shall be copied and certified by the officer having custody thereof, transferred to, and recorded in, such county.

PART 11. REPEALS

53900. The following sections of the Political Code are repealed: Repeals

3446	3463	3478
3447	3464	3479
3448	3465	3480
3449	3466	3480a
3450	3466a	3480b
3451	3466.6	3480d
3452	3466b	3480e
3453	3466½ (As amended by	3480f
3454	Chapter 177 of the	3480(g)
3454a	Statutes of 1915)	3480(h)
3454b	3466½ (As amended by	3480½
3454½	Chapter 374 of the	3481
3455	Statutes of 1921)	3482
3456	3467	3483
3456a	3468	3484
3456a½	3469	3485
3456c	3470	3488
3457	3471	3489
3457a	3472	3489a
3457b	3473	3489b
3458	3474	3490
3459	3475	3491
3460	3476	3492
3461	3476a	3493
3462	3477	3493a
3462a		3493b

53901. The following acts are repealed: Repeals

Yr.	Ch.	Pg.
1881	59	68
1893	147	174
1895	174	197
1899	16	13
1909	616	933
1913	72	75
1913	365	777
1917	562	781

CHAPTER 337

An act authorizing the Director of Finance to convey certain property to the University of California.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. The Director of Finance is authorized to convey to the Regents of the University of California for use in agricultural research all at one time or in part from time to time Woman's Relief Corps Home

those parcels of land, together with any improvements thereon, now presently known as the Woman's Relief Corps Home of California under the jurisdiction of the Department of Veterans Affairs and situated in the County of Santa Clara, State of California.

Limitation

SEC. 2. In making any conveyance pursuant to the provisions of this act, the Director of Finance shall provide that any part of said property which has not been conveyed to the Regents of the University of California shall until it may later be so conveyed remain subject to the jurisdiction and control of the Department of Veterans Affairs.

Reversion to State

SEC. 3. The Regents of the University of California may by resolution at any time or from time to time determine that the whole or any part of said property is no longer desirable or necessary for use in agricultural research, and upon the recording of such resolution in the official records of the County of Santa Clara, State of California, the fee title to said property described in such resolution shall revert to and vest in the State of California.

State Lands Commission

SEC. 4. A copy of the deed of conveyance executed and delivered by the Director of Finance pursuant to this act shall be delivered to the State Lands Commission.

CHAPTER 338

An act to amend Sections 9604, 9605, 9675, 9677, and 9715, and to add Sections 9608.5, 9684, 9685, 9686, 9700.5, 9700.6, 9702.1, 9702.2, and 9702.3 to the Business and Professions Code of the State of California, relating to cemetery brokers.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9604 of the Business and Professions Code is amended to read:

Cemetery broker

9604. A cemetery broker is a person who, other than in reference to an occasional sale, sells or offers for sale, buys, or offers to buy, lists, leases or offers to lease, or solicits, or negotiates the purchase or sale, lease or exchange of cemetery property, or interest therein, for his own account or for another.

SEC. 2. Section 9605 of the Business and Professions Code is amended to read:

Cemetery salesman

9605. A cemetery salesman is a natural person who, other than in reference to an occasional sale, is employed by a cemetery broker to sell, or offer for sale, list or offer to list, or to buy, or to offer to buy, or to lease, or offer to lease, or to solicit, or to negotiate the purchase or sale or lease or exchange of cemetery property, or any interest therein, for his own account or for another.

SEC. 3. Section 9608.5 is added to the Business and Professions Code, to read:

"Occasional sale"

9608.5. An "occasional sale" is a sale of cemetery property not acquired or held for purposes of resale or speculation, provided such sale is not one of a series of sales sufficient in number, scope and character to constitute engaging in the business of selling or reselling or holding for speculation cemetery property.

SEC. 4. Section 9675 of the Business and Professions Code is amended to read:

Exemption

9675. This article does not apply to the following cases or to the following persons:

(a) A person acting with reference to an occasional sale of his own property.

(b) The regular officers of a cemetery corporation holding a certificate of authority acting with reference to the corporation's property when they receive no special compensation therefor.

(c) Persons making an occasional sale under a duly executed power of attorney from others.

(d) The services rendered by an attorney at law in performing his duties as such.

(e) A receiver, trustee in bankruptcy, any person acting under orders of any court, or a trustee selling under a deed of trust.

(f) A real estate broker or real estate salesman, acting as such in connection with the sale, lease or exchange of real property, or interest therein, when the transfer of cemetery property is purely incidental to the sale, lease or exchange of real property.

SEC. 5. Section 9677 of the Business and Professions Code is amended to read:

Acts of broker or salesman

9677. Any act other than an occasional sale of buying or selling, leasing or exchanging cemetery property of or for another or on his own account, or offering for another or for his own account to buy or sell, lease or exchange cemetery property, or negotiating the purchase or sale, lease or exchange of cemetery property, or negotiating the purchase or sale, lease or exchange, or listing or soliciting, or negotiating a loan on or leasing of cemetery property constitutes the person making such offer, sale or purchase, exchange or lease, or negotiating the loan, or listing or soliciting, a cemetery broker or cemetery salesman.

SEC. 6. Section 9684 is hereby added to the Business and Professions Code, to read:

Advertising

9684. Each cemetery broker, other than a cemetery corporation holding a certificate of authority, and each cemetery salesman must include in any advertising a statement that he is acting as a cemetery broker or cemetery salesman.

SEC. 7. Section 9685 is hereby added to the Business and Professions Code, to read:

Disciplinary action

9685. For violation of any of the provisions of Section 9686 the board may temporarily suspend or permanently revoke the license of the cemetery licensee in accordance with the provisions of this act relating to disciplinary proceedings.

SEC. 8. Section 9686 is hereby added to the Business and Professions Code, to read:

Misdemeanor

9686. Any person, other than a person making an occasional sale, who advertises cemetery property for sale or exchange, without being duly licensed as a cemetery broker or a cemetery salesman, or without possessing a certificate of authority as a cemetery corporation, is guilty of a misdemeanor. If such person is a corporation, it shall be punished by a fine of not to exceed five thousand dollars ($5,000).

SEC. 9. Section 9700.5 is hereby added to the Business and Professions Code, to read:

Noncitizens

9700.5. The board shall not grant an original cemetery broker's license to any person who is not a citizen of the United States.

This section shall not affect the right of a noncitizen now holding a cemetery broker's license to renewal or reinstatement of his license in accordance with the provisions of this section.

SEC. 10. Section 9700.6 is hereby added to the Business and Professions Code, to read:

Limitations

9700 6. The board shall not grant an original cemetery broker's license to any person who has not held a cemetery salesman's license for at least two (2) years prior to the date of his application for the broker's license, and during such time was not actively engaged in the business of a cemetery salesman except that if an applicant for a cemetery broker's license having at least the equivalent of two (2) years' general cemetery experience files a written petition with the Cemetery Board setting forth his qualifications and experience and the Cemetery Board approves, he may be issued a cemetery broker's license immediately upon passing the appropriate examinations and satisfying the other requirements of this article.

SEC. 11. Section 9702.1 is hereby added to the Business and Professions Code, to read:

Investigation of qualifications

9702.1 The board shall investigate the qualifications of the applicants. Except as otherwise prescribed in this article, it may issue the license applied for to an applicant on a showing satisfactory to it that the following facts exist:

(a) The applicant is properly qualified to perform the duties of a cemetery broker or salesman.

(b) Granting the license will not be against public interest.

(c) The applicant intends actively and in good faith to carry on the business of a cemetery broker or a cemetery salesman.

(d) In the case of a corporate applicant, the Articles of Incorporation permit it to act as a cemetery broker.

(e) In the case of an association or copartnership applying for such a license its articles of association or agreement of partnership authorize it to act as a cemetery broker.

(f) The license is not being secured for the purpose of permitting the applicant to advertise as a cemetery broker or salesman without actually engaging in such business.

(g) The applicant is of good business reputation.

SEC. 12. Section 9702.2 is hereby added to the Business and Professions Code, to read:

Broker's bond

9702.2. All cemetery brokers who do not possess a certificate of authority shall in addition to the requirements of this chapter file with said board a satisfactory bond to the people of the State of California, duly executed by a sufficient surety or sureties to be approved by the board, in the amount of five thousand dollars ($5,000). Said bond shall be conditioned for the honest and faithful performance by such broker and his salesmen and employees of any undertaking as a licensed cemetery broker or salesman or employee of said broker at any time when licensed under this chapter, and the strict compliance with the provisions of this chapter and of Division 8 of the Health and Safety Code relating to cemeteries, and the honest and faithful application of all funds received. Said bond shall be further conditioned upon the payment of all damages suffered by any person damaged or defrauded by reason of the violation of any of the provisions of this chapter or of Division 8 of the Health and Safety Code relating to cemeteries, or by reason of the violation of the obligation of such broker as an agent, as such obligations are laid down by the Civil Code of the State of California, or by reason of any fraud connected with or growing out of any transactions contemplated by this chapter or Division 8 of the Health and Safety Code.

SEC. 13. Section 9702.3 is hereby added to the Business and Professions Code, to read:

Cause of action

9702.3. Any person who sustains an injury covered by such bond or is injured by the failure of a cemetery broker, his salesmen or employees, to perform their duties or to comply with the provisions of this chapter or of Division 8 of the Health and Safety Code, or of the provisions of the Civil Code relating to the obligations of agents, shall have the right in his own name to commence an action against said cemetery broker and his sureties for the recovery of any damages sustained by the failure or omission by said cemetery broker to perform his duties or obligations or any of them or to comply with the provisions of this chapter or of Division 8 of the Health and Safety Code or of any of them. It shall be the duty of the board to see that such bond remains and is kept good.

SEC. 14. Section 9715 of the Business and Professions Code is amended to read:

Certificate of authority: Application

9715. Applications in writing for a certificate of authority shall be made by a cemetery corporation to the board accompanied by the fee provided for in this act. Such application must show that the cemetery corporation owns or is actively operating a cemetery in this State which is subject to the provisions of the Cemetery Act.

CHAPTER 339

An act to amend Section 11611 of the Business and Professions Code, relating to subdivision maps.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11611 of the Business and Professions Code is hereby amended to read:

Subdivision maps Approval

11611. The governing body shall at its next meeting or within a period of not more than 10 days after the filing approve the map if it conforms to all the requirements of this chapter and of any local ordinance applicable at the time of approval of the tentative map, or any rulings made thereunder.

The time limit for the approval of such map may be extended by mutual consent of the subdivider and the governing body. If no action is taken within such time limit or within the time to which it has been extended by such mutual consent, the map, if it conforms to all the requirements above set forth, shall be deemed to be approved, and it shall be the duty of the clerk of the governing body thereupon to certify the approval.

The governing body shall at that time also accept or reject any or all offers of dedication and shall, as a condition precedent to the acceptance of any streets or easements, require that the subdivider, at his option, either improve or agree to improve the streets or easements in accordance with standards established by such governing body by local ordinance.

The standards may be adopted by reference, without posting or publishing them, if they have been printed in book or pamphlet form and three copies thereof have been filed for use and examination by the public in the office of the clerk of the local agency prior to the adoption.

CHAPTER 340

An act to amend Section 13145 of the Government Code, relating to refunds by state agencies.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 13145 of the Government Code is amended to read as follows:

Authorization to retain refunds

13145. Upon authorization of the State Board of Control, state agencies may retain refunds where the amount of each refund is two dollars ($2) or less and demand for the payment of such refund is not made prior to the expiration of six months

after the refund becomes due or six months after the effective date of this section, whichever last occurs. State agencies desiring to secure such authorization shall file an application for such purpose with the State Board of Control accompanied by a statement of the circumstances.

CHAPTER 341

An act to amend Sections 667.1 and 960 of the Welfare and Institutions Code, and to add Section 961 to said code, all relating to the establishment and maintenance of public schools.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 667.1 of the Welfare and Institutions Code is amended to read:

Maintenance of schools by county superintendent

667.1. The board of supervisors may, by ordinance, provide that schools established and maintained pursuant to Section 667 shall be maintained by the county superintendent of schools in which case the county superintendent of schools shall have the same powers and duties with respect to such schools as the governing board of a school district would have were said schools maintained by the school district under the provisions of this article, and the county board of supervisors shall have the same powers and duties with respect to such schools as though the schools were maintained by a school district under the provisions of this article.

SEC. 2. Section 960 of said code is amended to read:

Schools in juvenile homes or camps

960. The board of supervisors may, by ordinance, direct the county superintendent of schools to establish and maintain public schools in any juvenile home or camp established in the county under this article of such grade or grades as may be, in the judgment of the county superintendent of schools, necessary. The board of supervisors shall provide suitable buildings and equipment for such schools.

Such school or schools when established shall be maintained subject to and in accordance with all laws relating to schools maintained by a county superintendent of schools in a detention home under Article 5 of Chapter 2 of Part 1 of this division.

SEC. 3. Section 961 is added to said code, to read:

Alternative procedure

961. The board of supervisors, in lieu of proceeding under Section 960, may provide for the establishment of an elementary public school and of a secondary public school in connection with a juvenile home or camp, for the education of children in the juvenile home or camp. The board, by ordinance, may provide for the establishment and maintenance of school facilities in the juvenile home or camp and such schools shall be maintained by

the respective governing boards of the elementary school district and of the high school district in which the juvenile home or camp is located.

Such school when established shall be maintained subject to and in accordance with all laws relating to schools maintained by a school district in a juvenile hall under Article 5 of Chapter 2 of Part 1 of this division.

CHAPTER 342

An act to regulate sales of motor vehicles, and for that purpose to add Chapter 1a to Division 8 of the Business and Professions Code and to amend Section 2982 of the Civil Code.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 1a is added to Division 8 of the Business and Professions Code, to read:

CHAPTER 1a. AUTOMOBILE DEALERS

Misdemeanor

18450. It is a misdemeanor, in connection with the sale of a motor vehicle by a person engaged in the business of selling motor vehicles at retail, for such person to accept assignment of an insurance policy, or rights thereunder, pertaining to any motor vehicle traded in by the purchaser, unless all amounts realized on such policy or rights by such person be credited by the dealer to the buyer on the next monthly payment due or same shall be refunded to the buyer.

Civil damages

18451. The purchaser of a motor vehicle may recover from the seller in a civil action three times the amount realized on any insurance policy, or rights thereunder, assignment of which has been accepted in violation of Section 18450.

SEC. 2. Section 2982 of the Civil Code is amended to read:

Conditional sales contracts. Contents

2982. (a) Every conditional sale contract for the sale of a motor vehicle, with or without accessories, shall be in writing and shall contain all of the agreements between the buyer and the seller relating to the personal property described therein. It shall be signed by the buyer or his authorized representative and by the seller or its authorized representative, and when so executed an exact copy thereof shall be delivered by the seller to the buyer at the time of its execution. It shall recite the following separate items as such, in the following order:

1. The cash price of the personal property described in the conditional sale contract.

2. The amount of the buyer's down payment, and whether made in cash or represented by the net agreed value of described property traded in, or both, together with a statement

of the respective amounts credited for cash and for such property. As soon as received by the dealer the dealer shall refund to the buyer or credit to the buyer on the next payment due the amount realized on any insurance policy, or rights thereunder, assigned to the seller by the buyer in connection with the conditional sale. Failure of the dealer to comply with the foregoing provision shall in no way affect the validity or enforceability of the conditional sale contract.

3. The amount unpaid on the cash price, which is the difference between Items 1 and 2.

4. The cost to the buyer of any insurance, the premium for which is included in the contract balance.

5. A description and itemization of amounts, if any, which will actually be paid by the seller or his assignee to any public officer as fees in connection with the transaction, which are included in the contract balance.

6. The amount of the unpaid balance, which is the sum of Items 3, 4, and 5.

7. The amount of the time price differential.

8. The contract balance owed by the buyer to the seller, which is the sum of Items 6 and 7.

9. The number of installments required to pay the contract balance, the amount of each installment, and the date for payment of the installments.

Insurance

(b) If any charge for insurance is included in the amount paid or to be paid by the buyer under any conditional sale contract for the sale of a motor vehicle, with or without accessories, an insurance policy or policies or a certificate of insurance under a master policy shall be issued and the seller shall within 30 days after the execution of the conditional sale contract send or cause to be sent to the buyer the original or an exact copy of such policy or policies or certificate.

Time price differential

(c) The amount of the time price differential in any conditional sale contract for the sale of a motor vehicle, with or without accessories, shall not exceed 1 percent of the unpaid balance multiplied by the number of months, including any excess fraction thereof as one month, elapsing between the date of such contract and the due date of the last installment, or twenty-five dollars ($25), whichever is greater, provided that such contract may provide for interest on any delinquent installment from and after the date of delinquency, and for reasonable collection costs and fees in the event of delinquency.

Payment before maturity

(d) Any provision in any conditional sale contract for the sale of a motor vehicle to the contrary notwithstanding, the buyer may satisfy in full the indebtedness evidenced by such contract at any time before the final maturity thereof, and in so satisfying such indebtedness shall receive a refund credit thereon for such anticipation of payments. The amount of such refund shall represent at least as great a proportion of the time price differential, after first deducting from such time price differential a minimum charge of not to exceed twenty-five dollars ($25), as the sum of the periodic time balances after the

month in which such contract is paid in full bears to the sum of all of the periodic time balances under the schedule of payments in the contract, both sums to be determined according to the monthly balances which would result if the indebtedness were paid according to the terms of the contract; provided, however, that the provisions of this subsection shall not impair the right of the seller or his assignee to receive a minimum time price differential of twenty-five dollars ($25), or to receive interest on delinquent installments or reasonable collection costs and fees, as provided in subsection (c) of this section; and provided further, that where the amount of such refund credit would be less than one dollar ($1), no refund need be made.

Violation

(e) If the seller, except as the result of an accidental or bona fide error in computation, shall violate any provision of subdivisions (c), or (d) of this section the conditional sale contract shall not be enforceable, except by a bona fide purchaser for value, and the buyer may recover from the seller in a civil action the total amount paid on the contract balance by the buyer to the seller or his assignee pursuant to the terms of such contract.

Same

(f) If the holder of such contract, except as the result of an accidental or bona fide error in computation, shall violate any provision of subdivision (d) of this section, the buyer may recover from such holder in a civil action the total amount paid on the contract balance by the buyer to such holder pursuant to the terms of such contract.

CHAPTER 343

An act to amend Sections 23701 and 23701a of, and to renumber Sections 23701b, 23701c, 23701d, 23701e, 23701f, and 23701h of, and to add Sections 23701b, 23701f, 23701i, and 23701j, and 23701l to, and to repeal Article 2 of Chapter 4, consisting of Sections 23731, 23731a, 23731b, 23731c, 23731d and 23731e of Part 11 of Division 2 of the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations, and providing that this act shall take effect immediately.

In effect immediately

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 23701 of the Revenue and Taxation Code is hereby amended to read:

Exempt organizations

23701. The organizations specified in Sections 23701a to 23701m, inclusive, are exempt from the taxes imposed under this part, except as provided in Article 2 of this chapter.

SEC. 2. Section 23701a of the Revenue and Taxation Code is hereby amended to read:

Labor, etc., organizations

23701a. Labor, agricultural, or horticultural organizations, other than cooperative organizations described in Sections 24121m or 24121n.

SEC. 3. Section 23701b is added to the Revenue and Taxation Code, to read:

Fraternal societies

23701b. Fraternal beneficiary societies, orders, or organizations, (i) operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system; and (ii) providing for the payment of life, sick, accident, or other benefits to the members of such society, order or organization or their dependents.

SEC. 4. Section 23701d of the Revenue and Taxation Code is hereby renumbered to read:

Cemetery companies

23701c. Cemetery companies owned and operated exclusively for the benefit of their members; or which are not operated for profit; or any corporation chartered for cemetery purposes and permitted by its charter to engage in any business related to that purpose, no part of the net earnings of which inures to the benefit of any shareholder or member thereof.

SEC. 5. Section 23701e of the Revenue and Taxation Code is hereby renumbered to read:

Charitable, etc., corporations

23701d. Corporations organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation.

SEC. 6. Section 23701f of the Revenue and Taxation Code is hereby renumbered to read:

Business leagues, etc

23701e. Business leagues, chambers of commerce, real estate boards, or boards of trade, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

SEC. 7. Section 23701f is added to the Revenue and Taxation Code, to read:

Civic leagues, etc

23701f. Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local organizations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes.

SEC. 8. Section 23701b of the Revenue and Taxation Code is hereby renumbered to read:

Corporations to hold title, etc.

23701h. Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from the tax imposed by this part.

SEC. 9. Section 23701i is added to the Revenue and Taxation Code, to read:

Voluntary employees' beneficiary organizations

23701i. Voluntary employees' beneficiary organizations providing for the payment of life, sick, accident, or other benefits to the members of such organization or their dependents, if (i) no part of their net earnings inures (other than through such payments) to the benefit of any private shareholder or individual, and (ii) 85 percent or more of the income consists of amounts collected from members and amounts contributed to the organization by the employer of the members for the sole purpose of making such payments and meeting expenses.

SEC. 10. Section 23701j is added to the Revenue and Taxation Code, to read:

Teachers retirement fund organizations

23701j. Teachers' retirement fund organizations of a purely local character, if (i) no part of their net earnings inures (other than through payment of retirement benefits) to the benefit of any private shareholder or individual, and (ii) the income consists solely of amounts received from public taxation, amounts received from assessments upon the teaching salaries of members, and income in respect of investments.

SEC. 11. Section 23701h of the Revenue and Taxation Code is hereby renumbered to read:

Religious or apostolic corporations

23701k. Religious or apostolic corporations, if such corporations have a common treasury or community treasury even if such corporations engaged in business for the common benefit of the members, but only if the members thereof include (at the time of filing their returns) in their gross income their entire pro rata shares, whether distributed or not, of the net income of the corporation for such year. Any amount so included in the gross income of a member shall be treated as a dividend received.

SEC. 12. Section 23701*l* is added to the Revenue and Taxation Code, to read:

Government employees' organizations

23701*l*. Voluntary employees' beneficiary organizations providing for the payment of life, sick, accident, or other benefits to the members of such organization or their dependents or their designated beneficiaries, if (i) admission to membership in such organization is limited to individuals who are officers or employees of the United States Government, and (ii) no part of the net earnings of such organization inures (other than through such payments) to the benefit of any private shareholder or individual.

SEC. 13. Section 23701c of the Revenue and Taxation Code is hereby renumbered to read:

Diversified management companies

23701m. Corporations classified as diversified management companies under Section 5 of the Federal Investment Company Act of 1940, and registered as provided in that act.

SEC. 14. Present Article 2 of Chapter 4, consisting of Sections 23731 to 23731e, inclusive, is hereby repealed.

Tax levy

SEC. 15. This act, inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately.

SEC. 16. This act shall become operative upon the taking effect of the Bank and Corporation Tax Law, enacted by Chapter 557, Statutes of 1949, as amended, or upon the effective date of this act, whichever is later. Operative date

SEC. 17. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes, for the purpose of the taxes imposed under Chapter 2, of Part 11, Division 2 of the Revenue and Taxation Code, measured by income for income years beginning after December 31, 1950, and for the purpose of the tax imposed under Chapter 3, of Part 11, Division 2 of the Revenue and Taxation Code, for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions, and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended. Application

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CHAPTER 344

An act to amend Section 24121h of, and to add Section 23702 to, and to amend and renumber Section 25121c-(1) of, and to add Article 2, consisting of Sections 23731, 23731a, 23731b, 23732, 23732a, 23732b, 23732c, 23732d, 23732e, 23732f, 23732g, 23732h, 23733, 23734, 23735, 23735a, 23735b, 23735c, 23736, 23736.1, 23736.2, 23736.3, 23736.4, and 23737 to Chapter 4 of Part 11 of Division 2 to, and to add Article 3, consisting of Sections 23771 and 23772 to Chapter 4 of Part 11 of Division 2 to, and to add Sections 23881g, 24121k.5, 24121o.1, 24121q, and 24201g to, the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations, and providing that this act take effect immediately.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 24121h of the Revenue and Taxation Code is hereby amended to read:

24121h. A taxpayer may elect to claim a deduction for amortization of emergency facilities, as defined by Section 124 and Section 124A of the Internal Revenue Code as amended by Section 216 of the Federal Revenue Act of 1950, under regulations prescribed by the Franchise Tax Board. Amortization of emergency facilities

SEC. 2. Section 25121c-(1) of the Revenue and Taxation Code is hereby renumbered and amended to read:

25121c.1. As used in Section 25121c "gross income from the property" means the gross income from mining. "Mining" includes not merely the extraction of the ores or minerals Definitions

from the ground but also the ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products, and so much of the transportation of ores or minerals (whether or not by common carrier) from the point of extraction from the ground to the plants or mills in which the ordinary treatment processes are applied thereto as is not in excess of 50 miles unless the Franchise Tax Board finds that the physical and other requirements are such that the ore or mineral must be transported a greater distance to such plants or mills. "Ordinary treatment processes" includes the following: (a) In the case of coal—cleaning, breaking, sizing, and loading for shipment; (b) in the case of sulphur— pumping to vats, cooling, breaking, and loading for shipment; (c) in the case of iron ore, bauxite, ball and sagger clay, rock asphalt, and minerals which are customarily sold in the form of a crude mineral product—sorting, concentrating, and sintering to bring to shipping grade and form, and loading for shipment; and (d) in the case of lead, zinc, copper, gold, silver, or fluorspar ores, potash, and ores which are not customarily sold in the form of the crude mineral product—crushing, grinding, and beneficiation by concentration (gravity, flotation, amalgamation, electrostatic, or magnetic), cyanidation, leaching, crystallization, precipitation (but not including as an ordinary treatment process electrolytic deposition, roasting, thermal or electric smelting, or refining), or by substantially equivalent processes or combination of processes used in the separation or extraction of the product or products from the ore, including the furnacing of quicksilver ores.

SEC. 3. Section 23702 is hereby added to the Revenue and Taxation Code, to read:

Nonexempt organizations

23702. An organization operated for the primary purpose of carrying on a trade or business for profit shall not be exempt under any section of Article 1 on the ground that all of its profits are payable to one or more organizations exempt under Article 1 from taxation. For the purposes of this section the term "trade or business" shall not include the rental by an organization of its real property (including personal property leased with the real property).

SEC. 4. Article 2, consisting of Sections 23731, 23731a, 23731b, 23732, 23732a, 23732b, 23732c, 23732d, 23732e, 23732f, 23732g, 23732h, 23733, 23734, 23735, 23735a, 23735b, 23735c, 23736, 23736.1, 23736.2, 23736.3, 23736.4, and 23737, is hereby added to Chapter 4 of Part 11 of Division 2 of the Revenue and Taxation Code, to read:

Article 2. Taxation of Business Income of Certain Article 1 Organizations

Organization subject to tax

23731. Every organization described in Section 23731a shall be subject to the tax imposed under Section 23151 or Section 23501 upon its "Article 2" net income as defined in Section 23731b.

23731a. The tax imposed under Section 23731 shall apply in the case of any organization, other than a church, a convention or association of churches which is exempt, except as provided in this article, from taxation under this part by reason of Sections 23701a, 23701d or 23701e. Such taxes shall also apply to an organization described in Section 23701h if the income is payable to an organization which itself is subject to the tax imposed under Section 23731 or to a church or to a convention or association of churches. Same

23731b. The "Article 2" net income of an organization means the amount by which its unrelated business net income, as defined in Section 23732, exceeds one thousand dollars ($1,000). "Article 2" net income "Unrelated business income".

23732. The term "unrelated business net income" means the gross income derived by any organization from any unrelated trade or business, as defined in Section 23734, regularly carried on by it, less the deductions allowed by Article 2, Chapter 6, which are directly connected with the carrying on of such trade or business, subject to the exceptions, additions, and limitations prescribed in Sections 23732a to 23732h, inclusive.

23732a. There shall be excluded all dividends, interest, and annuities, and all deductions directly connected with such income. Dividends, etc

23732b. There shall be excluded all royalties, including overriding royalties, whether measured by production or by gross or net income from the property, and all deductions directly connected with such income. Royalties

23732c. There shall be excluded all rents from real property (including personal property leased with the real property), and all deductions directly connected with such rents. Rents

23732d. Notwithstanding Section 23732c, in the case of an Article 2 lease (as defined in Section 23735), there shall be included, as an item of gross income derived from an unrelated trade or business, the amount ascertained under Section 23735c(1), and there shall be allowed, as a deduction, the amount ascertained under Section 23735c(2). Article 2 leases

23732e. There shall be excluded all gains or losses from the sale, exchange, or other disposition of property other than (1) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year, or (2) property held primarily for sale to customers in the ordinary course of the trade or business. Capital gains, losses

23732f. There shall be excluded all income derived from research for (1) the United States or any of its agencies or instrumentalities, or (2) any state or political subdivision thereof; and there shall be excluded all deductions directly connected with such income. Research income

23732g. (1) In the case of a college, university, or hospital, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income. Same

(2) In the case of an organization operated primarily for the purposes of carrying on fundamental research, the results

of which are freely available to the general public, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income.

Charitable contributions

23732h. In the case of any organization described in Section 23731a, the so-called "charitable contribution" deduction allowed by Section 24121k shall be allowed (whether or not directly connected with the carrying on of the trade or business), but shall not exceed 5 percent of the unrelated business net income computed without the benefit of this section.

Partnerships

23733. If a trade or business regularly carried on by a partnership, of which an organization is a member, is an unrelated trade or business with respect to such organization, such organization in computing its unrelated business net income shall, subject to the exceptions, additions, and limitations contained in Sections 23732a through h, inclusive, include its share (whether or not distributed) of the gross income of the partnership from such unrelated trade or business and its share of the partnership deductions directly connected with such gross income. If the taxable year of the organization is different from that of the partnership, the amounts to be so included or deducted in computing the unrelated business net income shall be based upon the income and deductions of the partnership for any taxable year of the partnership (whether beginning on, before, or after January 1, 1951) ending within or with the taxable year of the organization.

"Unrelated trade or business"

23734. The term "unrelated trade or business" means, in the case of any organization subject to the tax imposed by Section 23731, any trade or business the conduct of which is not substantially related (aside from the need of such organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Article 1, except that such term shall not include any trade or business—

(a) In which substantially all the work in carrying on such trade or business is performed for the organization without compensation; or

(b) Which is carried on, in the case of an organization described in Section 23701d, by the organization primarily for the convenience of its members, students, patients, officers, or employees; or

(c) Which is the selling of merchandise, substantially all of which has been received by the organization as gifts or contributions.

"Article 2 lease"

23735. The term "Article 2 lease" means a lease for a term of more than five years of real property by an organization (or by a partnership of which it is a member), if at the close of the lessor's taxable year there is an Article 2 lease indebtedness (as defined in Section 23735a) with respect to such property. In computing the term of a lease which contains an option for renewal or extension, the term of such lease shall be considered as including any period for which

such option may be exercised; and the term of any lease made pursuant to an exercise of such option shall include the period during which the prior lease was in effect. If real property is acquired subject to a lease, the term of such lease shall be considered to begin on the date of such acquisition. No lease shall be considered an Article 2 lease if (i) such lease is entered into primarily for purposes which are substantially related (aside from the need of such organization for income or funds or the use it makes of the rents derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Article 1, or (ii) the lease is of premises in a building primarily designed for occupancy and occupied by the organization. If a lease for more than five years to a tenant is for only a portion of the real property, and space in the real property is rented during the taxable year under a lease for not more than five years to any other tenant of the organization, leases of the real property for more than five years shall be considered as Article 2 leases during the taxable year only if—

(a) the rents derived from the real property during the taxable year under such leases represent 50 percent or more of the total rents derived during the taxable year from the real property; or the area of the premises occupied under such leases represents, at any time during the taxable year, 50 percent or more of the total area of the real property rented at such time; or

(b) the rent derived from the real property during the taxable year from any tenant under such a lease, or from a group of tenants (under such leases) who are (1) members of an affiliated group (as defined in Section 23361) or (2) partners, represents more than 10 percent of the total rents derived during the taxable year from such property; or the area of the premises occupied by any one such tenant, or by any such group of tenants, represents at any time during the taxable year more than 10 percent of the total area of the real property rented at such time.

"Article 2 lease indebtedness"

23735a. The term "Article 2 lease indebtedness" means, with respect to any real property leased for a term of more than five years, the unpaid amount of—

(1) The indebtedness incurred by the lessor in acquiring or improving such property;

(2) The indebtedness incurred prior to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement; and

(3) The indebtedness incurred subsequent to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of such indebtedness was reasonably forseeable at the time of such acquisition or improvement.

Where real property is acquired subject to a mortgage or other similar lien, the amount of the indebtedness secured by such mortgage or lien shall be considered (whether the acquisition was by gift, devise, or purchase) as an indebtedness of the lessor incurred in acquiring such property even though the lessor did not assume or agree to pay such indebtedness, except that where real property was acquired by a gift, bequest, or devise prior to January 1, 1951, subject to a mortgage or other similar lien, the amount of such mortgage or other similar lien shall not be considered as an indebtedness of the lessor incurred in acquiring such property.

Where real property was acquired by gift, bequest, or devise prior to January 1, 1951, subject to a lease requiring improvements in such property upon the happening of stated contingencies, indebtedness incurred in improving such property in accordance with the terms of such lease shall not be considered as an indebtedness for purposes of this section. In the case of a corporation described in Section 23701h, all of the stock of which was acquired prior to January 1, 1951, by an organization described in Sections 23701a, 23701d or 23701e (and more than one-third of such stock was acquired by such organization by gift or bequest), any indebtedness incurred by such corporation prior to January 1, 1951, and any indebtedness incurred by such corporation on or after such date in improving real property in accordance with the terms of a lease entered into prior to such date, shall not be considered as an indebtedness with respect to such corporation or such organization for purposes of this article. In determining the amount of the Article 2 lease indebtedness where only a portion of the real property is subject to an Article 2 lease, proper allocation to the premises covered by such lease shall be made of the indebtedness incurred by the lessor with respect to the real property.

"Real property," "premises"

23735b. For the purposes of this article, the term "real property" and the term "premises" include personal property of the lessor leased by it to a lessee of its real estate if the lease of such personal property is made under, or in connection with, the lease of such real estate.

Unrelated business net income

23735c. In computing under Section 23732 the unrelated business net income for any taxable year—

(1) There shall be included with respect to each Article 2 lease, as an item of gross income derived from an unrelated trade or business, an amount which is the same percentage (but not in excess of 100 percent) of the total rents derived during the taxable year under such lease as (A) the Article 2 lease indebtedness, at the close of the taxable year, with respect to the premises covered by such lease is of (B) the adjusted basis, at the close of the taxable year, of such premises.

(2) There shall be allowed with respect to each Article 2 lease, as a deduction to be taken into account in computing unrelated business net income, an amount which is in the same percentage (but not in excess of 100 percent) of the sum determined under paragraph (3) as the amount determined under

clause (A) of paragraph (1) is of the amount determined under clause (B) of such paragraph.

(3) The sum referred to in paragraph (2) is the sum of the following deductions allowable under Article 2, Chapter 6:

(A) Taxes and other expenses paid or accrued during the taxable year upon or with respect to the real property subject to the Article 2 lease.

(B) Interest paid or accrued during the taxable year on the Article 2 lease indebtedness.

(C) A reasonable allowance for exhaustion, wear and tear (including a reasonable allowance for obsolescence) of the real property subject to such lease.

Where only a portion of the real property is subject to the Article 2 lease, there shall be taken into account under subparagraph (A), (B), or (C) only those amounts which are properly allocable to the premises covered by such lease.

Exempt organizations

23736. Sections 23736.1 to 23736.4, inclusive, shall apply to any organization described in Section 23701d except—

(a) A religious organization (other than a trust);

(b) An educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on;

(c) An organization which normally receives a substantial part of its support (exclusive of income received in the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Section 23701d) from the United States or any state or political subdivision thereof or from direct or indirect contributions from the general public;

(d) An organization which is operated, supervised, controlled, or principally supported by a religious organization (other than a trust) which is itself not subject to the provisions of this article; and

(e) An organization the principal purposes or functions of which are the providing of medical or hospital care or medical education or medical research.

"Prohibited transaction"

23736.1. For the purposes of this article, the term "prohibited transaction" means any transaction in which an organization subject to the provisions of this article—

(a) Lends any part of its income or corpus, without the receipt of adequate security and a reasonable rate of interest, to;

(b) Pays any compensation, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered, to;

(c) Makes any part of its services available on a preferential basis to;

(d) Makes any substantial purchase of securities or any other property, for more than adequate consideration in money or money's worth, from;

(e) Sells any substantial part of its securities or other property, for less than an adequate consideration in money or money's worth, to; or

(f) Engages in any other transaction which results in a substantial diversion of its income or corpus to;

the creator of such organization (if a trust); a person who has made a substantial contribution to such organization; a member of the family (as defined in Section 17353(d) of this code) of an individual who is the creator of such trust or who has made a substantial contribution to such organization; or a corporation controlled by such creator or person through the ownership, directly or indirectly, of 50 percent or more of the total combined voting power of all classes of stock entitled to vote or 50 percent or more of the total value of shares of all classes of stock of the corporation.

Limitation

23736.2. No organization subject to the provisions of this article, except those specified in Section 23736, which has engaged in a prohibited transaction after January 1, 1951, shall be exempt from taxation under Section 23701d.

Exemption denied

23736.3. An organization shall be denied exemption from taxation under Section 23701d by reason of paragraph (1) only for taxable years subsequent to the taxable year during which it is notified by the Franchise Tax Board that it has engaged in a prohibited transaction, unless such organization entered into such prohibited transaction with the purpose of diverting corpus or income of the organization from its exempt purposes, and such transaction involved a substantial part of the corpus or income of such organization.

Claim for exemption

23736.4. Any organization denied exemption under Section 23701d by reason of the provisions of Section 23736.2 with respect to any taxable year following the taxable year in which notice of denial of exemption was received, may, under regulations prescribed by the Franchise Tax Board, file claim for exemption, and if the Franchise Tax Board, pursuant to such regulations, is satisfied that such organizations will not knowingly again engage in a prohibited transaction, such organization shall be exempt with respect to taxable years subsequent to the year in which such claim is filed.

Effect of non-distribution

23737. In the case of any organization described in Section 23701d to which this article is applicable, if the amounts accumulated out of income during the taxable year or any prior taxable year and not actually paid out by the end of the taxable year—

(a) Are unreasonable in amount or duration in order to carry out the charitable, educational, or other purpose or function constituting the basis for such organization's exemption under Section 23701d; or

(b) Are used to a substantial degree for purposes or functions other than those constituting the basis for such organization's exemption under Section 23701d, or

(c) Are invested in such a manner as to jeopardize the carrying out of the charitable, educational, or other purpose

or function constituting the basis for such organization's exemption under Section 23701d,

exemptions under Section 23701d shall be denied for the taxable year.

SEC. 5. Article 3, consisting of Sections 23771 and 23772, is hereby added to Chapter 4 of Part 11, Division 2 of the Revenue and Taxation Code, to read:

Article 3. Returns of Exempt Organizations

Article 2 income

23771. Every organization, otherwise exempt under Article 1 of this chapter, but having income of the character described in Article 2, shall file a return, verified by an executive officer under penalties of perjury in the form prescribed by the Franchise Tax Board, within two months and 15 days of the close of the income year, reporting its income from such activities and shall pay a tax of 4 percent on its Article 2 net income as defined in Section 23731b.

Requirement of return Exceptions, content

23772. Every organization exempt under Article 1 except:

(a) A religious organization exempt under Section 23701d;

(b) An educational organization exempt under Section 23701d, if such organization normally maintains a regular faculty and curriculum and normally has a regularly organized body of pupils or students in attendance at the place where its educational activities are regularly carried on; or

(c) A charitable organization, or an organization for the prevention of cruelty to children or animals, exempt under Section 23701d, if such organization is supported, in whole or in part, by funds contributed by the United States or any state or political subdivision thereof, or is primarily supported by contributions of the general public; or

(d) An organization exempt under Section 23701d, if such organization is operated, supervised, or controlled by or in connection with a religious organization described in subsection (a); or

(e) An organization exempt solely under Section 23701b,

shall file an annual return, at such time and in such manner as the Franchise Tax Board may by regulations prescribe setting forth—

(1) Its gross receipts for the year,

(2) Its expenses attributable to such income and incurred within the year,

(3) Its disbursements within the year for the purposes for which it is exempt,

(4) Its accumulation of income within the year,

(5) Its aggregate accumulations of income at the beginning of the year,

(6) Its disbursements out of principal in the current and prior years for the purposes for which it is exempt,

(7) A balance sheet showing its assets, liabilities and net worth as of the beginning of such year, and

(8) Such other information as the Franchise Tax Board may by regulation prescribe.

SEC. 6. Section 23881g is hereby added to the Revenue and Taxation Code, to read:

Employee stock purchases

23881g. Any amount, other than the option price, received by any bank or corporation, or its parent or subsidiary bank or corporation, as consideration for the issuance of stock to an employee of such bank or corporation, as a result of the exercise by the employee of a "restricted stock option" as defined in Chapter 6, Article 2.5, of Part 10 of this Division.

SEC. 7. Section 24121k.5 is hereby added to the Revenue and Taxation Code, to read:

Deductibility of gifts, etc

24121k.5. No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction if made to an organization which, in the taxable year of the organization in which the gift or bequest is made, is not exempt under Section 23701d by reason of the provisions of Article 2 of Chapter 4. With respect to any taxable year of the organization for which the organization is not exempt pursuant to the provisions of Section 23736.2 by reason of having engaged in a prohibited transaction with the purpose of diverting the corpus or income of such organization from its exempt purposes and such transaction involved a substantial part of such corpus or income, and which taxable year is the same, or prior to the, taxable year of the organization in which such transaction occurred, such deduction shall be disallowed the donor only if such donor was a party to such prohibited transaction.

"Gift or bequest"

For the purposes of this section, the term "gift or bequest" means any gift, contribution, bequest, devise, legacy, or transfer.

SEC. 8. Section 24121o.1 is hereby added to the Revenue and Taxation Code, to read:

Bond premiums Conversion

24121o.1. In no case shall the amount of bond premium on a convertible bond include any amount attributable to the conversion features of the bond.

SEC. 9. Section 24121q is hereby added to the Revenue and Taxation Code, to read:

Circulation expenditures Election

24121q. Notwithstanding Article 5, Chapter 6, all expenditures (other than expenditures for the purchase of land or depreciable property or for the acquisition of circulation through the purchase of any part of the business of another publisher of a newspaper, magazine, or other periodical) to establish, maintain, or increase the circulation of a newspaper, magazine, or other periodical; except that the deduction shall not be allowed with respect to the portion of such expenditures as, under regulations prescribed by the Franchise Tax Board, is chargeable to capital account if the taxpayer elects, in accordance with such regulations, to treat such portion as so charge-

able. Such election, if made, must be for the total amount of such portion of the expenditures which is so chargeable to capital account, and shall be binding for all subsequent taxable years unless, upon application by the taxpayer, the Franchise Tax Board permits a revocation of such election subject to such conditions as it deems necessary.

SEC. 10. Section 24201g is hereby added to the Revenue and Taxation Code, to read:

Employee stock purchases

24201g. Any amount attributable to the transfer of a share of stock pursuant to the exercise of a "restricted stock option," as defined in Chapter 6, Article 2.5, of Part 10 of this division, by an employer bank or corporation, or its parent or subsidiary bank or corporation to an employee of the bank or corporation.

Tax levy

SEC. 11. This act inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately.

Operative date

SEC. 12. This act shall become operative upon the taking effect of the Bank and Corporation Tax Law, enacted by Chapter 557, Statutes of 1949, as amended, or upon the effective date of this act, whichever is later.

Application

SEC. 13. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes, for the purpose of the taxes imposed under Chapter 2, of Part 11, Division 2 of the Revenue and Taxation Code, measured by income for income years beginning after December 31, 1950, and for the purpose of the tax imposed under Chapter 3, of Part 11, Division 2 of the Revenue and Taxation Code, for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions, and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended.

CHAPTER 345

An act to add Sections 23222a, 24121k.1, and 25295a to, and to amend Sections 23222, 24121k, 25101a, 25295, 25662, and 25701 of, Part 11 of Division 2 of the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations, and providing that this act shall take effect immediately.

[Approved by Governor May 5, 1951 Filed with Secretary of State May 5, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 23222a is hereby added to the Revenue and Taxation Code, to read:

Income for short periods

23222a. In every case in which the second or succeeding taxable years of a commencing taxpayer constitute a period of less than 12 months, or in which the taxpayer does business for a period of less than 12 months during its second or succeeding taxable years, the tax for such year or years shall be measured by the income of that period or periods subject to the continuation of the prepayment procedure outlined in Section 23222. In no event shall the income of any period or periods herein described be used as the measure of the tax other than the prepayment for the following taxable year, until the income of the second or a succeeding taxable year constitutes a period of 12 months. Thereafter the procedure outlined in Section 23222, in respect of the second and third taxable years, shall apply.

SEC. 2. Section 24121k.1 is hereby added to the Revenue and Taxation Code, to read:

Accrual basis year gift taken

24121k.1. In the case of a bank or corporation reporting its net income on the accrual basis, at the election of the taxpayer any contribution or gift payment of which is made after the close of the taxable year and on or before the fifteenth day of the third month following the close of such year shall, for the purposes of Section 24121k, be considered as paid during such taxable year if, during such year, the board of directors authorized such contribution or gift. Such election shall be made only at the time of the filing of the return for the taxable year and shall be signified in such manner as the Franchise Tax Board shall by regulations prescribe.

SEC. 3. Section 25295a is hereby added to the Revenue and Taxation Code, to read:

Collection jeopardized

25295a. If the Franchise Tax Board determines that the reporting of income from the sale or other disposition of property in the manner provided in this article may jeopardize the collection of a tax measured by such income, then, unless the taxpayer posts bond or other security in a form and amount satisfactory to the Franchise Tax Board to guarantee the payment of any tax that may become due measured by such income, the Franchise Tax Board may require that any of such income not previously reported shall be included in the computation of the measure of the tax for the last year during which the taxpayer was subject to the tax imposed under Chapter 2 or Chapter 3 of this part.

SEC. 4. Section 23222 of the Revenue and Taxation Code is hereby amended to read:

Return for first taxable year Filing, basis for second year

23222. If a taxpayer commences to do business in this State during its first taxable year its tax for that year shall be adjusted upon the basis of the net income received during that taxable year, at the rate applicable to that year, a credit being allowed for the prepayment of the minimum tax. The return for the first taxable year, which shall be filed within two months and 15 days after the close of that year, shall also be the basis for the tax of said taxpayer for its second taxable year, if its first taxable year is a period of 12 months. In every case in which the first taxable year of a taxpayer constitutes a period

of less than 12 months, or in which a taxpayer does business for a period of less than 12 months during its first taxable year, said taxpayer shall pay as a prepayment of the tax for its second taxable year a tax based on the income for the first taxable year computed under the law and at the rate applicable to the second taxable year, the same to be due and payable at the same times and in the same manner as if that amount were the entire amount of its tax for that year; and upon the filing of its tax return within two months and 15 days after the close of the second taxable year it shall pay a tax for said year, at the rate applicable to that year, based upon its net income received during that year, allowing a credit for the prepayment; but in no event, except as provided in Section 23332, shall the tax for the second taxable year be less than the amount of the prepayment for that year, and said return for its second taxable year shall also be the basis for the tax of said taxpayer for its third taxable year, if the second taxable year constitutes a period of 12 months.

SEC. 5. Section 24121k of the Revenue and Taxation Code is hereby amended to read:

24121k. Contributions or gifts payment of which is made within the income year to or for the use of:

Contributions, gifts
Recipient, maximum allowance, verification

(1) The United States, any state, territory, or any political subdivision thereof or the District of Columbia, or any possession of the United States, for exclusively public purposes; or

(2) A corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any possession thereof or under the law of the United States, or of any state or territory, or of the District of Columbia, or of any possession of the United States, organized and operated exclusively for religious, charitable, scientific, veteran rehabilitation service, literary, or educational purposes or for the prevention of cruelty to children (but in the case of contributions or gifts to a trust, chest, fund, or foundation, payment of which is made within an income year beginning after the date of the cessation of hostilities in the present war, as proclaimed by the President, only if such contributions or gifts are to be used within the United States or any of its possessions exclusively for such purposes), no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation. For disallowance of certain charitable, etc., deductions, otherwise allowable under this subdivision, see Section 24121k.5; or

(3) Posts or organizations of war veterans, or auxiliary units of, or trusts or foundations for, any such posts or organizations, if such posts, organizations, units, trusts, or foundations are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or

(4) A corporation or organization which is organized in the United States or any of its possessions by or for members of the armed forces of the United States for the purpose of

aiding or assisting members of such forces or their relatives if no part of the net earnings of such corporation or organization inures to the benefit of any private shareholder or individual.

(5) The amount of aggregate deductions allowable under subsections (1), (2), (3), and (4) of this section is limited to the extent it does not exceed 5 percent of the taxpayer's net income as computed without the benefits of this subsection.

Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the Franchise Tax Board.

SEC. 6. Section 25101a of the Revenue and Taxation Code is hereby amended to read:

Adjusted basis

25101a. Proper adjustment in respect of the property shall in all cases be made—

(1) For expenditures, receipts, losses, or other items properly chargeable to capital account, but no such adjustment shall be made for taxes or other carrying charges or for expenditures described in Section 24121a (3) and Section 24121q for which deductions have been taken by the taxpayer in determining net income for the income year or prior income years;

(2) For exhaustion, wear and tear, obsolescence, amortization, and depletion:

(A) In the case of taxpayers subject to the tax imposed by Chapter 2, to the extent sustained prior to January 1, 1928, and to the extent allowed (but not less than the amount allowable) under this part, except that no deduction shall be made for (i) amounts in excess of the amount which would have been allowable had depreciation not been computed on the basis of January 1, 1928, value; (ii) amounts in excess of the adjustments required by Section 113 (b) (1) (B) of the Federal Revenue Act of 1938 for depletion prior to January 1, 1932.

(B) In the case of a taxpayer subject to the tax imposed by Chapter 3, to the extent sustained prior to January 1, 1937, and for periods thereafter to the extent allowed (but not less than the amount allowable) under the provisions of this part.

(C) If a taxpayer has not claimed an amortization deduction for an emergency facility, the adjustment under paragraphs (i) and (ii) shall be made only to the extent ordinarily provided under Sections 24121g and 24121h.

(3) In the case of stock (to the extent not provided for in the foregoing subsections) for the amount of distributions previously made which, under the law applicable to the year in which the distribution was made, either were tax-free or were applicable in reduction of basis (not including distributions made by a corporation, which was classified as a personal service corporation under the provisions of the Federal Revenue Act of 1918 or 1921, out of its earnings or profits which were taxable in accordance with the provisions of Section 218 of the Federal Revenue Act of 1918 or 1921).

(4) (A) In the case of taxpayers subject to the tax imposed by Chapter 2, in the case of any bond (as defined in Section

24121o (3)) to the extent of the deductions allowable pursuant to Section 24121o (1) (A) with respect thereto. (B) In the case of taxpayers subject to the tax imposed by Chapter 3, in the case of any bond (as defined in Section 24121o (3)) the interest on which is wholly exempt from the tax imposed by this part, to the extent of the amortizable bond premium disallowable as a deduction pursuant to Section 24121o (1) (A), and in the case of any other bond (as defined in such section) to the extent of the deductions allowable pursuant to Section 24121o (1) (A) with respect thereto.

SEC. 7. Section 25295 of the Revenue and Taxation Code is hereby amended to read:

Installment basis Termination of business

25295. Where a taxpayer elects to report income from the sale or other disposition of property as provided in this article, and the entire income therefrom has not been reported prior to the year that the taxpayer ceases to be subject to the tax measured by net income imposed under Chapter 2 or Chapter 3 of this part, the unreported income shall be included in the measure of the tax for the last year in which the taxpayer is subject to the tax measured by net income imposed under Chapter 2 or Chapter 3 of this part. Abatement shall not be allowed under the provisions of Sections 23331 to 23333, inclusive, for any tax measured by such income excepting unreported profit from installment sales made during the income year preceding dissolution or withdrawal or cessation of business. This section shall not be applicable where the installment obligation is transferred pursuant to a reorganization as defined in Article 2 of Chapter 8 to another taxpayer a party to the reorganization subject to tax under the same chapter as the transferor. The determination of any deficiency resulting from this section shall be made under the provisions of Chapter 11, Article 1, but the period of limitation under that article, and the accrual of interest under Chapter 12, Article 1 shall commence on the date the taxpayer ceases to be subject to the tax imposed under Chapter 2 or Chapter 3 of this part.

(b) "Cessation of business" as herein used means the failure to do business during an entire taxable year.

SEC. 8. Section 25662 of the Revenue and Taxation Code is hereby amended to read:

Additional assessment

25662. If the Franchise Tax Board determines that the tax disclosed by the original return is less than the tax disclosed by its examination it shall mail notice or notices to the taxpayer of the additional tax proposed to be assessed. Each notice shall set forth the reasons for the proposed additional assessment and the details of the computation thereof.

SEC. 9. Section 25701 of the Revenue and Taxation Code is hereby amended to read:

Assessment against bank, etc

25701. The taxes imposed by this part upon any taxpayer other than a transferee, for whose payment any bank or person other than the taxpayer is liable, at law or in equity, may be assessed against such bank or person in the same manner as is provided in Article 1 for the assessment of deficiencies and may

be assessed within the periods specified in Section 25702. The provisions of this section and other provisions of this part respecting the collection of taxes shall apply to the collection of such taxes from such bank or person to the same extent and with the same force and effect as though such bank or person were the taxpayer.

Tax levy

SEC. 10. This act inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately.

Operative date

SEC. 11. This act shall become operative upon the taking effect of the Bank and Corporation Tax Law, enacted by Chapter 557, Statutes of 1949, as amended, or upon the effective date of this act, whichever is later.

Application

SEC. 12. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes, for the purpose of the taxes imposed under Chapter 2, of Part 11, Division 2 of the Revenue and Taxation Code, measured by income for income years beginning after December 31, 1950, and for the purpose of the tax imposed under Chapter 3, of Part 11, Division 2 of the Revenue and Taxation Code, for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions, and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended.

CHAPTER 346

An act to add Article 6, comprising Sections 1953i to 1953l, inclusive, to Chapter 3 of Title 2, Part 4 of the Code of Civil Procedure, relating to the use of photographic copies of business and public records as evidence in judicial and administrative proceedings.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Article 6, comprising Sections 1953i to 1953l, inclusive, is added to Chapter 3 of Title 2, Part 4 of the Code of Civil Procedure, to read:

Article 6. Uniform Photographic Copies of Business and Public Records as Evidence Act

Admissibility of reproductions

1953i. If any business, institution, member of a profession or calling, or any department or agency of government,

in the regular course of business or activity has kept or recorded any memorandum, writing, entry, print, representation or combination thereof, of any act, transaction, occurrence or event, and in the regular course of business has caused any or all of the same to be recorded, copied or reproduced by any photographic, photostatic, microfilm, microcard, miniature photographic, or other process which accurately reproduces or forms a durable medium for so reproducing the original, the original may be destroyed in the regular course of business unless held in a custodial or fiduciary capacity or unless its preservation is required by law. Such reproduction, when satisfactorily identified, is as admissible in evidence as the original itself in any judicial or administrative proceeding whether the original is in existence or not and an enlargement or facsimile of such reproduction is likewise admissible in evidence if the original reproduction is in existence and available for inspection under direction of court. The introduction of a reproduced record, enlargement or facsimile, does not preclude admission of the original.

Interpretation

1953j. This article shall be so interpreted and construed as to effectuate its general purpose of making uniform the law of those states which enact it.

Short title

1953k. This article may be cited as the Uniform Photographic Copies of Business and Public Records as Evidence Act.

Limitation

1953*l*. Nothing in this article shall affect the admissibility of any evidence permitted by Sections 1920a and 1920b of this code.

CHAPTER 347

An act to amend Sections 18661, 18662, 18671, 18672, 18674, and 18675 of the Education Code, relating to the sale, lease, dedication, grant, quitclaim and conveyance of real property of school districts.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18661 of the Education Code is amended to read:

Disposition of unnecessary real property

18661. The governing board of any school district may sell or grant or quitclaim all or any of its interest in, or may lease for a term not exceeding 99 years, to the State, or to any county, city and county, or city, or to any other school district except in cases included within Article 3 of this chapter, any real property belonging to the school district, and which is not or will not at the time of delivery of title or possession be needed for school classroom buildings by the district owning it, as provided in this article.

SEC. 2. Section 18662 of said code is amended to read:

Same Terms

18662. Any sale or lease or grant of an interest in real property by a school district pursuant to Section 18661 shall be upon such terms and conditions as the parties thereto may agree and may be entered into without complying with any provisions of this code except as provided in this article.

SEC. 3. Section 18671 of said code is amended to read:

Dedication or conveyance to State, etc

18671. The governing board of any school district may, pursuant to this article, dedicate or convey to the State, or any political subdivision or municipal corporation thereof, for public street or highway purposes, either with or without consideration and without a vote of the electors of the district first being taken, any real property belonging to the district, either in fee or any lesser estate or interest therein, including abutter's right of access to any public street or highway; and may dedicate to any public corporation without a vote of the electors of the district first being taken and with or without consideration, an easement to lay, construct, maintain, and operate water, sewer, or storm drain pipes or ditches over and upon any land belonging to the school district.

SEC. 4. Section 18672 of said code is amended to read:

Resolution of intent

18672. Before ordering the dedication or conveyance of any property the governing board shall in regular open meeting by a two-thirds vote of all its members adopt a resolution declaring its intention to dedicate or convey the property. The resolution shall describe the property proposed to be dedicated or conveyed in such manner as to identify it, and shall specify the purposes for which and the terms upon which it will be dedicated or conveyed, and shall fix a time not less than 10 days thereafter for a public meeting of the governing board to be held at its regular place of meeting for a public hearing upon the question of making the dedication or conveyance.

SEC. 5. Section 18674 of said code is amended to read:

Public hearing

18674. At the time and place fixed in the resolution for the meeting of the governing board the public hearing shall be held, and the governing board may at the meeting, or at any other meeting of the governing board held within 60 days thereafter, unless a protest is entered, adopt a resolution by a two-thirds vote of all its members authorizing and directing the president of the governing board, or any other presiding officer, or the secretary, or the members thereof, to execute a deed of dedication or conveyance of the property and to deliver it. Upon the delivery and acceptance of the deed the dedication or conveyance is fully effective.

SEC. 6. Section 18675 of said code is amended to read:

Petition of protest

18675. A petition protesting against the proposed dedication or conveyance signed by at least 10 percent of the qualified electors of the district, as shown by the affidavit of one of the petitioners, may be filed with the governing board at the meeting held at the time and place fixed in the resolution. If a protest is filed, the governing board shall, before taking any

further action on the proposed dedication or conveyance, submit the question of whether the proposed dedication or conveyance should be made, to the superintendent of schools of the county having jurisdiction over the district, whose decision is final. If the superintendent approves the proposed dedication or conveyance, the board may proceed as provided in Section 18674. If the superintendent of schools does not approve the proposed dedication or conveyance, no further proceedings shall be had thereon.

CHAPTER 348

An act to amend Section 10203.4 of the Insurance Code, relating to group life insurance.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 10203.4 of the Insurance Code is amended to read:

Insurance of dependents

10203.4. Insurance under any group life insurance policy issued pursuant to Sections 10202, 10202.7, 10202.8 and 10203 may, if 75 percent of the insured employees elect, be extended to insure the dependents, or any class or classes thereof, of each insured employee who so elects, in amounts in accordance with some plan which precludes individual selection and which shall not be in excess of 50 percent of the insurance on the life of such insured employee or one thousand dollars ($1,000), whichever is less; provided, however, in the case of a dependent whose age at death is under six months, the amount shall not be in excess of one hundred dollars ($100).

A dependent shall be the spouse or a child under 21 years of age of the insured employee. The premiums for the insurance on such dependents may be paid by the employer or by the employee or by the employer and the employee jointly.

CHAPTER 349

An act to add Section 16009 to the Government Code, relating to claims against the State, and providing a procedure for the United States Government to reach net amounts owing by the State to debtors of the United States.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 16009 is added to the Government Code, to read:

Procedure to claim credits

16009. Whenever a governmental agency of the United States, in the collection of taxes or amounts owing to it, is authorized by federal law to levy administratively on credits owing to a debtor, it may avail itself of the provisions of this section and claim credits owing by the State to such debtor, in manner as follows:

It shall file a certification of the facts with the state department, board, office or commission owing such credit to said debtor prior to the time said state agency presents the claims of such debtor therefor to the State Controller or to the State Personnel Board. Said state agency in presenting the claim of the debtor shall note thereon the fact of the filing of such certificate and shall also note any amounts owed by the debtor to the State by reason of advances or for any other purpose.

Subject to the provisions of Section 12419.5 of this code, the State Controller shall issue his warrant payable to the United States Treasurer for the net amount due the debtor, after offsetting for any amounts advanced to the debtor or by him owing to the State, or as much thereof as will satisfy in full the amount owing by the debtor to the United States as so certified; any balance shall be paid to the debtor.

CHAPTER 350

An act to add Section 12419.5 to the Government Code, relating to claims against the State and the duties of the State Controller.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 12419.5 is added to the Government Code, to read:

Offset procedure

12419.5. The Controller may, in his discretion, offset any amount due a state agency from a person or entity, against any amount owing such person or entity by any state agency. The Controller may deduct from the claim, and draw his warrants for the amounts offset in favor of the respective state agencies to which due, and, for any balance, in favor of the claimant. Whenever insufficient to offset all amounts due state agencies, the amount available shall be applied in such manner as the Controller, in his discretion, shall determine. If, in the discretion of the Controller, the person or entity refuses or neglects to file his claim within a reasonable time, the head of the state agency owing the amount shall file the claim on behalf of such person or entity; if approved by the Controller it shall have the same force and effect as though filed by such person or entity. The amount due any person or entity from the State or any agency thereof

is the net amount otherwise owing such person or entity after any offset as in this section provided.

CHAPTER 351

An act to amend Section 739 of the Probate Code, relating to the disposition of claims against estates of deceased persons which are unpaid because the claimant cannot be found.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 739 of the Probate Code is amended to read:

739. When the money so deposited is not claimed within five years, the county treasurer shall make an affidavit so showing, and the court or judge must direct the same to be deposited in the State Treasury for the benefit of such claimant or his legal representative. Deposited money Delivery to State Treasury

If for any reason such money remains unclaimed in the county treasury for 10 years after the date of deposit in the county treasury it is presumed to be abandoned property, and the county treasurer must immediately deliver such money to the State Treasurer for deposit in the State Treasury for the benefit of such claimant or his legal representative.

Money so deposited in the State Treasury may be claimed by such claimant or his legal representative pursuant to Sections 1272 and 1272a of the Code of Civil Procedure.

If no one claims the deposit as herein provided, the same devolves and escheats to the people of the State and shall, on order of the State Controller, be transferred to the School Land Fund.

SEC. 2. Section 739 of the Probate Code is amended to read:

739. When the money so deposited is not claimed within five years, the county treasurer shall make an affidavit so showing, and the court or judge must direct the same to be deposited in the State Treasury for the benefit of such claimant or his legal representative. Same

If for any reason such money remains unclaimed in the county treasury for 10 years after the date of deposit in the county treasury it is presumed to be abandoned property, and the county treasurer must immediately deliver such money to the State Treasurer for deposit in the State Treasury for the benefit of such claimant or his legal representative, subject to the provisions of Title 10 of Part 3 of the Code of Civil Procedure.

SEC. 3. Section 2 of this act becomes operative only if a new Title 10 is added to Part 3 of the Code of Civil Procedure Effect Stats 1951, Ch. 1708

by enactment of the Legislature at its 1951 Regular Session; and in such case, at the same time as said new Title 10 takes effect; at which time Section 1 of this act is repealed.

CHAPTER 352

An act to amend Section 1274.10a of the Code of Civil Procedure, relating to abandoned property or escheated property.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1274.10a of the Code of Civil Procedure is amended to read:

Claims for estates, etc

1274.10a. Whenever any claim is made or petition filed under Section 1274.10 of this code, or under any other provision of law, by the representative of an estate or other person, to recover money or other property on deposit in the State Treasury, no recovery will be allowed unless it affirmatively appears that there are heirs or legatees who will receive the money or other property or creditors of the deceased owner of the claim whose claims are valid and are not barred, and whose claims were in existence prior to the death of such deceased owner of the claim. Where only creditors exist, and there are no heirs or legatees, said claims shall be allowed only to the extent necessary to pay such claims and the reasonable costs of administration of the estate, including court costs, administrator's fees and attorney's fees. This section shall apply to all claims which are pending at the time that this section goes into effect as well as to claims arising hereafter.

Effect Stats. 1951, Ch. 1708

SEC. 2. This act shall not become operative if a new Title 10 of Part 3 of the Code of Civil Procedure is enacted by the Legislature at its 1951 Regular Session, and in such case, Section 1 of this act is repealed at the same time as said new Title 10 of Part 3 of said code takes effect.

CHAPTER 353

An act to amend Section 1272a of the Code of Civil Procedure, relating to the procedure for the recovery of property in the possession of the State, to which claimants are entitled.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1272a of the Code of Civil Procedure is amended to read:

1272a. When the estate, or any portion thereof, of any decedent has been received by or deposited with the State Treasurer pursuant to a distribution thereof to the State of California, or pursuant to the provisions of Section 1274a of this code, and, except as otherwise provided by law, when there is in the possession of the State or its officers any money or other property, real or personal, which is to be held for third persons or the title to which has vested in the State subject to the rights of third persons, the Superior Court of the County of Sacramento, State of California, shall have full and exclusive jurisdiction to determine the title to the property and all claims thereto, subject to the provisions of Section 401. Jurisdiction

Whenever the holder of such money or other property has erroneously delivered the same to the State or its officers, the same may be refunded or returned to such holder on order of the State Controller, with the approval of the State Board of Control. Erroneous delivery

Any person entitled to succeed to the property or to take title thereto or possession thereof, and not a party or privy to any proceedings had under any of the foregoing sections of this title, may, unless otherwise barred, file a petition in the Superior Court of the County of Sacramento showing his claim or right to the property, or the proceeds thereof, or to any portion thereof. Petition

The petition shall be verified, and, among other things, must, insofar as they are applicable or material to the matters at issue, state the facts required to be stated in a petition filed under Section 1272 of this code. If the money or other property at issue did not come into the possession of the State or its officers in connection with a decedent's estate, the petition shall, in addition to the foregoing facts, state any material facts necessary to establish a prima facie right or title in the petitioner. Upon the filing of the petition, the same proceedings shall be had as are required in Section 1272 of this code. Same Contents

If, upon trial of the issues, the court is satisfied of the claimant's right or title to the property claimed, it shall grant him a certificate to that effect under its seal. Upon presentation of such certificate, the State Controller shall draw his warrant on the State Treasurer for the amount of money covered thereby; and if the certificate covers any personal property other than money, a certified copy of the certificate filed with the officer of the State having possession of the personal property shall serve as sufficient authority to the officer for the delivery of the personal property to the claimant.

Whenever the amount claimed by any such person, or the total value of the personal property, including money, to which the claimant is entitled, is less than five hundred dollars ($500), any such claimant may, in lieu of filing such petition, present his claim for the money or other personal property to the State Board of Control, showing the same facts required to be stated in such petition; and the board may, in its discretion, upon recommendation of the Attorney General, allow and order paid Claims below $500

such claim. When payment has been made under this section to any claimant, no suit shall thereafter be maintained by any other claimant against the State or any officer thereof for or on account of such property.

Limitation

The provisions of this section shall not apply to cash or other property held by the State or any officer thereof as trustee or bailee under the terms of an express contract to which the State or any officer thereof is a party.

Effect Stats 1951, Ch 1708

SEC. 2. This act shall not become operative if a new Title 10 of Part 3 of the Code of Civil Procedure is enacted by the Legislature at its 1951 Regular Session, and in such case, Section 1 of this act is repealed at the same time as said new Title 10 of Part 3 takes effect.

CHAPTER 354

An act to amend Section 9607.1 of the Education Code, relating to contracts for education of physically handicapped minors.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9607.1 of the Education Code is amended to read:

Minors with cerebral palsy: Education

9607.1. A minor with cerebral palsy may attend a special school or class maintained by any school district for minors with cerebral palsy. The governing board of the district of residence shall pay to the district of attendance at the close of each school year the total current expenditures of the district of attendance, for the education of such minor during such school year, less all apportionments of state and federal funds made on account of the attendance of such pupils. The governing board of the district of residence may agree to reimburse the district of attendance for use of buildings and equipment. If the district of residence has insufficient funds to make such payment, the county superintendent of schools having jurisdiction over the district of residence shall apportion to the district from the county school service fund such sum as may be necessary to permit the district to meet its obligation under this section.

CHAPTER 355

An act to amend Section 8503 of the Education Code, relating to age of pupils for admission to first grade.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 8503 of the Education Code is amended to read:

8503. A child shall be admitted to the first grade of an elementary school during the first month of any school term if he is of the age prescribed in this section. For good cause, the governing board of a school district may permit a child of proper age to be admitted to a class after the first school month of the school term. Age of admission

If there is but one term during the school year, the child shall be five years and nine months of age on or before September 1st, of the current school year. If there are two terms maintained during the school year, the child shall be five years and nine months of age on or before September 1st, of the current school year, before he may be admitted in the first term of the school year, or five years and nine months of age on or before February 1st, of the current school year, before he may be admitted in the second term of any school year.

CHAPTER 356

An act to amend Section 9601.2 of the Education Code, relating to contracts for education of physically handicapped minors.

[Approved by Governor May 5, 1951 Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 9601.2 of the Education Code is amended to read:

9601.2. Any school district which does not maintain facilities for the education of physically handicapped minors shall enter into a contract with a school district in the same county maintaining such facilities. If there is no district in the same county maintaining such facilities, the governing board of the school district shall enter into a contract with a school district maintaining such facilities in any other county. If any question arises concerning the adequacy of the facilities provided for the education of physically handicapped minors by the school district in which the child is actually living, the parent or guardian of such child may appeal to the county superintendent of schools, and if the county superintendent of schools determines that the facilities offered are inadequate, he shall order the school district in which the child is actually living either to provide the facilities or enter into a contract with a school district maintaining adequate facilities. Contracts for education physically handicapped minors

Such contract shall provide for the payment of the cost of tuition by the district in which the physically handicapped minor actually lives and may provide for payment of the cost of the use of the buildings and equipment. The cost of tuition shall not be greater than the difference between current expenditures per unit of average daily attendance, including transportation, for the education of a pupil in the particular category

of physically handicapped minors to which the pupil belongs and the apportionment of state funds for the education of physically handicapped minors in that category.

The amount shall be determined not later than the last Monday in December and the last Monday in May of each year by the county superintendent of schools of the county in which the child attends schools and certified to the superintendent of schools having jurisdiction over the schools of the school district in which the child actually lives. The amount shall be forthwith paid from any funds of the school district available for that purpose.

CHAPTER 357

An act authorizing reciprocal agreements between this State and adjoining states, relating to reciprocity in the use of sporting fishing licenses.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

Reciprocal agreements

SECTION 1. The Fish and Game Commission, subject to the approval of the Attorney General, is hereby authorized to enter into reciprocal agreements with corresponding state or county official agencies of adjoining states pertaining to the establishment of a basis whereby valid sporting fishing licenses issued by the parties to such reciprocal agreements may be used by their licensees within the jurisdiction of either, in accordance with the terms of such agreements.

Interpretation

SEC. 2. This act shall be so interpreted and construed as to effectuate its general purpose to make uniform the means whereby its purpose is to be accomplished.

CHAPTER 358

An act to provide for the reimbursement of State Employees' Retirement System contributions.

In effect September 22, 1951

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

Reimbursement for contributions

SECTION 1. Any contributions required for the State Employees' Retirement System under expenditures made under Chapter 1289, Statutes of 1947, Chapter 23, Statutes of 1948, Chapter 700, Statutes of 1949, and Chapter 2, Statutes of 1950, for surveys and plans for an additional toll highway across San Francisco Bay shall be repaid to the fund out of which the

contributions were paid out of the proceeds of the first issue of any revenue bonds issued for construction of such new toll crossing. In the event revenue bonds are not issued and sold for the construction of such new toll crossings, contributions shall be repaid from the tolls and revenues of the existing San Francisco-Oakland Bay Bridge, but only after all revenue bonds issued and sold by the California Toll Bridge Authority for the construction of said bridge or for the refunding of the indebtedness thereon, have been fully redeemed and repaid and all other obligations of the bridge have been fully satisfied, including the repayment of any other sums presently required by law to be repaid to the State Treasurer. The California Toll Bridge Authority is hereby authorized to continue to fix and collect tolls on said bridge for the purpose of repayment of contributions as required by this act.

CHAPTER 359

An act to add Section 628.1 to the Penal Code, relating to giving aid to persons accidentally shot.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 628.1 is added to the Penal Code, to read:

628.1. Every person who while hunting unintentionally kills or injures another person by the use of any firearm, bow and arrow, spear, slingshot, or other weapon or device used in hunting and who knowingly either abandons such person or fails to render to such injured person all aid possible under the circumstances is guilty of a misdemeanor.

Failure to render aid a misdemeanor

CHAPTER 360

An act to amend Sections 4663, 4911.1, 4912, and 4912.2 of the Education Code, relating to school districts, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 5, 1951 Filed with Secretary of State May 5, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 4911.1 of the Education Code is amended to read:

Reorganization of school districts

4911.1. In the event the county committee transmits plans and recommendations to the State Board of Education,

Transmission of plans

pursuant to Section 4902, for the reorganization of the school districts in the county other than the formation of a unified school district or the expansion of an existing unified school district, the proposed reorganization, if approved by the State Board of Education, shall be deemed to be the filing of a petition with the State Board of Education, the appropriate board of supervisors, or with the county superintendent of schools, as the case may be. The State Board of Education shall notify the board of supervisors and the county superintendent of schools having jurisdiction over the school districts affected thereby of its action and the proposed reorganization of the school districts shall then be held and conducted in accordance with the applicable provisions of this code as though such petition had been originally filed with such board of supervisors or with the county superintendent of schools, except that no action required by any other provision of this code shall be necessary to give the board of supervisors or county superintendent of schools jurisdiction in the matter.

SEC. 2. Section 4912 of said code is amended to read:

Special election

4912. The county superintendent of schools of the county in which the greater part of such area is located shall cause to be held a special election in the elementary school district or unified school district, or those portions of the districts affected, for the purpose of adopting or rejecting the plans and recommendations of the county committee or committees. The county committee or committees shall hold, following the approval by the State Board of Education of the recommendations of the county committee, one (1) or more public hearings at least ten (10) days prior to such election within the area affected by a proposal for unification. The county committee or committees may designate any member to hold and conduct any public hearing required to be held. Such election shall be held between July 1st and December 31st of the year in which the county superintendent of schools was given notice by the State Board of Education under Section 4911 except that if such notice is not received on or before November 1st, the election shall be held between July 1st and December 31st of the following year.

SEC. 3. Section 4912.2 of said code is amended to read:

Exclusion election

4912.2. In the event the plans and recommendations of a county committee for an area provide for the exclusion of territory from a school district, the county committee shall determine whether the election shall be held only in said territory. The county superintendent of schools shall as to said district call the election as determined by the county committee.

SEC. 4. Section 4663 of said code is amended to read:

Annexation to unified district

4663. Upon approval of the county committee on school district organization, after following the procedure prescribed by Chapter 16 of this division, one or more contiguous elementary or high school districts, or portions thereof, one of which is contiguous to a unified school district, may be annexed to the unified school district not later than the first day of February in

any school year by the board of supervisors of the county having jurisdiction over the unified school district whenever a majority of the qualified electors in each of the elementary or high school districts voting at an election held for that purpose vote in favor of the annexation and the governing board of the unified school district has filed its approval of the annexation, in writing, with the board of supervisors. The annexation of such elementary or high school district or districts, or portions thereof, to a unified school district may be effected without such elementary or high school districts or portions thereof first withdrawing from an elementary or high school district of which it is a part. The election shall be called by the county superintendent of schools having jurisdiction over the unified school district.

SEC. 5. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

Under the existing law, there is no method by which a portion of a city district may be withdrawn and annexed to a unified school district. Under the existing law, a contiguous elementary or high school district, or a portion thereof, may not be annexed to a unified school district without first withdrawing from any elementary or high school district of which it is a part. This act would eliminate delay in annexations to a unified school district by allowing annexations in all such cases without the initiation of withdrawal proceedings.

It is therefore necessary that this act take effect immediately in order for unified school districts to make plans for necessary new sites and buildings, based on the new boundaries, rather than the present boundaries, of the district, so that the schools built in the unified district through the state school building aid program will be situated so as to serve the needs of the reorganized district.

CHAPTER 361

An act to amend Sections 17313, 17315, 17318.2, 17711, 17721, 17782, 17817.1, and 18132 of, and to add Sections 17109, 17110, 17161.1, 17301.1, 17315.5, 17318.6 to, and to add Article 2.5, consisting of Sections 17691, 17692, 17693, 17694, 17695, 17696, 17697, and 17698, and Article 3.5, consisting of Sections 17731, 17732 and 17733, to Chapter 6, Part 10 of Division 2 of, and to add Section 17784.6 to, and to add Article 1.5, consisting of Sections 18121, 18122, 18122.1, 18122.2, 18122.3, 18122.4, 18122.5, 18122.6, 18122.7, 18122.8, 18123, 18123.1, 18123.2, 18123.3, and 18123.4 to Chapter 8, Part 10 of Division 2 of, and to add Sections 18132.1, 18132.2, 18132.3, 18132.4, 18132.5, 18132.6, 18132.7, 18132.8, 18132.9, 18132.10, 18132 11, and 18132.12 to, the Revenue and Taxation Code, relating to personal income

taxes, and providing that this act shall take effect immediately.

In effect immediately

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 17313 of the Revenue and Taxation Code is amended to read:

Deductions Exhaustion, etc.

17313. In computing net income there shall be allowed as a deduction a reasonable allowance for the exhaustion, wear and tear of property used in the trade or business or of property held for the production of net income, including a reasonable allowance for obsolescence. A taxpayer may elect to claim a deduction for amortization of emergency facilities, as defined by Sections 124 and 124A of the Internal Revenue Code as amended by Section 216 of the Federal Revenue Act of 1950, under regulations prescribed by the Franchise Tax Board. In the case of property held by one person for life with remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each.

SEC. 2. Section 17315 of the Revenue and Taxation Code is amended to read:

Same, contributions, etc

17315. In computing net income there shall be allowed as a deduction, in the case of an individual, contributions or gifts payment of which is made within the taxable year to or for the use of:

(a) The United States, any state, territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes.

(b) A corporation, or trust, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this subsection, see Article 2 of Chapter 8.

(c) The special fund for vocational rehabilitation authorized by Section 12 of the World War Veterans' Act, 1924.

(d) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if the posts, organizations, units, or societies are organized in the United

States and if no part of their net earnings inures to the benefit of any private shareholder or individual.

(e) A fraternal society, order, or association, operating under the lodge system, but only if the contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes or for the prevention of cruelty to children or animals.

SEC. 3. Section 17318 2 of the Revenue and Taxation Code is amended to read:

17318.2. For the purposes of Section 17318.3, the amount of bond premium in the case of the holder of any bond, shall be determined with reference to the amount of the basis (for determining loss on sale or exchange) of the bond, and with reference to the amount payable on maturity or on earlier call date, with adjustments proper to reflect unamortized bond premium with respect to the bond, for the period prior to the date as of which Section 17318.1 becomes applicable with respect to the taxpayer with respect to such bond. In no case shall the amount of bond premium on a convertible bond include any amount attributable to the conversion features of the bond. Bond premium

SEC. 4. Section 17711 of the Revenue and Taxation Code is amended to read:

17711. "Capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but does not include (a) stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or (b) property used in the trade or business of a character which is subject to the allowance for depreciation provided in Section 17313, or (c) real property used in the trade or business of the taxpayer, or (d) a copyright; a literary, musical, or artistic composition; or similar property; held by (i) a taxpayer whose personal efforts created such property, or (ii) a taxpayer in whose hands the basis of such property is determined, for the purpose of determining gain from a sale or exchange, in whole or in part by reference to the basis of such property in the hands of the person whose personal efforts created such property. "Capital assets"

SEC. 5. Section 17721 of the Revenue and Taxation Code is amended to read:

17721. For the purposes of Section 17722, the term "property used in the trade or business" means property used in the trade or business, of a character which is subject to the allowance for depreciation provided in Section 17313, and real property used in the trade or business, which is not "Property used in the trade or business"

(a) Property of a kind which would properly be includible in the inventory of the taxpayer if on hand at the close of the taxable year, or

(b) Property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or

(c) A copyright, a literary, musical or artistic composition, or similar property, held by a taxpayer described in Section 17711(d).

Such term also includes timber with respect to which Sections 17725 and 17726 are applicable.

SEC. 6. Section 17782 of the Revenue and Taxation Code is amended to read:

Adjustment of basis

17782. Proper adjustment in respect of the property shall in all cases be made for the expenditures, receipts, losses, or other items, properly chargeable to capital account, but no such adjustment shall be made for taxes or other carrying charges, or for expenditures described in subsection (b) of Section 17301 and in Section 17301.1, for which deductions have been taken by the taxpayer in determining net income for the taxable year or prior taxable years.

SEC. 7. Section 17817.1 of the Revenue and Taxation Code is amended to read:

"Gross income from the property"

17817.1. As used in Section 17817, the term "gross income from the property" means the gross income from mining. The term "mining," as used herein, shall be considered to include not merely the extraction of the ores or minerals from the ground but also the ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products, and so much of the transportation of ores or minerals (whether or not by common carrier) from the point of extraction from the ground to the plants or mills in which the ordinary treatment processes are applied thereto as is not in excess of 50 miles unless the Franchise Tax Board finds that the physical and other requirements are such that the ore or mineral must be transported a greater distance to such plants or mills. The term "ordinary treatment processes," as used herein, shall include the following: (i) In the case of coal—cleaning, breaking, sizing, and loading for shipment; (ii) in the case of sulphur—pumping to vats, cooling, breaking, and loading for shipment; (iii) in the case of iron ore, bauxite, ball and sagger clay, rock asphalt, and minerals which are customarily sold in the form of a crude mineral product—sorting, concentrating, and sintering to bring to shipping grade and form, and loading for shipment; and (iv) in the case of lead, zinc, copper, gold, silver, or fluorspar ores, potash, and ores which are not customarily sold in the form of the crude mineral product—crushing, grinding, and beneficiation by concentration (gravity, flotation, amalgamation, electrostatic, or magnetic), cyanidation, leaching, crystallization, precipitation (but not including as an ordinary treatment process electrolytic deposition, roasting, thermal or electric smelting, or refining), or by substantially equivalent processes or combination of processes used in the separation or extraction of the product or products from the ore, including the furnacing of quicksilver ores.

"Ordinary treatment processes"

SEC. 8. Section 18132 of the Revenue and Taxation Code is amended to read:

Trust income: Charitable deductions

18132. There shall be allowed as a deduction subject to the provisions of this article (in lieu of the deduction for contributions authorized by Section 17315 and Section 17383) in computing the net income of the estate or trust, any part of the gross income, without limitation, which pursuant to the terms of the will or deed creating the trust is during the taxable year paid or permanently set aside for the purposes and in the manner specified in those sections or is to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, or for the establishment, acquisition, maintenance, or operation of a public cemetery not operated for profit.

SEC. 9. Section 17109 is added to the Revenue and Taxation Code, to read:

Short-term municipal bonds held for sale to customers

17109. In computing the gross income of a taxpayer who holds during the taxable year a short-term municipal bond (as defined in Section 17110(a)) primarily for sale to customers in the ordinary course of his trade or business—

(a) If the gross income of the taxpayer from such trade or business is computed by the use of inventories and his inventories are valued on any basis other than cost, the cost of securities sold (as defined in Section 17110(b)) during such year shall be reduced by an amount equal to the amortizable bond premium that would be disallowed as a deduction for such year pursuant to Section 17318.1 if the definition in Section 17318.5 of the term "bond" did not exclude such short-term municipal bond; or

(b) If the gross income of the taxpayer from such trade or business is computed without the use of inventories, or by use of inventories valued at cost, and the short-term municipal bond is sold or otherwise disposed of during such year, the adjusted basis (computed without regard to this subsection) of the short-term municipal bond shall be reduced by the amount of the adjustment that would be required under Section 17784.5 if the definition in Section 17318.5 of the term "bond" did not exclude such short-term municipal bond.

SEC. 10. Section 17110 is added to the Revenue and Taxation Code, to read:

17110. For the purposes of Section 17109—

"Short-term municipal bond"

(a) The term "short-term municipal bond" means any obligation issued by a government or political subdivision thereof if the interest on such obligation is excludable from gross income; but such term does not include such an obligation if (i) it is sold or otherwise disposed of by the taxpayer within 30 days after the date of its acquisition by him, or (ii) its earliest maturity or call date is a date more than five years from the date on which it was acquired by the taxpayer.

"Cost of securities sold"

(b) The term "cost of securities sold" means the amount ascertained by subtracting the inventory value of the closing inventory of a taxable year from the sum of (i) the inventory

value of the opening inventory for such year and (ii) the cost of securities and other property purchased during such year which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year.

SEC. 11. Section 17161.1 is added to the Revenue and Taxation Code, to read:

Redemption of parent's stock by subsidiary

17161.1. If stock of a corporation (hereinafter referred to as the issuing corporation) is acquired by another corporation (hereinafter referred to as the acquiring corporation) and the issuing corporation controls (directly or indirectly) the acquiring corporation, the amount paid for the acquisition of the stock shall constitute a taxable dividend from the issuing corporation to the extent that the amount paid for such stock would have been considered, under Section 17161, as essentially equivalent to a taxable dividend if such amount had been distributed by the acquiring corporation to the issuing corporation and had been applied by the issuing corporation in redemption of its stock. For the purposes of this section, control means the ownership of stock possessing at least 50 per centum of the total combined voting power of all classes of stock entitled to vote or at least 50 per centum of the total value of shares of all classes of stock of the corporation.

SEC. 12. Section 17301.1 is added to the Revenue and Taxation Code, to read:

Expenditures re circulation Election

17301.1. In computing net income there shall be allowed, notwithstanding Section 17351, all expenditures (other than expenditures for the purchase of land or depreciable property or for the acquisition of circulation through the purchase of any part of the business of another publisher of a newspaper, magazine, or other periodical) to establish, maintain, or increase the circulation of a newspaper, magazine, or other periodical; except that the deduction shall not be allowed with respect to the portion of such expenditures as, under regulations prescribed by the Franchise Tax Board, is chargeable to capital account if the taxpayer elects, in accordance with such regulations, to treat such portion as so chargeable. Such election, if made, must be for the total amount of such portion of the expenditures which is so chargeable to capital account, and shall be binding for all subsequent taxable years unless, upon application by the taxpayer, the Franchise Tax Board permits a revocation of such election subject to such conditions as it deems necessary.

SEC. 13. Section 17315.5 is added to the Revenue and Taxation Code, to read:

Gifts not deductible

17315.5. No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under Sections 17315(b), 17317, and 18132, shall be allowed as a deduction if made to an organization which, in the taxable year of the organization in which the gift or bequest is made, is not exempt under Section 23701d of this code by reason of the provisions of Sec-

tions 23736.2 and 23736.3 of this code. With respect to any taxable year of the organization for which the organization is not exempt pursuant to the provisions of Section 23736 2 of this code by reason of having engaged in a prohibited transaction with the purpose of diverting the corpus or income of such organization from its exempt purposes and such transaction involved a substantial part of such corpus or income, and which taxable year is the same, or prior to the, taxable year of the organization in which such transaction occurred, such deduction shall be disallowed the donor only if such donor or any member of his family (as defined in Section 17353(d)) was a party to such prohibited transaction.

"Gift or bequest"

For the purposes of this section the term "gift or bequest" means any gift, contribution, bequest, devise, legacy, or transfer.

SEC. 14. Section 17318.6 is added to the Revenue and Taxation Code, to read:

"Short term municipal bonds"

17318.6. For special rules applicable, in the case of dealers in securities with respect to premium attributable to certain "short-term municipal bonds," see Sections 17109 and 17110.

SEC. 15. Article 2.5, consisting of Sections 17691, 17692, 17693, 17694, 17695, 17696, 17697 and 17698, is added to Chapter 6 of Part 10, Division 2 of the Revenue and Taxation Code, to read:

Article 2.5. Employee Stock Options

Restricted stock option

17691. Notwithstanding the provisions of Section 17103, if a share of stock is transferred to an individual pursuant to his exercise after December 31, 1950 of a restricted stock option, and no disposition of such share is made by him within two years from the date of the granting of the option nor within six months after the transfer of such share to him, no income shall result at the time of the transfer of such share to the individual upon his exercise of the option with respect to such share. This section and Section 17692 shall not apply unless (A) the individual, at the time he exercises the restricted stock option, is an employee of the corporation granting such option or of a parent or subsidiary corporation of such corporation, or (B) the option is exercised by him within three months after the date he ceases to be an employee of any of such corporations.

Same Disposition of stock

17692. If no disposition of a share of stock acquired by an individual upon his exercise after December 31, 1950, of a restricted stock option is made by him within two years from the date of the granting of the option nor within six months after the transfer of such share to him, but, at the time the restricted stock option was granted, the option price was less than 95 per centum of the fair market value at such time of such share, then, in the event of any disposition of such share by him, or in the event of his death (whenever occurring) while owning such share, there shall be included as compensation (and not as gain upon the sale or exchange of a capital asset) in his gross income, for the taxable year in which falls the date

of such disposition or for the taxable year closing with his death, whichever is applicable, an amount equal to the amount (if any) by which the option price is exceeded by the lesser of—

(a) The fair market value of the share at the time of such disposition or death, or

(b) The fair market value of the share at the time the option was granted.

In the case of the disposition of such share by the individual, the basis of the share in his hands at the time of such disposition shall be increased by an amount equal to the amount so includible in his gross income.

Exchanged stock

17693. If stock transferred to an individual upon his exercise of the option is exchanged by him for stock or securities in an exchange within the provisions of Sections 17675 or 17678, or if new stock, as described in Sections 17755, 17756 and 17757, is acquired upon a distribution with respect to such stock, the stock or securities acquired in such exchange and such new stock shall be considered as having been transferred to him upon his exercise of such option. A similar rule shall be applied in the case of a series of such exchanges or acquisitions.

"Restricted stock option"

17694. The term "restricted stock option" means an option granted after February 26, 1945, to an individual, for any reason connected with his employment by a corporation, if granted by the employer corporation or its parent or subsidiary corporation, to purchase stock of any such corporations, but only if—

(a) At the time such option is granted the option price is at least 85 per centum of the fair market value at such time of the stock subject to the option; and

(b) Such option by its terms is not transferable by such individual otherwise than by will or the laws of descent and distribution, and is exercisable, during his lifetime, only by him; and

(c) Such individual, at the time the option is granted, does not own stock possessing more than 10 per centum of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation. For the purposes of this subsection—

(i) Such individual shall be considered as owning the stock owned, directly or indirectly, by or for his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants; and

(ii) Stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust, shall be considered as being owned proportionately by or for its shareholders, partners, or beneficiaries.

"Parent corporation"

17695. The term "parent corporation" means any corporation (other than the employer corporation) in an unbroken chain of corporations ending with the employer corporation if, at the time of granting of the option, each of the corporations other than the employer corporation owns stock possessing more than 50 per centum of the total combined voting power

of all classes of stock in one of the other corporations in such chain.

"Subsidiary corporation"

17696. The term "subsidiary corporation" means any corporation (other than the employer corporation) in an unbroken chain of corporations beginning with the employer corporation if, at the time of the granting of the option, each of the corporations other than the last corporation in the unbroken chain owns stock possessing more than 50 per centum of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"Disposition"

17697. The term "disposition" includes a sale, exchange, gift, or any transfer of legal title, but does not include—

(a) A transfer from a decedent to his estate or a transfer by bequest or inheritance;

(b) An exchange which is within the provisions of Sections 17675 or 17678; or

(c) A mere pledge or hypothecation.

Option to purchase Modification etc., of terms

17698. For the purposes of Sections 17694 to 17697, inclusive, if the terms of any option to purchase stock are modified, extended, or renewed, the following rules shall be applied with respect to transfers of stock made upon an exercise of the option after the making of such modification, extension, or renewal:

(a) Such modification, extension, or renewal shall be considered as the granting of a new option;

(b) The fair market value of such stock at the time of the granting of such option shall be considered as (1) the fair market value of such stock on the date of the original granting of the option, (2) the fair market value of such stock on the date of the making of such modification, extension, or renewal, or (3) the fair market value of such stock at the time of the making of any intervening modification, extension, or renewal, whichever is the highest.

SEC. 16. Article 3.5, consisting of Sections 17731 to 17733, inclusive, is added to Chapter 6, Part 10, Division 2, of the Revenue and Taxation Code, to read:

Article 3.5. Treatment of Gain to Shareholders of Collapsible Corporations

Ordinary income

17731. Gain from the sale or exchange (whether in liquidation or otherwise) of stock of a collapsible corporation, to the extent that it would be considered (but for the provisions of this article) as gain from the sale or exchange of a capital asset, shall, except as provided in Section 17733, be considered as gain from the sale or exchange of property which is not a capital asset.

"Collapsible corporation"

17732. (a) For the purposes of this article, the term "collapsible corporation" means a corporation formed or availed of principally for the manufacture, construction, or production of property, or for the holding of stock in a corporation so formed or availed of, with a view to—

(1) The sale or exchange of stock by its shareholders (whether in liquidation or otherwise), or a distribution to its shareholders, prior to the realization by the corporation manufacturing, constructing, or producing the property of a substantial part of the net income to be derived from such property, and

(2) The realization by such shareholders of gain attributable to such property.

(b) For the purposes of subsection (a), a corporation shall be deemed to have manufactured, constructed, or produced property, if—

(1) It engaged in the manufacture, construction, or production of such property to any extent,

(2) It holds property having a basis determined, in whole or in part, by reference to the cost of such property in the hands of a person who manufactured, constructed, or produced the property, or

(3) It holds property having a basis determined, in whole or in part, by reference to the cost of property manufactured, constructed, or produced by the corporation.

Requirements for application of section

17733. In the case of gain realized by a shareholder upon his stock in a collapsible corporation—

(a) This article shall not apply unless, at any time after the commencement of the manufacture, construction, or production of the property, such shareholder (1) owned (or was considered as owning) more than 10 per centum in value of the outstanding stock of the corporation, or (2) owned stock which was considered as owned at such time by another shareholder who then owned (or was considered as owning) more than 10 per centum in value of the outstanding stock of the corporation;

(b) This article shall not apply to the gain recognized during a taxable year unless more than 70 per centum or such gain is attributable to the property so manufactured, constructed, or produced; and

(c) This article shall not apply to gain realized after the expiration of three years following the completion of such manufacture, construction, or production.

For the purposes of subsection (a), the ownership of stock shall be determined in accordance with the rules prescribed by Section 17353, except that, in addition to the persons prescribed by subsection (d) of that section, the family of an individual shall include the spouses of that individual's brothers and sisters (whether by the whole or half blood) and the spouses of that individual's lineal descendants.

SEC. 17. Section 17784.6 is added to the Revenue and Taxation Code, to read:

Adjustment

17784.6. Proper adjustment shall be made in the case of any short-term municipal bond (as defined in Sections 17109 and 17110), to the extent provided in Section 17109(b).

SEC. 18. Article 1.5, consisting of Sections 18121 to 18123.4, inclusive, is added to Chapter 8 of Part 10, Division 2 of the Revenue and Taxation Code, to read:

Article 1.5. Taxation of Unrelated Business Income of Trusts

"Article 1.5 net income"

18121. The term "Article 1.5 net income" of a trust means the amount by which its unrelated business net income (as defined in Section 18122) exceeds one thousand dollars ($1,000).

"Unrelated business net income"

18122. The term "unrelated business net income" means the gross income derived by any trust from any unrelated trade or business (as defined in Section 18132 3) regularly carried on by it, less the deductions allowed by Article 1 of Chapter 4 which are directly connected with the carrying on of such trade or business, subject to the exceptions, additions, and limitations prescribed in Sections 18122.1 to 18122.8, inclusive.

Same Exclusions

18122.1. There shall be excluded all dividends, interest, and annuities, and all deductions directly connected with such income.

Same

18122.2. There shall be excluded all royalties (including overriding royalties) whether measured by production or by gross or net income from the property, and all deductions directly connected with such income.

Same

18122.3. There shall be excluded all rents from real property (including personal property leased with the real property), and all deductions directly connected with such rents

Same Inclusions

18122.4. Notwithstanding Section 18122 3, in the case of a lease (as defined in Sections 18123 and 18123.1) there shall be included, as an item of gross income derived from an unrelated trade or business, the amount ascertained under Section 18123.4(a) and there shall be allowed, as a deduction, the amount ascertained under Section 18123.4(b).

Same Exclusions

18122.5. There shall be excluded all gains or losses from the sale, exchange, or other disposition of property other than (A) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year, or (B) property held primarily for sale to customers in the ordinary course of the trade or business. This section shall not apply with respect to the cutting of timber which is considered, upon the application of Section 17725, as a sale or exchange of such timber.

Same

18122.6. There shall be excluded all income derived from research for (A) the United States or any of its agencies or instrumentalities, or (B) any state or political subdivision thereof; and there shall be excluded all deductions directly connected with such income.

Same

18122.7. In the case of a college, university, or hospital, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income.

Same

18122.8. In the case of a trust operated primarily for the purposes of carrying on fundamental research the results of which are freely available to the general public, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income.

"Article 1 5 lease"

18123. The term "Article 1 5 lease" means a lease for a term of more than five years of the real property by a trust (or by a partnership of which it is a member), if at the close of the lessor's taxable year there is an Article 1.5 lease indebtedness (as defined in Section 18123.2) with respect to such property.

Term of lease Computation

18123.1. In computing the term of a lease which contains an option for renewal or extension, the term of such lease shall be considered as including any period for which such option may be exercised; and the term of any lease made pursuant to an exercise of such option shall include the period during which the prior lease was in effect. If real property is acquired subject to a lease, the term of such lease shall be considered to begin on the date of such acquisition. No lease shall be considered an Article 1.5 lease if (A) such lease is entered into primarily for purposes which are substantially related (aside from the need of such organization for income or funds or the use it makes of the rents derived) to the exercise or performance by such trust of its charitable, educational, or other purpose or function under Section 18132, or (B) the lease is of premises in a building primarily designed for occupancy, and occupied, by the trust. If a lease for more than five years to a tenant is for only a portion of the real property, and space in the real property is rented during the taxable year under a lease for not more than five years to any other tenant of the trust, leases of the real property for more than five years shall be considered as Article 1.5 leases during the taxable year only if—

(a) The rents derived from the real property during the taxable year under such leases represent 50 per centum or more of the total rents derived during the taxable year from the real property; or the area of the premises occupied under such leases represents, at any time during the taxable year, 50 per centum or more of the total area of the real property rented at such time; or

(b) The rent derived from the real property during the taxable year from any tenant under such a lease, or from a group of tenants (under such leases) who are partners, represents more than 10 per centum of the total rents derived during the taxable year from such property; or the area of the premises occupied by any one such tenant, or by any such group of tenants, represents at any time during the taxable year more than 10 per centum of the total area of the real property rented at such time.

"Article 1 5 lease indebtedness"

18123.2. The term "Article 1.5 lease indebtedness" means, with respect to any real property leased for a term of more than five years, the unpaid amount of—

(a) The indebtedness incurred by the lessor in acquiring or improving such property;

(b) The indebtedness incurred prior to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement; and

(c) The indebtedness incurred subsequent to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of such indebtedness was reasonably foreseeable at the time of such acquisition or improvement.

Where real property is acquired subject to a mortgage or other similar lien, the amount of the indebtedness secured by such mortgage or lien shall be considered (whether the acquisition was by gift, devise, or purchase) as an indebtedness of the lessor incurred in acquiring such property even though the lessor did not assume or agree to pay such indebtedness, except that where real property was acquired by a gift, bequest, or devise prior to January 1, 1951, subject to a mortgage or other similar lien, the amount of such mortgage or other similar lien shall not be considered as an indebtedness of the lessor incurred in acquiring such property. Where real property was acquired by gift, bequest, or devise prior to January 1, 1951, subject to a lease requiring improvements in such property upon the happening of stated contingencies, indebtedness incurred in improving such property in accordance with the terms of such lease shall not be considered as an indebtedness for purposes of this section. In the case of a corporation described in Section 23701h of this code, all of the stock of which was acquired prior to January 1, 1951, by a trust described in Section 18132 (and more than one-third of such stock was acquired by such trust by gift or bequest), any indebtedness incurred by such corporation prior to January 1, 1951, and any indebtedness incurred by such corporation on or after such date in improving real property in accordance with the terms of a lease entered into prior to such date, shall not be considered as an indebtedness with respect to such trust for purposes of this section. In determining the amount of the Article 1.5 lease indebtedness where only a portion of the real property is subject to an Article 1.5 lease, proper allocation to the premises covered by such lease shall be made of the indebtedness incurred by the lessor with respect to the real property.

"Real property" "Premises"

18123.3. For the purposes of this article, the term "real property" and the term "premises" include personal property of the lessor leased by it to a lessee of its real estate if the lease of such personal property is made under, or in connection with, the lease of such real estate.

Unrelated business net income

18123.4. In computing under Sections 18122 to 18122.8 the unrelated business net income for any taxable year—

(a) There shall be included with respect to each Article 1.5 lease, as an item of gross income derived from an unrelated trade or business, an amount which is the same percentage (but not in excess of 100 per centum) of the total rents derived during the taxable year under such lease as (1) the Article 1.5 lease indebtedness, at the close of the taxable year, with respect to the premises covered by such lease is of (2) the adjusted basis, at the close of the taxable year, of such premises.

(b) There shall be allowed with respect to each Article 1.5 lease, as a deduction to be taken into account in computing unrelated business net income, an amount which is the same percentage (but not in excess of 100 per centum) of the sum determined under subsection (c) as the amount determined under clause (1) of subsection (a) is of the amount determined under clause (2) of such subsection.

(c) The sum referred to in subsection (b) is the sum of the following deductions allowable under Article 1 of Chapter 4:

(1) Taxes and other expenses paid or accrued during the taxable year upon or with respect to the real property subject to the Article 1.5 lease.

(2) Interest paid or accrued during the taxable year on the Article 1.5 lease indebtedness.

(3) A reasonable allowance for exhaustion, wear and tear (including a reasonable allowance for obsolescence) of the real property subject to such lease.

Where only a portion of the real property is subject to the Article 1.5 lease, there shall be taken into account under paragraphs (1), (2), or (3) only those amounts which are properly allocable to the premises covered by such lease.

SEC. 19. Section 18132.1 is added to the Revenue and Taxation Code, to read:

"Charitable contribution"

18132.1. In the case of any trust described in Sections 18131 and 18132, the so-called "charitable contribution" deduction allowed by Section 18132 shall be allowed (whether or not directly connected with the carrying on of the trade or business), and for such purpose a distribution made by the trust to a beneficiary described in Section 18132 shall be considered as a gift or contribution. The deduction allowed by this section shall not exceed 15 per centum of the unrelated business net income computed without the benefit of this section.

SEC. 20. Section 18132.2 is added to the Revenue and Taxation Code, to read:

Partnerships

18132.2. If a trade or business regularly carried on by a partnership of which a trust is a member is an unrelated trade or business with respect to such trust, such trust in computing its unrelated business net income shall, subject to the exceptions, additions, and limitations contained in Sections 18122.1 through 18122.8, include its share (whether or not distributed) of the gross income of the partnership from such unrelated trade or business and its share of the partnership

deductions directly connected with such gross income. If the taxable year of the trust is different from that of the partnership, the amounts to be so included or deducted in computing the unrelated business net income shall be based upon the income and deductions of the partnership for any taxable year of the partnership (whether beginning on, before, or after January 1, 1951) ending within or with the taxable year of the trust.

SEC. 21. Section 18132.3 is added to the Revenue and Taxation Code, to read:

"Unrelated trade or business"

18132.3. The term "unrelated trade or business" means, in the case of any trust subject to the tax imposed by Article 1, any trade or business the conduct of which is not substantially related (aside from the need of such trust for income or funds or the use it makes of the profits derived) to the exercise or performance by such trust of its charitable, educational, or other purpose or function, except that such term shall not include any trade or business—

(a) In which substantially all the work in carrying on such trade or business is performed for the trust without compensation; or

(b) Which is carried on by the trust primarily for the convenience of its members, students, patients, officers, or employees; or

(c) Which is the selling of merchandise, substantially all of which has been received by the organization as gifts or contributions.

The term "unrelated trade or business" means, in the case of a trust computing its unrelated business net income under this section for the purposes of Section 18132.4, any trade or business regularly carried on by such trust or by a partnership of which it is a member.

SEC. 22. Section 18132.4 is added to the Revenue and Taxation Code, to read:

"Unrelated business income"

18132.4. In computing the deduction allowable under Section 18132 to a trust for any taxable year beginning after December 31, 1950, no amount otherwise allowable under Section 18132 as a deduction shall be allowed as a deduction with respect to income of the taxable year which is allocable to its unrelated business income for such year. As used in this article the term "unrelated business income" means an amount equal to the amount which, if such trust were one described in Section 18132, would be computed as its unrelated business net income under Sections 18122 to 18122.7, inclusive, 18132.1, 18132.2, and 18132.3 (relating to income derived from certain business activities and from certain leases).

SEC. 23. Section 18132.5 is added to the Revenue and Taxation Code, to read:

Deductions

18132.5. (a) The amount otherwise allowable under Section 18132 as a deduction shall not exceed 15 per centum of the

net income of the trust (computed without the benefit of Section 18132) if the trust has engaged in a prohibited transaction, as defined in subsection (b) of this section.

"Prohibited transaction"

(b) For the purposes of this section the term "prohibited transaction" means any transaction after December 31, 1950, in which any trust while holding income or corpus which has been permanently set aside or is to be used exclusively for charitable or other purposes described in Section 18132—

(1) Lends any part of such income or corpus, without receipt of adequate security and a reasonable rate of interest, to;

(2) Pays any compensation from such income or corpus, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered, to;

(3) Makes any part of its services available on a preferential basis to;

(4) Uses such income or corpus to make any substantial purchase of securities or any other property, for more than an adequate consideration in money or money's worth, from;

(5) Sells any substantial part of the securities or other property comprising such income or corpus, for less than an adequate consideration in money or money's worth, to; or

(6) Engages in any other transaction which results in a substantial diversion of such income or corpus to;

the creator of such trust; any person who has made a substantial contribution to such trust; a member of the family (as defined in Section 17353 (d)) of an individual who is the creator of the trust or who has made a substantial contribution to the trust; or a corporation controlled by any such creator or person through the ownership, directly or indirectly, of 50 per centum or more of the total combined voting power of all classes of stock entitled to vote or 50 per centum or more of the total value of shares of all classes of stock of the corporation.

SEC. 24. Section 18132.6 is added to the Revenue and Taxation Code, to read:

Deductions Limitation

18132.6. The amount otherwise allowable under Section 18132 as a deduction shall be limited as provided in Section 18132.5(a) only for taxable years subsequent to the taxable year during which the trust is notified by the Franchise Tax Board that it has engaged in such transaction, unless such trust entered into such prohibited transaction with the purpose of diverting such corpus or income from the purposes described in Section 18132, and such transaction involved a substantial part of such corpus or income.

SEC. 25. Section 18132.7 is added to the Revenue and Taxation Code, to read:

Same

18132.7. If the deduction of any trust under Section 18132 has been limited as provided in such section, such trust, with respect to any taxable year following the taxable year in which notice is received of limitation of deduction under Section 18132, may, under regulations prescribed by the Fran-

chise Tax Board, file claim for the allowance of the unlimited deduction under Section 18132, and if the Franchise Tax Board, pursuant to such regulations, is satisfied that such trust will not knowingly again engage in a prohibited transaction, the limitation provided in Section 18132.5 shall not be applicable with respect to taxable years subsequent to the year in which such claim is filed.

SEC. 26. Section 18132.8 is added to the Revenue and Taxation Code, to read:

Gifts not deductible

18132.8. No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under Sections 17315(b) and 18132, and Section 24121k of this code, shall be allowed as a deduction if made in trust and, in the taxable year of the trust in which the gift or bequest is made, the deduction allowed the trust under Section 18132 is limited by Section 18132.5. With respect to any taxable year of a trust in which such deduction has been so limited by reason of entering into a prohibited transaction with the purpose of diverting such corpus or income from the purposes described in Section 18132, and such transaction involved a substantial part of such income or corpus, and which taxable year is the same, or prior to the taxable year of the trust in which such prohibited transaction occurred, such deduction shall be disallowed the donor only if such donor or (if such donor is an individual) any member of his family (as defined in Section 17353(d)) was a party to such prohibited transaction.

SEC. 27. Section 18132.9 is added to the Revenue and Taxation Code, to read:

"Gift or bequest"

18132.9. For the purposes of this article the term "gift or bequest" means any gift, contribution, bequest, devise, legacy, or transfer. For disallowance of certain charitable, religious, scientific, literary, or educational deductions otherwise allowable under Section 18132, see Section 18132.11.

SEC. 28. Section 18132.10 is added to the Revenue and Taxation Code, to read:

Deductions: Limitation

18132.10. If the amounts permanently set aside, or to be used exclusively, for the charitable and other purposes described in Section 18132 during the taxable year or any prior taxable year and not actually paid out by the end of the taxable year—

(a) Are unreasonable in amount or duration in order to carry out such purposes of the trust; or

(b) Are used to a substantial degree for purposes other than those described in Section 18132; or

(c) Are invested in such a manner as to jeopardize the interest of the religious, charitable, scientific, literary, or educational beneficiaries, the amount otherwise allowable under Section 18132 as a deduction shall be limited to the amount actually

paid out during the taxable year and shall not exceed 15 per centum of the net income of the trust (computed without the benefit of Section 18132).

SEC. 29. Section 18132.11 is added to the Revenue and Taxation Code, to read:

"Prohibited transaction"

18132.11. For the purposes of this article, the term "prohibited transaction" means any transaction in which a trust subject to the provisions of this article—

(a) Lends any part of its income or corpus, without the receipt of adequate security and a reasonable rate of interest, to;

(b) Pays any compensation, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered, to;

(c) Makes any part of its services available on a preferential basis to;

(d) Makes any substantial purchase of securities or any other property, for more than adequate consideration in money or money's worth, from;

(e) Sells any substantial part of its securities or other property, for less than an adequate consideration in money or money's worth, to; or

(f) Engages in any other transaction which results in a substantial diversion of its income or corpus to;

the creator of such a trust; a person who has made a substantial contribution to such trust; a member of the family (as defined in Section 17353(d)) of an individual who is the creator of such trust or who has made a substantial contribution to such trust; or a corporation controlled by such creator or person through the ownership, directly or indirectly, of 50 per centum or more of the total combined voting power of all classes of stock entitled to vote or 50 per centum or more of the total value of shares of all classes of stock of the corporation.

A trust engaging in any of the prohibited transactions of this section shall not be allowed the deductions specified in Section 18132.

SEC. 30. Section 18132.12 is added to the Revenue and Taxation Code, to read:

Information: Charitable, etc., deductions

18132.12. Every trust claiming a charitable, religious, scientific, literary, or educational deduction under Section 18132 for the taxable year shall furnish information with respect to such taxable year, at such time and in such manner as the Franchise Tax Board may by regulations prescribe, setting forth—

(a) The amount of the charitable, religious, scientific, literary, or educational deduction taken under Section 18132 within such year (showing separately the amount of such deduction which was paid out and the amount which was permanently set aside for charitable, religious, scientific, literary, or educational purposes during such year),

(b) The amount paid out within such year which represents amounts for which charitable, religious, scientific, literary, or educational deductions under Section 18132 have been taken in prior years,

(c) The amount for which charitable, religious, scientific, literary, or educational deductions have been taken in prior years but which has not been paid out at the beginning of such year,

(d) The amount paid out of principal in the current and prior years for charitable, religious, scientific, literary, or educational purposes,

(e) The total income of the trust within such year and the expenses attributable thereto, and

(f) A balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

SEC. 31. This act, inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately. Tax levy

SEC. 32. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended. Application

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CHAPTER 362

An act to amend Section 8404 of, and to add Section 8406.1 to, the Education Code, relating to kindergarten.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 8404 of the Education Code is amended to read:

8404. A child shall be admitted to a kindergarten in any term during the first school month of the term, if he is of the age prescribed. For good cause the governing board of a school district may permit a child of proper age to be admitted to a class after the first school month of the school term. Admission to kindergarten

If there is but one term during the school year, the child shall be four years and nine months of age on or before September 1st of the current school year. If there are two terms maintained during the school year the child shall be four years and nine months of age on or before September 1st, of the current school year, before he may be admitted in the first term of the school year, or four years and nine months of age on or before February 1st of the current school year, before he may be admitted in the second term in any school year.

SEC. 2. Section 8406 1 is added to said code, to read:

Minimum age

8406.1. If the minimum age fixed by Section 8404, as amended by Chapter 1236 of the Statutes of 1945, at which children may be admitted to kindergarten is increased, the provisions of Section 8406 shall not apply to any kindergarten the average daily attendance of which for the first school year in which such increase becomes effective is 10 or less, and the governing board of the district maintaining the kindergarten may, in its discretion, continue to maintain the kindergarten.

CHAPTER 363

An act to provide for a compact between the State of California and the State of Arizona in relation to fish and game and to provide for reciprocal hunting and fishing licenses and privileges for the residents of said states.

In effect September 22, 1951

[Approved by Governor May 5, 1951 Filed with Secretary of State May 5, 1951.]

The people of the State of California do enact as follows:

Negotiation of compact authorized

SECTION 1. The Fish and Game Commission is hereby authorized to negotiate the terms of a compact between the States of Arizona and California with any appropriate officials of the State of Arizona in relation to reciprocal privileges and licenses for hunting and fishing by residents of one of said states within the territorial jurisdiction of the other. Said negotiations shall include, but shall not be limited to, provisions relating to sporting fishing and the hunting of migratory waterfowl in, on, or along the Colorado River. It is the primary purpose of this act to provide a method whereby the hunting and fishing opportunities afforded by the Colorado River may be mutually enjoyed by the residents of the States of Arizona and California despite the difficulties and inconveniences that result from the fact that the boundary line between the States of Arizona and California is the middle of the channel of the Colorado River.

CHAPTER 364

An act to establish a Financial Code, relating to the organization, regulation, and supervision of financial institutions and financial transactions, and matters incidental thereto, consolidating and revising the law relating thereto, and repealing certain sections, acts, and parts of acts specified therein.

[Approved by Governor May 5, 1951. Filed with Secretary of State May 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

GENERAL PROVISIONS

General provisions

1. This act is known and may be cited as the Financial Code.

Construction and effect

2. The provisions of this code insofar as they are substantially the same as existing statutory provisions relating to the same subject matter shall be construed as restatements and continuations, and not as new enactments.

3. Any action or proceeding commenced before this code takes effect, or any right accrued, is not affected by this code, but all procedure taken shall conform to the provisions of this code as far as possible.

4. Unless the context otherwise requires the general provisions hereinafter set forth govern the construction of this code.

Headings

5. Division, part, chapter, article, and section headings do not in any manner affect the scope, meaning, or intent of the provisions of this code.

Delegation of authority

6. Whenever a power is granted to, or a duty imposed on any person or board by any provision of this code, it may be exercised or performed by any deputy or person authorized by the person or board to whom the power is granted or on whom the duty is imposed, unless it is expressly provided that the power or duty shall be exercised or performed only by the person or board to whom the power is granted or on whom the duty is imposed.

7. Whenever any reference is made to any portion of this code or of any other law, the reference applies to all amendments and additions thereto, now or hereafter made.

"Writing"

8. "Writing" includes any form of recorded message capable of comprehension by ordinary visual means. Whenever any notice, report, petition, permit, statement, or record is required by this code, it shall be made in writing in the English language.

"Section"

9. "Section" means a section of this code unless some other statute is specifically mentioned, and "subdivision" means a subdivision of the section in which the term occurs unless some other section is expressly mentioned.

"Tense" 10. The present tense includes the past and future tenses; and the future, the present.

"Gende " 11. The masculine gender includes the feminine and neuter.

"Number" 12. The singular number includes the plural and the plural the singular.

"City" 13. "City" includes incorporated city, city and county, municipal corporation, municipality, town and incorporated town.

"County" 14. "County" includes city and county.

"Shall" 15. "Shall" is mandatory and "may" is permissive.

"Oath" 16. "Oath" includes affirmation.

"Signature" 17. "Signature" or "subscription" includes mark. The mark shall be made as required in the Civil Code.

"Person" 18. "Person" includes any person, firm, partnership, association, corporation, company, syndicate, estate, trust, business trust, or organization of any kind.

Constitutionality 19. If any provision of this code, or its application to any person or circumstance, is held invalid, the remainder of the code, or the application of the provision to other persons or circumstances is not affected.

20. The existence of corporations formed or existing on the date this code takes effect is not affected by the enactment of this code nor by any change in the requirements for the formation of corporations, nor by the amendment or repeal of the laws under which they were formed or created.

Tenure 21. All persons who, at the time this code goes into effect, hold office under any of the acts repealed by this code, which offices are continued by this code, continue to hold them according to their former tenure.

DIVISION 1. BANKS

CHAPTER 1. SCOPE AND DEFINITIONS

Short title 99. This division is known and may be cited as the "Banking Law."

(Amended and renumbered by Stats. 1951, Ch. 381.)

[ORIGINAL SECTION]

118. This division is known and may be cited as the "Banking Law."

Scope 100. This division is applicable to the following:

(a) All corporations engaging in commercial banking, savings banking, or the trust business.

(b) All national banking associations authorized to transact business in this State to the extent that the provisions of this division are not inconsistent with and do not infringe paramount federal laws governing national banking associations.

(c) Such other corporations as shall subject themselves to the special provisions and sections of this division.

(d) Such other persons, associations, copartnerships, or corporations who, by violating any of its provisions, become subject to the penalties provided for in this division.

Applicability

101. All provisions of law applicable to corporations generally shall be applicable to banks, except where inconsistent with this division, in which case this division shall govern.

"Bank"

102. The word "bank" as used in this division means any incorporated banking institution which shall have been incorporated to conduct the business of receiving money on deposit, or transacting a trust business as herein defined. The soliciting, receiving, or accepting of money or its equivalent on deposit as a regular business shall be deemed to be doing a commercial or savings bank business whether such deposit is made subject to check or is evidenced by a certificate of deposit, a passbook, a note, a receipt, or other writing; provided, that nothing herein shall apply to or include money or its equivalent left in escrow, or left with an agent pending investment in real estate or securities for or on account of his principal. It shall be unlawful for any corporation, partnership, firm, or individual to engage in or transact a banking business within this State except by means of a corporation duly organized for such purpose.

Same Classes

103. Banks are divided into the following classes:

(a) Commercial banks.

(b) Savings banks.

(c) Trust companies.

"Savings bank"

104. "Savings bank" means a bank or the savings department of a bank authorized to receive savings deposits repayable with or without interest; to lend money on the security of real or personal property; to buy and sell for the account of customers and, if eligible for investment, for its own account, securities, gold and silver bullion, gold coins, and bills of exchange; and generally to transact a savings bank business.

"Commercial bank"

105. "Commercial bank" means a bank or the commercial department of a bank authorized to receive deposits of money or its equivalent; to lend money on the security of real or personal property or without security; to discount or deal in bills, notes, or other commercial paper; to buy and sell for the account of customers, and, if eligible for investment, for its own account, securities, gold and silver bullion, foreign coins, and bills of exchange; and generally to transact a commercial banking business.

"Trust business"

106. "Trust business" means the business of acting as executor, administrator, guardian of estates, assignee, receiver, depositary or trustee under the appointment of any court, or by authority of any law of this or any other state or of the United States, or as trustee for any purpose permitted by law.

"Trust company"

107. "Trust company" means a corporation or the trust department of a bank which is authorized to engage in the trust business and the trust department of any title insurance company authorized to engage in the trust business in addition to its title insurance business.

"Departmental bank"

108. "Departmental bank" means a bank authorized to transact more than one of the classes of business enumerated in Section 103.

"Commercial bank"

109. "Commercial bank" includes the commercial department of a departmental bank; "savings bank" includes the savings department of a departmental bank; and "trust company" includes the trust department of a departmental bank. "Bank" or "banks" embraces commercial banks, savings banks and trust companies unless the context otherwise requires.

"Office"

110. "Office" means either the principal place of business of a bank which has no branches or any of the places of business of a bank with branches.

"Head office"

"Head office" means the place of business of a bank which has no branches or the principal place of business of a bank which has branches.

"Real property," "personal property"

111. "Real property" and "personal property" have the meanings defined in and shall be construed in accordance with Title 1, Part 1, Division 2, Civil Code of California.

"Superintendent"

112. "Superintendent" means the Superintendent of Banks and "department" means the State Banking Department.

"Person"

113. "Person" means an individual, partnership, joint venture, unincorporated association, or corporation.

"Capital" "surplus"

114. "Capital" and "paid up capital" means the capital which is fully paid in, and "surplus" means the unimpaired surplus, unless the context otherwise requires.

Construction

115. Unless the provision or the context otherwise requires, the definitions set forth in this chapter govern the construction of this division.

Who may transact business

116. No corporation other than a national banking association shall hereafter be organized to transact the business of a bank or trust company in this State except as provided in this division.

Savings clause

117. Neither the enactment of this code nor the amendment or repeal thereof nor the repeal of any statute affected thereby shall take away or impair any liability or cause of action existing or incurred against any bank or trust company or the shareholders, directors, or officers thereof.

118. (Amended and renumbered Sec. 99 by Stats. 1951, Ch. 381.)

CHAPTER 2. STATE BANKING DEPARTMENT

Article 1. General

State Banking Department

200. There is in the State Government a State Banking Department which has charge of the execution of the laws of this State relating to banks and trust companies and relating to the banking and trust business.

Article 2. Superintendent

Superintendent of Banks; office

210. The chief officer of the State Banking Department is the Superintendent of Banks. His office is a continuance of the office of Superintendent of Banks created by Chapter 76 of the Statutes of 1909. He is the head of the department and, except

as otherwise provided in this code, is subject to the provisions of the Government Code relating to department heads. He is a member of the Board of Investment and is a member of the Governor's Council but need not reside in Sacramento.

Appointment

211. The superintendent is appointed by the Governor. He holds office at the pleasure of the Governor.

Qualifications

212. The superintendent shall be a citizen of the United States and a resident of the State for at least three years prior to his appointment. He shall be chosen solely for his qualifications and fitness to perform the duties of his office.

Salary

213. The annual salary of the superintendent is provided for by Chapter 6 of Part 1 of Division 3 of Title 2 of the Government Code.

(Amended by Stats. 1951, Ch. 1613.)

[ORIGINAL SECTION]

213. The annual salary of the superintendent is fifteen thousand dollars ($15,000).

Oath and bond

214. Before entering upon the duties of his office the superintendent shall take and subscribe to the constitutional oath of office and file the same with the Secretary of State and execute to the State an official bond in the penal sum of fifty thousand dollars ($50,000). The premium for such bond shall be an expense of the department.

Duties

215. The superintendent is responsible for the performance of all duties, the exercise of all powers and jurisdiction, and the assumption and discharge of all responsibilities vested by law in the department. He has and may exercise all the powers necessary or convenient for the administration and enforcement of the laws relating to banks and trust companies and the banking and trust business in this State. He may issue such rules and regulations consistent with law as he may deem necessary or advisable in executing the powers, duties, and responsibilities of the department.

Article 3. Deputies and Employees

Chief deputy

230. The superintendent shall appoint a chief deputy who holds office at the pleasure of the superintendent. The annual salary of the chief deputy shall be fixed by the superintendent with the approval of the Director of Finance. He shall have the same qualifications as the superintendent.

(Amended by Stats. 1951, Ch. 1613.)

[ORIGINAL SECTION]

230. The superintendent shall appoint a chief deputy who holds office at the pleasure of the superintendent. The annual salary of the chief deputy is ten thousand dollars ($10,000). He shall have the same qualifications as the superintendent.

Other deputies

231. The superintendent may employ such deputies in addition to the chief deputy, and such examiners, appraisers, technical assistants, administrative assistants, clerks, and such other employees as he may need to discharge in a proper manner

the duties imposed upon him by law. He shall prescribe their duties and fix their compensation in accordance with classifications made by the State Personnel Board. The superintendent may also, at such times and on such terms as may be approved by the Governor, employ such attorneys as he may need.

Oath

232. Before entering upon the duties of his office each deputy and examiner shall take and subscribe to the constitutional oath of office and file the same with the Secretary of State.

Bonds

233. The superintendent may require, at any time, of any deputy, examiner, or other employee of the department, an official bond in such amount as he may deem necessary. The premium for bonds required by the superintendent shall be an expense of the department.

Restrictions

234. Neither the superintendent nor any deputy or employee of the department shall do or be any of the following with respect to any bank supervised by the department:

(a) Be indebted, directly or indirectly, as borrower, endorser, surety, or guarantor to any such bank.

(b) Be an officer, director, or employee of any such bank.

(c) Own or deal in, directly or indirectly, the shares or obligations of any such bank.

(d) Be interested in or, directly or indirectly, receive from any such bank or any officer, director, or employee thereof, any salary, fee, compensation, or other valuable thing by way of gift, credit, compensation for services, or otherwise.

(e) Be interested in or engage in the negotiation of any loan to, obligation of, or accommodation for another person to or with any such bank.

Notwithstanding the foregoing the superintendent and any deputy or employee may have and maintain one or more commercial or savings accounts in, and may obtain and maintain a mortgage loan upon his own home from, any bank in this State.

A violation of this section by any person shall constitute sufficient grounds for his removal or discharge.

Bond of chief deputy

235. If the superintendent is unable to perform his duties for more than 30 consecutive days or if the office of the superintendent becomes vacant, the chief deputy shall execute to the State an official bond in the penal sum of fifty thousand dollars ($50,000), and the premium for the bond shall be an expense of the department. In either of such events and upon filing such bond with the Secretary of State the chief deputy shall have all the powers and duties of the superintendent until the return or recovery of the superintendent, or, in case of a vacancy, until a new superintendent is appointed by the Governor and qualifies to hold office.

Article 4. Administration of Department

Offices, location

250. The superintendent shall have his principal office in the City and County of San Francisco and may also have an office in the City of Sacramento and in the City of Los Angeles.

The superintendent shall provide at the expense of the department such office space, furniture, and equipment as may be necessary or convenient for the transaction of the business of the department.

Expenditures

251. The department may expend moneys in accordance with law for the necessary travel expenses of officers and employees of the department while traveling in the line of their duties either within or without the State.

Seal

252. The superintendent shall adopt and keep an official seal. Papers executed by the superintendent in his official capacity pursuant to law and bearing the seal, or copies thereof certified by him, shall be received in evidence in like manner as the original and may be recorded in the same manner and with the same effect as a deed regularly acknowledged.

Same Fee

253. Whenever it is necessary for the superintendent to approve any instrument and to affix his official seal thereto, the superintendent shall charge a fee of five dollars ($5) therefor. Whenever it is proper for the department to furnish a copy of any paper which has been filed therein and to certify to the paper, the superintendent may charge twenty-five cents ($0.25) per folio for each copy and a fee of two dollars and fifty cents ($2.50) for certifying the copy and for affixing his official seal. The department may furnish photographic copies of the paper for a fee sufficient to cover the cost thereof.

Records

254. The records of the department are not public documents and are not open to inspection by the public.

Reports as evidence

255. Official reports made by the superintendent and verified reports of a bank examination are prima facie evidence of the facts stated in the reports for all purposes.

Report to Governor

256. During the month of October of each year the superintendent shall report to the Governor. The report shall contain the following:

(a) An aggregate abstract of condition for the preceding fiscal year showing assets and liabilities and capital accounts of all banks and trust companies required to report to him.

(b) A statement of all banks and trust companies authorized by him to do business during the preceding fiscal year ended June 30th, giving their names and locations, and the date on which they commenced to transact a banking or trust business.

Same

(c) A statement of the banks and trust companies whose business has been closed during the year.

(d) The names of banks and trust companies in process of liquidation under his supervision and the amount of dividends paid thereon.

(e) The names and compensation of all persons employed by the department, as of the preceding June 30th, the receipts and expenses of the department during the fiscal year, and the balance in the State Banking Fund at the end of the fiscal year.

(f) Any amendments to the laws affecting banks or trust companies or the department which in his judgment may be desirable.

(g) Such other information as in his judgment may prove useful.

Report to Legislature

257. Following the close of each fiscal year the superintendent shall publish an annual report which shall be printed by the State Printer for submission to the Legislature. The printer shall stock sufficient copies for the Legislature and such number as the superintendent may request for the use of the department. The report shall include the report made to the Governor pursuant to Section 256 and in addition shall include both of the following:

(a) A summary of the condition of every bank under the supervision of the department as of the preceding June 30th.

(b) A list by banks of all deposits unclaimed for more than 10 years as reported to him during that year.

Weekly public statement

258. The superintendent shall keep in his office in a place accessible to the general public a bulletin board upon which he shall cause to be posted at noon on Friday of each week a detailed statement signed by him, or, in case of his absence from San Francisco or inability to act, by the deputy superintendent in charge, giving general information with regard to the work of the department since the preceding statement. The detailed statement shall include the following:

(a) The name and location of every proposed bank whose application for authorization to establish a bank has been filed in the department and the date the application was filed.

(b) The name and location of every bank authorized by the superintendent to commence business, its capital, surplus, and the date of authorization.

(c) The name and location of every bank to which a certificate of authorization has been refused by the superintendent and the date of notice of refusal.

(d) The name and location of every bank which has applied for approval of a change of name and the name proposed.

Same

(e) The name and location of the principal office of every bank which has applied for permission to open a branch office or to change the location of a branch office and the location of the new branch office or of the relocated branch office.

(f) The date on which a call for a report by banks was issued by the superintendent and the day designated as the day with reference to which the report shall be made.

(g) The name and location of every bank whose creditors or depositors have been paid in full by the superintendent and a meeting of whose stockholders has been called, together with date of notice of meeting and date of meeting.

(h) The name and location of every bank supervised by the department whose affairs and business are in course of liquidation or which has been finally liquidated.

(i) The name and residence of every person appointed by the superintendent as an officer or employee of the department, the title of the office or position to which appointed, the rate of compensation and the date of appointment.

Every such bulletin after having been posted for one week shall be placed on a file for such bulletins in the office of the superintendent. All such bulletins shall be public documents and shall be open to public inspection at all reasonable times during the usual hours when the superintendent's office is open.

Article 5. State Banking Fund

State Banking Fund Annual assessment Banks and trust companies

270. The superintendent shall annually collect pro rata from the banks and trust companies under the supervision of the department a fund in amount sufficient in his judgment to meet the expenses of the department and a reasonable reserve for contingencies. The amount of the annual assessment for the fund on any bank or trust company shall not exceed one one-hundredth of 1 percent of its total resources, deducting therefrom secured deposits of public moneys and bills payable, as shown by the last report of the bank or trust company to the superintendent.

Same National banking associations

271. The superintendent shall annually collect from national banking associations operating trust departments in this State an annual assessment to meet expenses of the department not exceeding one one-hundredth of 1 percent of the amount required by law to be deposited with the State Treasurer as surety for the faithful performance and execution of all court and private trusts accepted by them.

(Amended by Stats. 1951, Ch. 489.)

[ORIGINAL SECTION]

271 The superintendent shall annually collect from national banking associations operating trust departments in this State an annual assessment to meet expenses of the department not exceeding one one-hundredth of 1 percent of the value of the funds deposited with the State Treasurer as surety for the faithful performance and execution of all court and private trusts accepted by them plus reserve accounts allocated to trust operations

Additional assessment, trust business

272. The superintendent in addition to the annual assessment shall collect from each corporation conducting a trust business only, and from each corporation doing a departmental business as a title insurance company and as a trust company, to defray the cost of examination, a fee not to exceed thirty-five dollars ($35) per diem, for each examiner necessarily engaged in the examination of the trust company or trust department. The superintendent shall assess the fee upon completion of the examination of the trust company or trust department of the title insurance company.

Payment of assessments

273. The assessments described in the preceding sections of this article shall be paid within 30 days of the assessment. If any bank or trust company or title insurance company fails to pay the amount assessed within that time, the superintendent may cancel the certificate of authority of the bank or trust company or title insurance company to conduct a banking or trust business.

State banking fund

274. The State Banking Fund is continued in existence as the State Banking Fund, subject to all of the provisions of

this division. All expenses and salaries of the department shall be paid out of the State Banking Fund. Expenses and salaries incurred in the liquidation or conservation of banks, including the compensation of employees of the department to the extent that they are engaged in such liquidation or conservation, if possible, and if advanced from the State Banking Fund, shall constitute a first charge against the assets of the bank.

(Added by Stats 1951, Ch. 379.)

Revolving fund

275. The superintendent shall deliver all money collected by him pursuant to Sections 270, 271 and 272 or pursuant to any other provision of this code to the State Treasurer who shall deposit the money to the credit of the State Banking Fund. The superintendent may withdraw from the fund and retain and maintain in his possession and under his control the sum of fifteen thousand dollars ($15,000), to be used by him as a revolving fund in the operation of the department.

(Amended by Stats. 1951, Ch. 534.)

NOTE: This section was added by Stats. 1951, Ch 379, as follows:

275. The superintendent shall deliver all money collected by him pursuant to Sections 270, 271 and 272 to the State Treasurer who shall deposit the money to the credit of the State Banking Fund The superintendent may withdraw from the fund and retain and maintain in his possession and under his control the sum of fifteen thousand dollars ($15,000), to be used by him as a revolving fund in the operation of the department

CHAPTER 3. ORGANIZATION OF BANKS

Article 1. General

Organization of banks

350. When authorized by the superintendent as provided in this chapter a corporation may be formed by three or more persons in accordance with the laws of this State for the purpose of conducting a commercial banking business, a savings banking business, a trust business, or any two or all of them. The articles of incorporation shall provide that the common shares of the corporation shall be subject to assessment by the board of directors upon order of the superintendent for the purpose of restoring an impairment or reduction of capital in the manner and to the extent provided in this code. They may also provide that such shares are subject to assessment by the board of directors in its discretion, but if such discretionary power is granted the articles shall provide that it may be exercised only with the approval of the superintendent and may provide other limitations thereon. The Corporate Securities Law shall not apply to securities issued by and representing an interest in or a direct obligation of a bank or trust company incorporated under the laws of this State.

(Amended by Stats 1951, Ch. 534.)

[ORIGINAL SECTION]

350. When authorized by the superintendent as provided in this chapter a corporation may be formed by three or more persons in accordance with the laws of this State for the purpose of conducting a commercial banking business, a savings banking business, a trust business, or any two

or all of them The articles of incorporation shall provide that the common shares of the corporation shall be subject to assessment by the board of directors The Corporate Securities Law shall not apply to securities issued by and representing an interest in or a direct obligation of a bank or trust company incorporated under the laws of this State.

Article 2. Application

Application

360. The request for authority to organize and establish a corporation to engage in the banking or trust business shall be set forth in an application in such form and containing such information as the superintendent may require and shall be accompanied by a fee of two hundred fifty dollars ($250).

Investigation

361. Upon the filing of an application the superintendent shall make or cause to be made a careful investigation and examination relative to the following:

(a) The character, reputation, and financial standing of the organizers or incorporators and their motives in seeking to organize the proposed bank or trust company.

(b) The need for banking or trust facilities or additional banking or trust facilities, as the case may be, in the community where the proposed bank or trust company is to be located, giving particular consideration to the adequacy of existing banking or trust facilities and the need for further banking or trust facilities in the locality.

(c) The ability of the community to support the proposed bank or trust company giving consideration to (1) the competition offered by existing banks or trust companies and other financial institutions; (2) the previous banking history of the community; (3) the opportunities for profitable employment of bank funds as indicated by the average demand for credit, the number of potential depositors, the volume of bank transactions, and the business and industries of the community with particular regard to their stability, diversification and size; and (4) as to trust companies, the opportunities for profitable employment of fiduciary services.

(d) The character, financial responsibility, banking or trust experience, and business qualifications of the proposed officers of the bank or trust company.

(e) The character, financial responsibility, business experience, and standing of the proposed stockholders and directors.

(f) Such other facts and circumstances bearing on the proposed bank or trust company and its relation to the locality as in the opinion of the superintendent may be relevant.

Approval

362. The superintendent may give or withhold his approval of the application in his discretion but he shall not approve the application until he has ascertained to his satisfaction:

(a) That the public convenience and advantage will be promoted by the establishment of the proposed bank or trust company.

(b) That conditions in the locality in which the proposed bank or trust company will transact business afford reasonable promise of successful operation.

(c) That the bank is being formed for no other purpose than the legitimate objects contemplated by this division.

(d) That the proposed capital structure is adequate.

(e) That the proposed officers and directors have sufficient banking or trust experience, ability, and standing to afford reasonable promise of successful operation.

(f) That the name of the proposed bank or trust company does not resemble, so closely as to be likely to cause confusion, the name of any other bank or trust company transacting business is this State or which had previously transacted business in this State.

(g) That the applicant has complied with all of the applicable provisions of this division.

Article 3. Capital

Capital

380. The paid-up capital of every bank hereafter organized shall not be less than the following amounts:

(a) Fifty thousand dollars ($50,000) if the population of the city or the locality in which the head office of the bank will be located does not exceed ten thousand persons.

(b) One hundred thousand dollars ($100,000) if the population of the city or the locality in which the head office of the bank will be located exceeds ten thousand persons but does not exceed fifty thousand persons.

(c) Two hundred thousand dollars ($200,000) if the population of the city in which the head office of the bank will be located exceeds fifty thousand persons but does not exceed two hundred thousand persons.

(d) Three hundred thousand dollars ($300,000) if the population of the city in which the head office of the bank will be located exceeds two hundred thousand persons. For the purposes of this article population means the population as determined by the latest federal census or other later information available to the superintendent.

Same Banking and trust

381. A bank hereafter authorized to exercise banking and trust powers shall have, in addition to the capital required by Section 380, paid-up capital allocated to the trust department as follows:

(a) One hundred thousand dollars ($100,000) if the population of the city in which the head office of the bank will be located does not exceed 50,000 persons.

(b) Two hundred thousand dollars ($200,000) if the population of the city in which the head office of the bank will be located exceeds 50,000 persons.

Same Trust

382. The paid-up capital of every trust company shall be not less than the following amounts:

(a) One hundred thousand dollars ($100,000) if the population of the city in which the head office of the trust company will be located does not exceed 50,000 persons.

(b) Two hundred thousand dollars ($200,000) if the population of the city in which the head office of the trust company will be located exceeds 50,000 persons.

Same: In annexed or consolidated territory

383. If the head office of the proposed bank or trust company will be situated in territory which by annexation or consolidation has become part of a city whose population according to the classification in Sections 380, 381, and 382 of this code calls for capital requirements larger than those which would have been called for if the territory had not been annexed or consolidated, the superintendent may in his discretion modify the requirements, and may permit the bank or trust company to be organized with paid-up capital in amount satisfactory to him but not less than the amount which would have been required if the territory had not been annexed or consolidated. No such bank or trust company shall establish any branch, or move its place of business, out of the territory embraced in the annexation or consolidation unless and until it has paid-up capital in amount not less than the minimum required for banks in the territory to which it proposes to move its place of business or in which it proposes to establish a branch.

Paid-in surplus requirements

384. Every bank and trust company hereafter organized shall establish upon its organization in addition to the capital required by this code a paid-in surplus equal in amount to not less than 25 percent of its paid-up capital, a specified portion of which, with the written approval of the superintendent, may be designated as a contingent fund. No part of the paid-up capital or paid-in surplus except the contingent fund may be used to pay for organization expense without the prior written approval of the superintendent. Organization expense means all lawful expenses incurred before the commencement of business other than capital expenditures for land, buildings, and fixtures.

Organization expense

Article 4. Authorization to Engage in Banking

Articles of incorporation

400. The articles of incorporation of the proposed bank or trust company shall be submitted to the superintendent for his approval before they are filed with the Secretary of State pursuant to the Corporations Code. After the articles have been filed with the Secretary of State the proposed bank or trust company shall:

(a) File with the superintendent a copy of its articles of incorporation, certified by the Secretary of State, and, after the organization meeting of the directors, a copy of its by-laws certified by its secretary.

(b) File with the superintendent a statement in such form and with such supporting data as he may require showing that the entire capital and surplus have been fully paid in lawful money, unconditionally, and that the funds representing such capital and surplus, less sums spent as authorized by this code for organization expense and for land, buildings, and fixtures are on deposit in a state or national bank in this State, subject to withdrawal on demand.

(c) Pay to the superintendent a fee of fifty dollars ($50) for each department.

Certificate of authorization

401. If the superintendent finds that the proposed bank or trust company has in good faith complied with all the requirements of law and fulfilled all the conditions precedent to commencing business imposed by this code or by regulation, he shall, within 30 days after the statement and supporting data specified in Section 400 have been filed with him, issue in duplicate a certificate of authorization to transact business as a bank or trust company, as the case may be, and shall transmit one copy to the bank or trust company and place one copy on file in the department. The certificate of authorization shall state that the corporation named therein has complied with all the provisions of this code governing organization of banks or trust companies and that it is authorized to transact the business specified therein.

Share subscriptions

402. It shall be unlawful to accept payment of subscriptions for shares of any corporation proposing to engage in the banking or trust business unless authority to organize such corporation has been granted by the superintendent.

Transacting business

403. No corporation organized to transact a commercial banking, savings banking, or trust business shall transact any business until the superintendent has issued his certificate authorizing it to transact such business. No bank or trust company shall incur any indebtedness except that which is incidental to its organization until the amount of its capital and surplus has been fully paid in lawful money to the cashier or treasurer thereof.

Failure to file

404. If the proposed bank or trust company fails to file evidence of incorporation and organization with the superintendent pursuant to Section 400 within six months after the approval of the application for authority to organize the bank or trust company, the right to organize the bank or trust company automatically terminates. The superintendent, however, for good cause on written application filed before the expiration of any such six months' period, may extend for additional periods not in excess of six months each the time within which the bank or trust company may be organized.

Failure to open

405. If the proposed bank or trust company fails to open for business within 90 days after the issuance of the certificate of authorization, the right to transact business automatically terminates. The superintendent, however, for good cause on written application filed before the end of said 90-day period, may extend for one additional period of not to exceed 90 days the time within which the bank or trust company may open for business.

Use of subscription funds

406. It is unlawful to apply any part of the funds collected from subscribers or shareholders to the payment of commissions or fees for obtaining subscriptions or selling shares or to the payment of compensation for services in connection with the organization of a proposed bank or trust company or in connection with securing authority to transact business, other than to the payment of fees for legal services and of other usual and

ordinary expenses necessary for the organization of a bank or trust company.

Posting certificate

407. Every bank and trust company shall keep posted in a conspicuous place in its banking room at its head office the certificate of authority to transact a banking or trust business issued by the superintendent.

Article 5. Change of Location of Head Office

Fee for change of office

420. A bank or trust company may change the location of its head office with the written approval of the superintendent An application for such approval shall be in such form and contain such information as the superintendent may require and be accompanied by a fee of one hundred dollars ($100).

Chapter 4. Branch Offices

Article 1. Branches Within the State

Branch offices

500. When authorized by the superintendent as provided in this chapter, a bank or trust company, pursuant to a resolution of its board of directors, may establish and maintain one or more branch offices within the State.

Application

501. The request for authority to establish a branch office shall be set forth in an application in such form and containing such information as the superintendent may require and shall be accompanied by an application fee of one hundred dollars ($100) for each new branch office.

Paid-up capital

502. Before opening a branch office a bank or trust company shall have and shall thereafter maintain as long as the branch is operated, for each branch so opened paid-up capital in addition to the paid-up capital required by Chapter 3 of this division, equal to the following:

(a) If the branch office will be located in the city in which the head office of the bank is located or in a city in which the bank has already established a branch office, fifty thousand dollars ($50,000).

(b) If the branch office is to be located elsewhere, the amount required by Chapter 3 of this division to open a new bank in the place in which the branch will be located, exclusive of the amount required for a trust department.

(c) If the branch is to engage in no other banking business than the trust business, fifty thousand dollars ($50,000).

Approval

503. The superintendent may give or withhold his approval of an application in his discretion but he shall not approve an application until he has examined into the matters referred to in subdivisions (b), (c), and (f) of Section 361 and until he has ascertained to his satisfaction that the following are true:

(a) That the public convenience and advantage will be promoted by the establishment of the proposed branch office.

(b) That the bank or trust company has the capital required by Chapters 3 and 4 of this division.

Certificate

504. When the superintendent has approved an application for permission to establish a branch office and the applicant pays to the superintendent an additional fee of one hundred dollars ($100) for a certificate of authorization to transact business, the superintendent shall issue a certificate in duplicate authorizing the opening and operation of the branch office and specifying the date on which and the conditions under which it may be opened and the place where it will be located. The superintendent shall cause one copy to be transmitted to the applicant and the other copy to be filed in the department.

Failure to open

505. The failure of a bank or trust company to open and operate a branch office within six months after the superintendent approves the application therefor shall automatically terminate the right of the bank or trust company to open the branch office except that the superintendent, for good cause on written application made before the expiration of the six months' period, may extend for additional periods not in excess of six months each the time within which the branch office may be opened.

Wrongful opening

506. A bank or trust company which opens a branch office without first obtaining the approval of the superintendent shall forfeit to the people of the State the sum of one hundred dollars ($100) for every day during which the branch office is maintained without authority.

Location

507. When authorized by the superintendent a bank or trust company may change the location of a branch office from one location to another in the same vicinity.

Posting certificate

508. Every bank and every trust company shall keep posted in a conspicuous place in each branch office the certificate issued by the superintendent permitting the operation of the branch office.

Designation

509. A bank or trust company which maintains a branch office or branch offices shall give to each branch office maintained by it a specific designation by name or number and include in the designation the word "branch" or the word "office" and shall prominently display the designation at the place of business of the branch.

Discontinuation

510. With the prior written approval of the superintendent a bank or trust company may close or discontinue the operation of any branch office provided public notice thereof is given in such manner as the superintendent directs at least 90 days before the date of closing or discontinuance.

School children's savings

511. A bank may arrange for the collection of savings from school children by the principal of the school, by the teachers, or by collectors, pursuant to regulations issued by the superintendent and approved, in the case of public schools, by the board of education or board of trustees of the city or district in which the school is situated. The principal, teacher, or person authorized by the bank to make collections from the school children shall be the agent of the bank and the bank is liable to the pupil for all deposits made with such principal,

teacher, or other authorized person to the same extent as if the deposits were made directly with the bank.

Article 2. Foreign Branches

Foreign branches:

530. A bank having a paid-up capital and surplus of one million dollars ($1,000,000) or more may establish branches in foreign countries or in dependencies or insular possessions of the United States for the furtherance of the foreign commerce of the United States upon obtaining the approval of the superintendent and upon such conditions and under such regulations as he may prescribe.

Application

531. An application to establish a foreign branch or branches shall specify the place or places where the same are proposed to be established and the banking operations proposed to be carried on and shall contain such other information as the superintendent may require. The superintendent in his discretion may approve or disapprove the application and may at any time require the discontinuance of any foreign branch office. An application to establish a foreign branch shall be accompanied by a fee of one hundred dollars ($100) for each foreign branch sought to be established.

Furnishing information

532. A bank operating a foreign branch office shall furnish to the superintendent all information required concerning such branch upon his request therefor. The superintendent may at any time make a special examination of any foreign branch office at the cost of the bank maintaining the branch.

Fiscal agent of United States

533. A bank maintaining foreign branches may through such branches act as the fiscal agent of the United States.

Accounts

534. The accounts of each foreign branch shall be maintained independently of the accounts of each other foreign branch and independently of the accounts of the domestic offices of the bank. At the end of each fiscal period the bank shall transfer to its general ledger at its head office the profit and loss from each foreign branch as a separate item.

Investment

535. The total investment of a bank in all foreign branches shall not exceed 10 percent of its capital and surplus.

Chapter 5. Corporate Requirements

Article 1. Changes in Articles of Incorporation or By-laws

Amendment of articles

600. An amendment to the articles of incorporation of a bank or trust company shall become effective only when filed with the Secretary of State with the superintendent's approval endorsed thereon. A copy of the same certified by the Secretary of State shall thereupon be filed with the superintendent.

Effective on approval

601. The by-laws of a bank or trust company and any amendment thereto shall become effective only when approved by the superintendent, for which approval no fee shall be charged, and when a copy thereof certified by the secretary or

assistant secretary of the bank or trust company has been filed with the superintendent.

(Amended by Stats. 1951, Ch. 534.)

[ORIGINAL SECTION]

601. The by-laws of a bank or trust company and any amendment thereto shall become effective only when approved by the superintendent and when a copy thereof certified by the secretary or assistant secretary of the bank or trust company has been filed with the superintendent.

Change of name

602. A bank or trust company organized under the laws of or doing business in this State shall not change its name without first obtaining the written consent of the superintendent to the change and to the adoption of the new name. The superintendent shall not approve the new name if it resembles so closely as to be likely to cause confusion the name of any other bank or trust company transacting or which has previously transacted business in this State.

Article 2. Shares

Shares Par value

620. The par value of any shares hereafter issued by any bank or trust company shall be one hundred dollars ($100) each or such other amount as may have been approved by the superintendent. If the paid-up value of any shares heretofore issued is less than the par value thereof, that fact shall be endorsed upon the face of the certificates representing the shares, unless they were issued prior to January 1, 1915.

Prohibition

621. No bank or trust company after October 1, 1949, shall issue any shares before they are fully paid for.

Same: Preferred stock

622. Notwithstanding any other provision of law, a bank, pursuant to action taken by its board of directors and after obtaining the written approval of the superintendent and after obtaining the approval of shareholders holding a majority of the shares of the bank evidenced either in a writing signed by the shareholders or by vote at a shareholders' meeting called upon at least five days notice given by registered mail, may issue preferred stock of one or more classes in an amount and with a par value approved by the superintendent, and may make any amendments to its articles of incorporation which may be necessary for this purpose; but, in the case of a newly organized bank which has not yet issued common stock, the requirement of notice to and vote of shareholders does not apply. Notwithstanding any other provision of law, the holders of the preferred stock shall be entitled to receive such cumulative dividends at a rate not exceeding 6 percent per annum, shall have such voting and conversion rights and such control of management, and the stock shall be subject to retirement in such manner and upon such conditions, as may be provided in the articles of incorporation. The stated capital of any bank retiring any of its preferred stock, whether out of capital, surplus, undivided profits or earnings, shall be reduced, without action on the part of the stockholders, in the amount represented by the aggregate of the preferred stocks so retired, and any surplus resulting therefrom

Cumulative dividends

shall be immediately transferred to a reduction surplus account and shall be thereafter available for dividends on preferred or common stock, or other distribution or withdrawal subject only to any limitations contained in the articles of incorporation. The holders of the preferred stock shall not be held individually responsible as such holders for any debts, contracts, or engagements of the bank, and shall not be liable for assessments to restore impairments in the capital of the bank.

Article 3. Dividends and Surplus

640. A bank or trust company may declare dividends subject to the limitations of this article, but only out of net profits. Dividends

(Amended by Stats. 1951, Ch. 534.)

[ORIGINAL SECTION]

640. A bank or trust company may declare cash dividends subject to the limitations of this article, but only out of net profits.

641. Until the amount of the surplus of a commercial or savings bank is at least equal to the amount of its capital, the bank shall not declare any dividend unless it has previously transferred to surplus at least one-tenth of its net profits earned since the enactment of this code. Restriction

(Amended by Stats. 1951, Ch. 534.)

[ORIGINAL SECTION]

641. Until the amount of the surplus of a bank or trust company is at least equal to the amount of its capital, the bank or trust company shall not declare any dividend unless it has previously transferred to surplus at least one-tenth of its net profits.

642. A bank or trust company shall not declare a dividend payable to the holders of the common shares unless its surplus amounts to at least 25 percent of its capital. Same

643. A bank or trust company may transfer surplus to capital at any time but if the transfer would reduce the surplus to less than 25 percent of its capital, it shall first obtain the written approval of the superintendent Thereafter, until the amount of its surplus equals its capital, a commercial or savings bank shall transfer to surplus one-tenth of its net profits pursuant to Section 641 of this chapter before declaring dividends. Transfer of surplus

(Amended by Stats. 1951, Ch. 534.)

[ORIGINAL SECTION]

643. A bank or trust company may transfer surplus to capital at any time but if the transfer would reduce the surplus to less than 25 percent of its capital, it shall first obtain the written approval of the superintendent Thereafter, until the amount of its surplus equals its capital, a bank or trust company shall transfer to surplus one-tenth of its net profits pursuant to Section 641 of this chapter before declaring dividends.

644. A bank or trust company may charge losses sustained by it in excess of its undivided profits to its surplus, except that if the charge would reduce its surplus to an amount less than 25 percent of its capital, the consent of the superintendent Charging losses

shall be first obtained. Thereafter, until the amount of its surplus equals its capital, a commercial or savings bank shall transfer to surplus one-tenth of its net profits pursuant to Section 641 of this code before declaring dividends.

(Amended by Stats. 1951, Ch. 534.)

[ORIGINAL SECTION]

644. A bank or trust company may charge losses sustained by it in excess of its undivided profits to its surplus, except that if the charge would reduce its surplus to an amount less than 25 percent of its capital, the consent of the superintendent shall be first obtained Thereafter, until the amount of its surplus equals its capital, a bank or trust company shall transfer to surplus one-tenth of its net profits pursuant to Section 641 of this code before declaring dividends.

Same

645. A bank or trust company may charge losses only to that portion of its surplus remaining after the deduction of the book value of bank premises and of any stock in a corporation owning the bank's premises, vaults, safe deposit boxes, and furniture and fixtures from the combined book value of capital stock and surplus.

Net profits

646. In calculating net profits for the purpose of declaring a dividend, a bank or trust company shall not include interest or other income which it has not yet received although due or accrued.

Article 4. Changes in Capital

Reduction of paid-in capital

660. A bank or trust company shall not reduce its paid-in capital without first obtaining the consent of the superintendent. The superintendent may grant or withhold his consent in his discretion, but he shall not consent to a reduction of capital if either of the following are or will be true:

(a) The reduction will cause the paid-in capital to be less than the minimum which would then be required of the bank or trust company upon organization pursuant to this code.

(b) The reduction will cause its paid-in capital to be less than the total indebtedness of the bank or trust company excluding deposits.

If, pursuant to Section 1908 of the Corporations Code, a certificate covering distribution of reduction surplus is required, the bank or trust company shall file a certified copy of the certificate with the superintendent. Nothing in this section shall prevent a reduction in paid-in capital on the redemption of preferred shares pursuant to any law in effect when the preferred stock was issued.

Impaired capital

661. Whenever it appears that the capital of a bank or trust company is impaired or reduced below the amount required by law, the superintendent shall order the bank to restore its capital within 60 days of the date of his order. The directors of the bank or trust company to which the order is issued, unless the capital is otherwise restored, shall levy and collect an assessment upon its common shares pursuant to Title 1, Division 1, Part 5, Chapter 3 of the Corporations Code. The common shares of every corporation doing a banking business in this State are subject to such assessment, whether or not

the fact that the shares are subject to such assessment is noted on the face of the certificates representing such shares, and if the shares are subject to assessment only upon order of the superintendent as provided in this section no statement of that fact need be noted on the certificates.

(Amended by Stats. 1951, Ch. 534.)

[ORIGINAL SECTION]

661. Whenever it appears that the capital of a bank or trust company is impaired or reduced below the amount required by law, the superintendent shall order the bank to restore its capital within 60 days of the date of his order. The directors of the bank or trust company to which the order is issued, unless the capital is otherwise restored, shall levy and collect an assessment upon its common shares pursuant to Title 1, Division 1, Part 5, Chapter 3 of the Corporations Code. The common capital stock of every corporation doing a banking business in this State is subject to assessment as provided in that chapter, whether or not the fact that the stock is subject to assessment is noted on the face of the certificates representing such stock.

Article 4.5. Banks Without Capital Stock

(Article 4.5 added by Stats. 1951, Ch. 377.)

Election to have capital stock

670. Every corporation created under the laws of this State, doing a banking business therein, and which has no capital stock, may elect to have a capital stock, and may, in the manner which may be provided by law or in its by-laws not in conflict with law, issue certificates of stock.

Paid-up capital requirements

Notwithstanding its election to have a capital stock and the creation thereof, the corporation shall maintain an aggregate of paid-up capital, together with surplus, in an amount equal to or in excess of the requirements now or hereafter prescribed by any law of this State, to be in lieu of the amount of reserve fund theretofore required of a corporation without a capital stock pursuant to any law of this State.

Vote required

In order to elect to have capital stock a majority of the members of the corporation present at a meeting called for the purpose of considering the proposition whether it is best to have a capital stock, its amount, the number of shares into which it shall be divided, and the par value of each share, shall vote in favor of having a capital stock, and fix the amount thereof, the number of shares into which it shall be divided and the par value of each share. The members may prescribe any additional details in respect of the capital stock as are not contrary either to law or its by-laws. The corporation may at the meeting adopt a code of by-laws for the future government of the corporation.

Notice of meeting

Notice of the time and place of holding the meeting, and its object, shall be given by the president of the corporation by mailing notice of the meeting to each member of the corporation at his last known post-office address at least 10 days prior to the day fixed for the meeting, and by publication in some newspaper printed and published in the county, in which the principal place of business or the principal office of the corporation is situated, at least once a week for three successive weeks prior to the holding of the meeting.

Filing copy of proceedings

A copy of the proceedings of this meeting, giving the number of persons present, the votes taken, the notice calling the meeting, the proof of its mailing, the proof of its publication, the amount of capital actually subscribed and by whom, all duly certified by the president and secretary of the corporation, shall be filed in the office of the Secretary of State and a certified copy of the proceeding shall be filed in the office of the clerk of the county in which the principal place of business or principal office of the corporation is situated.

After filing copies of the proceedings, the corporation shall have a capital stock in the amount, divided into the number of shares with the par value of each share, all as fixed at the meeting and the corporation has all the rights and powers, and is subject to all the obligations, restrictions and limitations, as may be provided by law.

Application

This section applies to all corporations existing at the time the Civil Code of the State of California took effect and still existing, whether they have elected or shall elect to continue their existence under the provisions of the Civil Code applicable thereto, or not, and shall also apply to all corporations formed and existing under the laws of this State since the Civil Code took effect.

(Added by Stats. 1951, Ch. 377.)

"Action"

671. As used in this article, "action" means the action provided for by Sections 671.1 to 671.17 inclusive

(Added by Stats. 1951, Ch. 377.)

Court action

671.1. Any corporation created under the laws of this State, which has been doing a banking business herein continuously for at least 20 years prior to the commencement of the action and which has no capital stock, may bring an action in the superior court of the county wherein its principal place of business is situated to determine the persons who are entitled to membership in the corporation or who have any right or interest in the property or assets of the corporation.

Right to repayment

The right to repayment of funds deposited with the corporation, with interest accrued or to accrue thereon, is not a right or interest in the property or assets of the corporation within the meaning of this section.

(Added by Stats. 1951, Ch. 377.)

Procedure

671.2. The corporation shall commence the action by filing a verified complaint, and including as defendants in the action all persons appearing and designated upon the books and records of the corporation as members of the corporation, and all other persons who are known to the plaintiff to claim to be members of the corporation, or to claim any right or interest in the property or assets of the corporation, and other persons unknown claiming any right of membership in the plaintiff corporation, or any right, title or interest in the property or assets of the plaintiff corporation.

(Added by Stats. 1951, Ch. 377.)

Same

671.3. The unknown defendants may be described in the complaint as follows: "also all other persons unknown claiming

any right to membership in the plaintiff corporation or any right or interest in the property and assets of the plaintiff other than the right to repayment of funds deposited with the plaintiff, with interest accrued and to accrue thereon."

(Added by Stats. 1951, Ch. 377.)

Issuance of summons

671.4. Within one year after the filing of the complaint a summons shall be issued which shall contain the matters required by Section 407 of the Code of Civil Procedure and in addition a statement of the object of the action. In the summons the unknown defendants shall be designated as in the complaint.

(Added by Stats. 1951, Ch. 377.)

Posting summons

671.5. Within thirty (30) days after the issuance of the summons, the plaintiff shall post or cause to be posted a copy of the summons in a conspicuous place on the principal banking premises of the plaintiff and at the courthouse of the county where the action is pending, and shall record in the office of the recorder of the county, a notice of the pendency of the action, containing the names of the parties and the object of the action.

Notice of pendency

(Added by Stats. 1951, Ch. 377.)

Affidavit

671.6. At any time after the issuance of the summons the plaintiff shall cause to be filed an affidavit of its president and of its secretary wherein there shall be stated the following matters:

(a) The names of all the defendants who have been served personally, if any. If there is none, that fact shall be stated.

(b) The names of the defendants who reside out of the State and their places of residence, if known to the plaintiff.

(c) The names of the defendants residing in or out of the State whose place of residence is unknown to the plaintiff.

(Added by Stats. 1951, Ch. 377.)

Service

671.7. Each of the defendants residing in the State of California whose place of residence is known to the plaintiff shall be served personally with the summons. Any person who conceals himself to avoid service of summons may be served as provided in Sections 412 and 413 of the Code of Civil Procedure.

(Added by Stats. 1951, Ch. 377.)

Same: Publication

671.8. Upon the making and filing of the affidavit, the court shall make an order directing the summons to be served upon the defendants residing out of the State, whose place of residence is known to the plaintiff, and upon the defendants residing in or out of the State, whose place of residence is unknown to the plaintiff, and upon all of the unknown defendants as stated in the complaint and summons, by publication in some daily or weekly newspaper of general circulation, printed and published in the county where the principal place of business of the plaintiff is situated. If there is no such paper in the county then in some adjoining county, to be designated by the court, which publication shall be once a week during four consecutive weeks, that is to say, there shall be at least four weekly insertions and publications of the summons in the newspaper.

(Added by Stats. 1951, Ch. 377.)

Same
Mailing

671.9. Within 10 days after the making of the order directing publication of summons, a copy of the summons and complaint, properly addressed and with the postage thereon fully prepaid, shall be mailed to each of the defendants whose names are known, who reside out of the State, at their place of residence, if known, and also to each of the defendants whose names are known, residing in or out of the State, whose place of residence is unknown to plaintiff, addressed to them at the county seat of the county where the action is commenced.

(Added by Stats. 1951, Ch. 377.)

Unknown
persons
served

671.10. All unknown persons so served shall have the same rights as are provided by law in cases of all other defendants named, upon whom service is made by publication, or personally, and the action shall proceed against the unknown persons in the same manner as against the defendants who are named upon whom service is made by publication or personally, and with like effect. Any unknown person who has or claims to have any right of membership in plaintiff corporation or any right or interest in the property or assets of the plaintiff corporation at the time of the commencement of the action, who has been served in the action, and any one claiming under such unknown persons, shall be concluded by the judgment in the action as effectually as if the action was brought against that person by his or her name and personal service of process was obtained, notwithstanding any such unknown person may be under legal disability.

(Added by Stats. 1951, Ch 377.)

Service
complete

671.11. Service shall be deemed complete upon the completion of the mailing and publication. When the summons has been served as provided in this article and the time for answering has expired, the court shall enter the default of all defendants who shall not have answered plaintiff's complaint.

(Added by Stats 1951, Ch. 377.)

Default

671.12. At any time after the entry of default, the plaintiff may apply to the court for a judgment that the defaulting party has no membership and no right or interest in the property or assets of plaintiff and for such other relief to which plaintiff may be entitled.

(Added by Stats. 1951, Ch. 377.)

Allegations
controverted

671.13. The allegations contained in the answer filed by each of the defendants shall be deemed to be controverted by the plaintiff and by each of the other defendants who appears and answers plaintiff's complaint to the extent that the answer conflicts with any claim of the plaintiff or other defendants or any of them.

(Added by Stats. 1951, Ch. 377.)

Service of
answer

671.14. The answer of defendants shall be served in accord with the provisions of Sections 1011, 1012, 1013, and 1014 of the Code of Civil Procedure.

Proceedings

After the filing of the answers the proceedings shall be had in the action as provided by the laws of this State in the case of an ordinary civil action. The issues of law and of fact arising in the action shall be disposed of in like manner as issues

of law and fact are disposed of in ordinary civil actions, with a like right to a motion for a new trial and appeal, and the provisions of the Code of Civil Procedure regulating the mode of procedure for the trial of civil actions, the taking of depositions, the making of motions for a new trial, records on motions for a new trial and on appeal, the mode of taking and perfecting appeals, and the time within which such appeals shall be taken, shall be applicable thereto.

(Added by Stats. 1951, Ch. 377.)

Defenses

671.15. All defenses available to the plaintiff and defendants with respect to the claims of plaintiff and defendants or any of them, which under the law of the State of California would be available to the plaintiff and the defendants in the event that the action was an ordinary civil action instituted by claimants to enforce such claims or any of them, including defenses based upon the statute of limitations as provided in the Code of Civil Procedure and the defense of laches are available upon the trial to the plaintiff and each of the defendants, as defenses to such claims, with the same force and effect as if specifically pleaded as such defenses.

(Added by Stats 1951, Ch. 377.)

Judgment

671.16. The judgment after it has become final is conclusive against all of the persons named in the summons and complaint who have been served, and against all unknown persons, as stated in the complaint and summons, who have been served by publication, and the judgment shall have the effect of a judgment in rem.

(Added by Stats. 1951, Ch. 377.)

Action cumulative

671.17. The action provided for by this article is cumulative and not exclusive of any other remedy, form or right of action or proceeding allowed by law, but where issues of law and fact or either thereof, shall have been litigated under the provisions of this article, the determination thereof shall be conclusive in such action or proceeding. The determination shall not be conclusive as to any issue of law or fact in any action pending at the time of the institution of the action commenced under this article and brought to establish or enforce any claim, or as to any of the parties to the pending action, and the right to prosecute any such pending action to final judgment is not affected by this article.

(Added by Stats. 1951, Ch. 377.)

Article 5. Directors

Number of directors

680. The board of directors of a bank or trust company hereafter organized shall consist of not less than five nor more than twenty-five directors, and no bank or trust company shall amend its articles so as to reduce the number of directors below five.

Ownership of shares

681. At all times each director of a bank or trust company shall own unpledged and in his own right or as an executor, administrator, or trustee shares of the bank or trust company

of the par value of at least five hundred dollars ($500), except that when all the capital stock of a trust company is owned by a bank each director of the trust company shall own unpledged and in his own right or as an executor, administrator, or trustee shares of the bank of the par value of at least five hundred dollars ($500).

Oath

682. Each director of a bank or trust company, upon taking office, shall make an oath or affirmation that he will administer the affairs of the bank or trust company diligently and honestly, so far as the duty devolves upon him; that he will not knowingly violate or wilfully permit to be violated any of the provisions of law applicable to the bank or trust company; that he is the owner in his own right or as an executor, administrator, or trustee of shares having a par value not less than the required amount, and that the shares are not hypothecated or in any way pledged as security for any loan or debt. Such oath shall be subscribed by the director, certified by the officer before whom it is taken, and be immediately filed with the superintendent.

Meetings

683. The board of directors of each bank and of each trust company shall hold a meeting at least once each calendar month at the head office of the bank or trust company or at one of its branch offices.

Chapter 6. Powers and Miscellaneous Provisions

Property Purchasing, leasing, etc.

750. A bank or trust company may purchase, acquire, hold, or lease real property or an interest therein only as follows:

(a) Such as may be necessary or convenient for the use, operation or housing of its head office and branch offices, or for the storage of records or other personal property, or for office space for use by its officers or employees, or which may be reasonably necessary for future expansion of its business, or which is otherwise reasonably related to the conduct of its business Real property used by a bank as its banking premises may include in addition to the space required for the transaction of its business other space which may be let as a source of income.

(b) Such as may be conveyed to it in satisfaction in whole or in part of debts previously contracted in the course of its business.

(c) Such as it may purchase or acquire at foreclosure sales under mortgages or deeds of trust held by it, or under judgments or decrees in its favor.

(d) Such as it may purchase or otherwise acquire when necessary to minimize or prevent the loss or destruction of any lien or interest therein.

A bank or trust company may sell, lease, or encumber real property or any interest therein owned by it, or, with the written approval of the superintendent, exchange the same for other real property.

Real property

751. All real property not held for any purpose permitted by subdivision (a) of Section 750 of this chapter shall be: (a)

sold, or exchanged for other real property, within 10 years from the date of its acquisition or within 10 years from the time when it ceases to be held for any such purpose; or (b) written down on the books of the bank or trust company to a valuation of one dollar ($1). Any real property taken in exchange may be held for such period as the superintendent may determine but for not more than 10 years from the date of the exchange unless it is used for one of the purposes set forth in subdivision (a) of Section 750 of this chapter, or is written down on the books of the bank to a valuation of one dollar ($1). In any case any real property not held for any purpose permitted by subdivision (a) of Section 750 of this chapter shall be sold whenever the same can be sold for an amount sufficient to reimburse the bank or trust company for all loss arising out of the loan for which such real property was security or arising out of the original investment unless the superintendent consents to the retention of such real property by the bank or trust company for such period as he may prescribe, which consent shall be conditioned upon the real property being written down to a valuation of one dollar ($1) and shall not be given unless the same may be written down to such valuation without encroachment upon the bank's capital or surplus. A bank or trust company shall not by the retention of any real property acquired pursuant to this section engage in any business not authorized by this division except to the extent necessary in the orderly liquidation of an indebtedness owing to the bank.

Purchase of shares Corporation exclusively holding real property

752. Subject to the limitations of Section 750 a bank or trust company may purchase, acquire, and hold not less than 75 percent of the outstanding shares of a corporation engaged exclusively in holding property of the character described in subdivision (a) of Section 750 and which property is or is to be used by the bank for the purposes set forth in subdivision (a) of Section 750. The purchase or acquisition of stock of any such corporation shall be approved by two-thirds of all the directors of such bank or trust company and be approved in writing by the superintendent.

Aggregate investment in real property

753. The aggregate investment of a commercial bank, of a savings bank or of a trust company in real property held pursuant to subdivision (a) of Section 750 of this chapter, in furniture and fixtures, vaults, safe deposit boxes, and other personal property, in the stock of one or more corporations authorized by Section 752 of this chapter, in the stock of one or more corporations authorized by Section 758 of this chapter, in the bonds or other obligations of such corporations, and in all loans or extensions of credit made by the bank or trust company to such corporations or upon the security of the stock thereof, shall not exceed in the aggregate at any time 50 percent of its capital and surplus, unless the superintendent shall approve a larger investment and unless such larger investment is approved by a vote of two-thirds of all of the directors of the bank or trust company.

(Amended by Stats. 1951, Ch. 457.)

[ORIGINAL SECTION]

753. The aggregate investment of a bank or trust company in real property held pursuant to subdivision (a) of Section 750 of this chapter, in furniture and fixtures, vaults, safe deposit boxes, and other personal property, in the stock of one or more corporations authorized by Section 752 of this chapter, in the stock of one or more corporations authorized by Section 758 of this chapter, in the bonds or other obligations of such corporations, and in all loans or extensions of credit made by the bank or trust company to such corporations or upon the security of the stock thereof, shall not exceed in the aggregate at any time 50 percent of its capital and surplus, unless the superintendent shall approve a larger investment and unless such larger investment is approved by a vote of two-thirds of all of the directors of the bank or trust company.

Membership Federal Reserve System

754. A bank or trust company may become a member of the Federal Reserve System, may subscribe for, purchase, and hold such amounts of the capital stock of the Federal Reserve bank serving the district in which such bank or trust company is located as may be required to maintain such membership and, when not in conflict with the laws of this State, may exercise all powers conferred upon such members and may assume and discharge all obligations required of such members.

Same Federal Home Loan Bank

With the written consent of the superintendent a bank or trust company may become a member of a Federal Home Loan bank in the manner provided in the Federal Home Loan Bank Act, and, for the purpose of becoming a member, may invest such part of its capital or surplus in the capital stock of such Federal Home Loan bank as may be required by the provisions of the Federal Home Loan Bank Act.

Any investment of a bank in the stock of a Federal Reserve bank or in the stock of a Federal Home Loan bank may be carried in the commercial, savings, or trust department or may be apportioned among the departments.

Same Federal Deposit Insurance Corporation

755. A bank may become a member of the Federal Deposit Insurance Corporation or of any successor corporation having for its purpose the insurance of deposits and may do all things and assume and discharge all obligations required of such members when not in conflict with the laws of this State.

Same Federal agencies

756. A bank or trust company may become a member of any federal agency, membership in which is open to banking institutions, and may comply with all the requirements and conditions imposed upon such members when not in conflict with the laws of this State, except that the power conferred by this section shall not be exercised unless the superintendent makes a general order authorizing banks generally as a class, or trust companies generally as a class, or banks doing a commercial, savings, or trust business, respectively, as a class, to become such members upon such terms and conditions as may be prescribed in such order.

Safe deposit boxes

757. A bank or trust company may engage in the business of renting safe deposit boxes and may receive personal property for safekeeping and storage on its banking premises.

Purchase of shares of corporation conducting safe deposit business

758. With the prior written consent of the superintendent, a bank or trust company may purchase and hold not less than 75 percent of the outstanding shares of the stock of a

corporation authorized to conduct a safe deposit business, organized and existing under the laws of this State and conducting a safe deposit business in the same city or locality in which an office of such bank or trust company is situated. No such safe deposit corporation shall conduct a safe deposit business in any city or locality in which such bank or trust company does not maintain an office. The aggregate investment of any bank or trust company in such corporation at any one time shall not exceed 10 percent of the capital and surplus of such bank or trust company.

Purchase of shares of corporation conducting trust business

759. With the prior written consent of the superintendent, a bank may purchase and hold the whole or any part of the stock of not more than one corporation authorized to conduct a trust business, organized and existing under the laws of this State and transacting a trust business in the same county in which the head office of such bank is situated. No bank's investment in any such corporation at any one time shall exceed 25 percent of the bank's capital and surplus, nor shall any bank invest in the stock of any such corporation unless its total capital accounts exceed the minimum capital and surplus required to be maintained by it, by an amount at least equal to such investment. No such trust company shall engage in or combine the business of a commercial bank, a savings bank, or a title insurance company.

Charitable contributions, etc

760. A bank or trust company, within such limits as may be set by the board of directors, may contribute to community funds or to charitable, philanthropic, or benevolent instrumentalities conducive to public welfare or civic betterment.

Purchase of stock

761. No bank shall purchase, acquire, or hold the stock of any corporation except as expressly authorized by this division.

Acquisition of stock

762. A bank or trust company may acquire stock in settlement or reduction of a loan or in exchange for an investment previously made in good faith where the acquisition of such stock is necessary in order to minimize or avoid loss arising out of such loan or investment. The superintendent may require the bank or trust company at any time to write down the valuation of such stock upon its books to such value as he may deem proper, and, in any event such stock, if not sooner disposed of, shall be written down to a valuation of one dollar ($1) at the end of three years from the date of acquisition, or, with the written consent of the superintendent, at the end of five years from the date of acquisition. Whenever any such stock can be sold for an amount sufficient to reimburse the bank or trust company for all loss arising out of the loan for which such stock was security or arising out of the original investment the bank or trust company shall sell the same unless the superintendent consents to the retention of such stock by the bank or trust company for such period as he may prescribe, which consent shall be conditioned upon the stock being written down to a valuation of one dollar ($1) and shall not be given unless the same may be written down to such valuation without encroachment upon the bank's capital or surplus. A bank or

trust company shall not by the retention of any stock acquired pursuant to this section engage in any business not authorized by this division except to the extent necessary in the orderly liquidation of an indebtedness owing to the bank.

Depositaries

763. No bank or trust company shall deposit any of its funds in any other bank except a Federal Reserve bank, unless such other bank has been designated as a depositary for its funds by the vote of a majority of the directors of the bank making the deposit, and unless such other bank has been approved by the superintendent as a depositary for the purposes of this section. The superintendent may in his discretion revoke his approval of any such depositary and may in his discretion limit the amount of funds that may be deposited by any bank or trust company with any other bank. A deposit by one bank or trust company with another bank shall not be regarded as a loan.

Same
Judicial orders

764. Any court having jurisdiction of any estate in process of administration or of any other proceeding on application of any person interested therein and after a hearing on such notice as the court may direct or without notice if all parties in interest consent thereto, may order any executor, administrator, guardian, assignee, receiver, depositary, or trustee, whether such officer or trustee has qualified as such or not, to deposit with any bank or trust company any money then in his hands or under his control or which may thereafter come into his hands until the further order of the court. Upon such deposit being made and while such moneys remain on deposit with such bank or trust company, the officer or trustee making the deposit shall be relieved of all responsibility therefor, and the court by order shall reduce the bond to be given or theretofore given by such officer or trustee so as to cover only the estate remaining in his hands. The money so deposited shall be held by the bank or trust company under the direction of the court and shall be repaid only on order of the court. If the amount sought to be deposited in any one bank does not exceed the amount which will be covered by insurance of the Federal Deposit Insurance Corporation an order for deposit hereunder may be made ex parte without notice or hearing.

Same

765. When the court has ordered the deposit of money or assets of an estate with a bank or trust company pursuant to Section 764 or Section 1586 of this code, any bank or trust company having possession or control of any such money or assets, upon the demand of the bank or trust company which has been ordered to receive such deposit, whether the officer or trustee directed to make such deposit has or has not duly qualified, shall deliver such money or assets to the bank or trust company named by the court to receive such deposit. The acceptance of such money or assets by the bank or trust company named to receive the same shall relieve the bank which has been in possession thereof from all further responsibility therefor.

Liens

766. For the purpose of determining whether any loan or investment is secured by a first lien on real property as required by any provision of this division, none of the following shall be

deemed a prior encumbrance unless any installment or payment thereunder other than a rental or royalty under a lease, is due and delinquent:

(a) The lien of any tax, assessment, or bond levied or issued by the State of California or by any district, political subdivision, or municipal corporation thereof, except the lien of an assessment levied against a particular parcel of real property and of any bond given or issued pursuant to law in lieu of the payment of such assessment.

(b) A lien created by a contract and given to secure the payment for water to be furnished under such contract for the irrigation of the real property or any part thereof.

(c) A lease of the real property under which all rents or royalties are reserved to the owner.

(d) The lien of a bond given or issued pursuant to law in lieu of the payment of an assessment levied against a particular parcel of real property and the lien of any assessment levied to pay such bond, if the unpaid balance of such bond and the amount of such loan or investment combined do not exceed 60 percent of the sound market value of the real property.

(e) A lien given to secure the payment of any assessment or subscription to meet the requirements of any law of the United States in respect to any irrigation project of the United States in California which may be levied, made, or received by any corporation or association formed to carry out the provisions of any such law, if the unpaid balance of such assessment or subscription and the amount of such loan or investment combined do not exceed 60 percent of the sound market value of the real property.

Same

767. Whenever in this division it is required that loans or investments shall be secured by a first lien on real property, any lien given to secure the payment of assessments or subscriptions to meet the requirements of any law of the United States in respect to any irrigation project of the United States outside of California which may be levied, made, or received by any corporation or association formed to carry out the objects and requirements of any such law of the United States, or the lien of any tax, assessment, or bond levied, or issued by any state in the United States other than the State of California, or by any county, city and county, city, town, municipality, school district, or any other political or governmental subdivision of such state, and the lien of any assessment levied to pay such bonds shall be deemed to be a prior encumbrance or lien on such real property. With the previous written consent of the superintendent any bank may make loans or investments upon the security of real property so encumbered if the total of all such liens taken with the loan or investment so secured shall amount to not more than 50 percent of the sound market value of the real property securing the same, and if no installment or call of any such tax, assessment, bond, or other governmental lien is past due and delinquent.

Excess loans

768. No loan made by any bank in excess of any limitations contained in this division or which is made in violation of any of the provisions of this division shall be invalid or illegal as to the lender for that reason, nor shall any loan made to any bank in excess of the amounts permitted by this division be invalid or illegal as to the lender for that reason.

Borrowing from Reconstruction Finance Corporation

769. With the approval of the superintendent, a bank in need of funds for capital purposes in connection with the organization or reorganization of such bank or otherwise, may issue preferred stock to the Reconstruction Finance Corporation or borrow money from the Reconstruction Finance Corporation and issue such stock to it as collateral security.

Borrowing from Federal Reserve Bank

770. With the approval of the superintendent, a bank may borrow from a Federal Reserve bank pursuant to Section 13 of the Federal Reserve Act, as amended, and pledge obligations of the United States as security subject to such terms and conditions as may be fixed by the Federal Reserve bank or the Board of Governors of the Federal Reserve System.

CHAPTER 7. DEPOSITS

Article 1. Depositors

Minor's account

850. A bank account by or in the name of a minor shall be held for the exclusive right and benefit of such minor and shall be paid to such minor or to his order and payment so made is a valid release and discharge to the bank for such deposit or any part thereof.

Married woman's account

851. A bank account by or in the name of a married woman shall be held for the exclusive right and benefit of such woman, shall be free from the control or lien of any other person except a creditor, and shall be paid to such married woman or to her order, and payment so made is a valid and sufficient release and discharge to the bank for such deposit or any part thereof.

Joint accounts

852. When a deposit is made in a bank in the names of two or more persons, whether minor or adult, in such form that the moneys in the account are payable to the survivor or survivors then such deposit and all additions thereto shall be the property of such persons as joint tenants. The moneys in such account may be paid to or on the order of any one of such persons during their lifetimes or to or on the order of any one of the survivors of them after the death of any one or more of them. By written instructions given to the bank by the depositor or depositors, the signatures of more than one of such persons during their lifetimes or of more than one of the survivors after the death of any one of them may be required on any check, receipt, or withdrawal order in which case the bank shall pay the moneys in the account only in accordance with such instructions but no such instructions shall limit the right of the survivor or survivors to receive the moneys in the account.

Payment of all or any of the moneys in such account as provided in the preceding paragraph of this section shall discharge

the bank from liability with respect to the moneys so paid, prior to receipt by the particular office or branch office of the bank where such account is carried of a written notice from any one of them directing the bank not to permit withdrawals in accordance with the terms of the account or the instructions. After receipt of such notice, a bank may refuse, without liability, to honor any check, receipt, or withdrawal order on the account pending determination of the rights of the parties.

Trust accounts

853. Whenever any deposit is made in a bank by any person which in form is in trust for another, but no other or further notice of the existence and terms of a legal and valid trust is given in writing to the bank, in the event of the death of the trustee, the deposit or any part thereof may be paid to the person for whom the deposit was made, whether or not such person is a minor.

Interest on demand deposits

854. No bank, directly or indirectly, by any device whatever, shall pay any interest on any demand deposit except to the extent that the payment of interest on demand deposits is permitted to member banks of the Federal Reserve System or to banks whose deposits are insured by the Federal Deposit Insurance Corporation or any successor federal agency insuring bank deposits. This section shall not apply to any deposit which is payable only at an office of the bank located outside of the states of the United States and the District of Columbia.

Time deposit

855. No bank shall pay any time deposit before its maturity.

Deposits of public moneys

856. A bank shall not have on deposit at any one time moneys of the State of California, of the cities, counties, and other political subdivisions of the State, and of the public corporations and districts of the State, which, in the aggregate, exceed in amount 200 percent of its entire capital and surplus including that of all departments. The amount of such moneys on deposit secured by surety bonds shall not at any time, in the aggregate, exceed the amount of the bank's entire capital.

Preferences

857. No bank, bank officer, director, employee, or agent shall give a preference to any depositor or creditor except as expressly authorized by law.

Overdrafts

858. An overdraft of more than 90 days standing shall not be allowed as an asset of any bank.

Waiver of liability of stockholders prohibited

859. A bank shall not make any contract with any of its depositors whereby any stockholder's liability provided for by any law of this State is in any manner waived and any such contract is void.

Article 2. Dormant Accounts

Dormant accounts

870. The provisions of Article 2 of Chapter 6 of Title 10 of Part 3 of the Code of Civil Procedure govern the reporting and disposition of accounts dormant for 20 years or more. A copy of the report furnished the State Controller pursuant to the provisions of said article shall be filed by the bank in the office of the superintendent on or before March 1st of each year.

(Amended by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION]

870. The provisions of Title 8a of Part 3 of the Code of Civil Procedure govern the reporting and disposition of accounts dormant for 20 years or more. A copy of the report furnished the State Controller pursuant to the provisions of said title shall be filed by the bank in the office of the superintendent on or before March 1st of each year.

Statements

871. Every bank, before the first day of March of every odd-numbered year, shall return to the superintendent a sworn statement prepared as of the first day of January of that year showing the names of depositors who are known to be dead or who have not made any further deposits or any withdrawals during the preceding 10 years and are not known to be living and the amount of whose deposit is more than ten dollars ($10). The statement shall show the amount in the account, the depositor's last known place of business or post-office address, and the fact of death, if known. The bank shall give notice of these deposits by publication in one or more newspapers of general circulation published in the city in which the bank has its principal place of business, unless no newspaper is published in that city, and then in a newspaper published in the county in which the bank has its principal place of business, at least once a week for four consecutive weeks. The cost of such publication may be charged pro rata against the unclaimed deposits of which notice is given in such publication.

Same
Liability for failure to report

872. If any bank fails to make the sworn statement required by this article to the superintendent or otherwise knowingly violates this article such bank shall be liable to the people of the State in the sum of one hundred dollars ($100) a day for each day such default continues.

Merger or consolidation

873. For the purposes of this article all deposits received by any bank as a result of the purchase of or merger or consolidation with another bank or a department thereof shall be deemed to have been deposited with such bank at the time the deposit was made with the bank from which the deposit was acquired.

Abandoned or unclaimed deposits

874. Any bank which delivers to the State Treasurer pursuant to law any unclaimed or abandoned deposit shall not thereafter be liable to any person for the same and any action which may be brought by any person against a bank for money so delivered to the State Treasurer shall be defended by the Attorney General without cost to the bank.

CHAPTER 8. WITHDRAWALS AND COLLECTIONS

Article 1. General

Checks, etc

950. If a check or other instrument payable on demand, drawn by a depositor on a bank, other than a certified check, is presented for payment more than six months from its date, such bank may refuse payment thereof unless expressly instructed by the drawer or maker to pay it. Such bank shall incur no liability by refusing payment of the check or other instrument so presented.

Refusal to pay check etc

951. A bank may refuse to pay a check, draft, or other order for the withdrawal of money from an account, whether commercial or savings, if it believes that the person drawing, endorsing, or presenting the instrument is or was at the time of signing, endorsing, or presenting it so under the influence of liquor or drug as to raise doubt whether such person is or was competent to transact business. No damages shall be awarded in any action against the bank or its officers or other employees for refusing in good faith to pay any such instrument for that reason.

Notice of adverse claim

"Adverse claimant"

952. Notice to any bank of an adverse claim (the person making such adverse claim being hereinafter in this section called "adverse claimant") to a deposit standing on its books to the credit of or to personal property held for the account of any person may be disregarded until and unless the adverse claimant shall (a) procure and serve upon the bank at the office at which the deposit is carried or the property held a restraining order, injunction, or other appropriate order against the bank from a court of competent jurisdiction in an action in which the adverse claimant and all persons in whose name such credit stands or for whose account such property is held are parties; or (b) execute and deliver to the bank at the office at which the deposit is carried or the property held a bond in form and with surety acceptable to it and in an amount fixed by the bank, but which amount in no event need be more than twice the amount claimed if the adverse claim is made against a deposit, nor more than twice the market value of the entire property against which the adverse claim is made if the claim is made against property, indemnifying it and also all persons in whose name such credit stands or for whose account such property is held, against all liability, loss, damage, costs, and expenses arising out of the refusal to permit withdrawal from such account or to deliver such property or arising out of the dishonor of checks, notes, or other instruments requiring payment of money by or for the account of the person to whose credit the account stands on the bank's books. Unless such restraining order, injunction, or other appropriate order is obtained, or such bond is given, the bank, notwithstanding such notice, may honor the checks, notes, or other instruments requiring payment of money by or for the account of the person to whose credit the account stands or may deliver such property to, or on the order of the person for whose account such property is held, without any liability on the part of the bank. If an adverse claimant delivers to the bank at the office at which the account is carried or the property held his affidavit stating that of his own knowledge the person to whose credit the account stands or for whose account the property is held is a fiduciary for the adverse claimant and that such fiduciary is about to misappropriate the deposit or the property and stating the facts upon which the claim of a fiduciary relationship is based, the bank may refuse payment of the deposit or may refuse to deliver such property until the adverse claim is finally adjudicated or

Restraining order

released, without liability on its part and without liability for the sufficiency or truth of the facts alleged in the affidavit. The provisions of this section shall be applicable even though the name of the person appearing on the bank's books to whose credit the deposit stands or for whose account the property is held is modified by a qualifying or descriptive term such as "agent," "trustee," or other word or phrase indicating that such person may not be the owner in his own right of the deposit or property.

Authorized withdrawals

953. When the depositor of a commercial or savings account has authorized any person to make withdrawals from the account, the bank, in the absence of written notice otherwise, may assume that any check, receipt, or order of withdrawal drawn by such person in the authorized form or manner, including checks drawn to his personal order and withdrawal orders payable to him personally, was drawn for a purpose authorized by the depositor and within the scope of the authority conferred upon such person.

Deposits of persons in occupied territory

954. A bank need not recognize or give any effect to (1) any claim to a deposit of cash or securities standing on its books to the credit of, or held by it for the account of, any corporation, firm or association in occupied territory or (2) any advice, statute, rule or regulation purporting to cancel or to give notice of the cancellation of the authority of any person at the time appearing on the books of such bank as authorized to withdraw or otherwise dispose of cash or securities of such corporation, firm or association, unless such bank is required so to do by appropriate process procured against it in a court of competent jurisdiction in the United States in a cause therein instituted by or in the name of such corporation, firm or association, or unless the person making such claim or giving such advice or invoking such statute, rule or regulation, as the case may be, shall execute to such bank, in form and with sureties acceptable to it, a bond indemnifying it from any and all liability, loss, damage, costs and expenses for and on account of recognizing or giving any effect to such claim, advice, statute, rule or regulation.

For the purposes of this section (1) the term "occupied territory" shall mean territory occupied by a dominant authority asserting governmental, military or police powers of any kind in such territory, but not recognized by the United States as the de jure government of such territory, and (2) the term "corporation, firm or association in occupied territory" shall mean a corporation, firm or association which has, or at any time has had, a place of business in territory which has at any time been occupied territory.

The provisions of this section shall be effective only in cases where (1) such claim or advice purports or appears to have been sent from or is reasonably believed to have been sent pursuant to orders originating in, such occupied territory during the period of occupation, or (2) such statute, rule or regulation appears to have emanated from such dominant authority

and purports to be or to have been in force in such occupied territory during the period of occupation.

This section applies to claims, advices, statutes, rules or regulations given or invoked either before or after the effective date of this section.

(Added by Stats. 1951, Ch. 534.)

Article 2. Certified Checks

970. Whenever a bank certifies a check, the amount thereof shall be immediately charged against the account of the drawer. Certification

971. It shall be unlawful for any officer or employee of a bank to certify any check drawn upon such bank, unless the drawer has on deposit with the bank, at the time such check is certified, an amount to his credit on the books of the bank not less than the amount specified therein. Wrongful, penalty

Any bank officer or employee who wilfully violates the provisions of this section or who resorts to any device or receives any fictitious obligations directly or indirectly in order to evade the provisions of this section is guilty of a felony.

Article 3. Stop Payment Orders

990. A bank may disregard an order stopping payment of a check unless the order is in writing, is signed by the drawer, describes with certainty the check payment of which is to be stopped, and is delivered to the particular office or branch office of the bank on which the check is drawn before the check is certified or paid. Stop payment order

991. The receipt of an order to stop payment of a check at one office of a bank shall not constitute notice, actual or constructive, to any other office of the same bank and shall not impair the right of any office of such bank, other than the office receiving such order, to be a holder in due course of such check. As notice

992. If after receipt of an order to stop payment of a check conforming to and delivered as required by Section 990 and while such order is still effective a bank pays such check, it is liable to the drawer for the actual loss incurred by him resulting from the payment of such check, not exceeding, however, unless the bank is guilty of negligence, the amount of the check. Liability

993. A bank which pays or certifies a check in good faith and without actual knowledge of any defect in the title of the holder thereof prior to the receipt of an order stopping the payment thereof conforming to Section 990 is not liable to the person ordering the payment thereof stopped, even though such payment or certification may be made before or after its regular banking hours. Same

994. If more than six months after receipt of an order to stop payment of a check the bank mails a notice to the drawer stating that the order must be renewed to remain effective and Duration

the drawer fails to renew the same in writing within 30 days of such mailing the stop payment order shall cease to be effective at the end of such 30 days.

Same

995. If more than six months after October 1, 1949, a bank mails a notice to the drawer of a check who has filed a stop payment order in effect October 1, 1949, stating that the same must be renewed to remain effective and the drawer fails to renew the same in writing within 30 days of such mailing such stop payment order shall cease to be effective at the end of such 30 days.

Article 4. Bank Collections

"Item"

1010. For the purpose of this article, "item" means any check, note, or other instrument providing for the payment of money.

Provisional credit

1011. Any credit allowed by a bank for an item drawn on, through, or payable at such bank, or any branch office thereof, or drawn on, by, through, or payable at any other bank or person, shall be provisional and subject to final payment.

Receipt of item

1012. For the purposes of this article: (a) An item received by a bank on a day other than its business day, or received on a business day after its regular business hours or during afternoon or evening periods when it has reopened or remained open for limited functions, shall be deemed to have been received at the opening of its next business day; (b) the

"Credit"

term "credit" includes payment, remittance, advice of credit, or authorization to charge and, in cases where the item is received for deposit as well as for payment, also includes the making of appropriate entries to the receiving bank's general ledger without regard to whether the item is posted to individual customers' ledgers; and (c) each branch or office of a bank shall be deemed a separate bank.

Dishonor

1013. In any case in which a bank receives, other than for immediate payment over the counter, a demand item payable by, at or through such bank and gives credit therefor before midnight of the day of receipt, the bank may have until midnight of its next business day after receipt within which to dishonor or refuse payment of such item. Any credit so given together with all related entries on the receiving bank's books may be revoked by returning the item, or if the item is held for protest or at the time is lost or is not in the possession of the bank, by giving written notice of dishonor, nonpayment, or revocation; provided, that such item or notice is dispatched in the mails or by other expeditious means not later than midnight of the bank's next business day after the item was received. For the purpose of determining when notice of dishonor must be given or protest made under the law relative to negotiable instruments, an item duly presented, credit for which is revoked as authorized by this article, shall be deemed dishonored on the day the item or notice is dispatched. A bank, revoking credit pursuant to the authority of this article, is entitled to refund of, or credit for, the amount of the item.

Forwarding for collection

1014. An item received by a bank for which provisional credit has been allowed and which is drawn on, by, through, or payable at any other bank or person shall be forwarded for collection by the bank giving such provisional credit before midnight of its next business day following the day of receipt. A bank forwarding any item for collection may send it in the usual course of business (a) directly to the bank on or by which it is drawn or by, at, or through which it is payable; or (b) to any Federal Reserve bank; or (c) to any other bank or agency.

Same. Acceptance in payment

1015. A bank forwarding an item for collection may accept in payment therefor (a) money; (b) the check or draft of the bank or person on which it is drawn or by, at, or through which it is payable; (c) the check or draft of the bank or agency to or through which it has been forwarded for collection; or (d) credit on the books of any Federal Reserve bank or of any bank designated as a depositary by the bank allowing such credit.

Same Losses

1016. A bank forwarding in the usual course of business an item for collection or receiving payment therefor as provided in this article shall not be liable for any loss resulting from (a) the insolvency or other default of or for any act or omission of any other bank or agency directly or indirectly handling the collection of the item, or of any bank or agency on or by which any draft received in payment is drawn; (b) the nonpayment of any check, draft, or credit accepted in payment for such item; or (c) the loss or destruction of or inability to obtain repossession of the item or of any item in payment thereof while in transit or in the possession of others.

Charging back

1017. Until the bank allowing provisional credit for an item forwarded for collection has received the proceeds in full in money or by final credit on the books of either a Federal Reserve bank or a bank designated as a depositary by the forwarding bank, such bank may charge the item back to the party from whom it was received, or may collect the amount of the item from such party, regardless of whether the item itself can be returned.

Item drawn on other office

1018. An item drawn on, by, or through, or payable at one office of a bank, and received for deposit or collection or for any other purpose at any other office of the same bank, shall be deemed for all the purposes of this article as drawn on, by, or through, or payable at another bank.

Modification

1019. Any provision of this article may be modified or set aside by an agreement in writing between any bank and any person from whom any item is received for collection, deposit, or any other purpose.

CHAPTER 9. DEPARTMENTAL BANKING

Separate departments

1100. Every bank authorized by its articles of incorporation to transact a commercial banking business, a savings banking business, or a trust business, or a combination thereof, shall maintain a separate department for each such business.

Trust business

1101. No corporation which is authorized to transact a trust business and which is also authorized to transact a title insurance business shall engage in a commercial banking business or a savings banking business or a combination thereof.

Additional departments

1102. A bank or trust company which desires to add one or more additional departments shall apply to the superintendent for his consent, making an application in such form and containing such information as he may require. The application shall show the apportionment of the capital and surplus of such bank or trust company to each of the proposed departments, and shall be accompanied by a fee of fifty dollars ($50) for each new department. The superintendent, when he is satisfied that the bank has complied with all of the applicable provisions of this division and that the depositors and creditors of the bank will not be adversely affected thereby, shall issue his certificate authorizing the bank to add the department or departments for which application was made.

Apportioned surplus

1103. The capital and surplus apportioned to a particular department, when approved by the superintendent, shall be segregated to such department and considered and treated as the separate capital and surplus of such department as if such department were a separate bank.

Change of apportionment

1104. A bank or trust company which is authorized to engage in departmental banking and which has apportioned capital and surplus to its departments may change such apportionment from time to time, with the consent of the superintendent. The superintendent from time to time in his discretion may require any bank or trust company having departments to change the apportionment of its capital and surplus to its departments.

Assets

1105. The assets of each department shall be held solely for the repayment of the depositors and creditors of such department until all its obligations shall have been paid in full. Any remaining assets after full payment of all such obligations shall be applied to any other liabilities of the bank.

Separation of books, cash, etc

1106. Every bank having departments shall keep the cash, securities, and property belonging to each department entirely separate and apart from the cash, securities, and property belonging to its other departments. Every such bank shall keep separate books of account for each department and shall observe as to deposits, reserves, investments, and transactions relating to each department the provisions of this division governing the respective departments.

Interdepartmental deposits

1107. No department of a bank shall receive deposits from any other department of the same bank, except that the savings department or the commercial department of a bank may receive deposits from the trust department of the same bank and may set aside as security for such deposits securities pursuant to Section 1562 of this code.

Interdepartmental transfers or sales

1108. One department of a bank having departments may sell and transfer to another department of the same bank any investments or loans, upon receipt of the actual value thereof, if

such investments or loans, under the provisions of this division, are eligible for investment by the department purchasing them.

Reserves

1109. Every bank having departments shall maintain for each department reserves equal in amount to the reserves required by this division for the particular department and shall keep the total reserves of each department separate and apart from the reserves of any other department.

Place of business

1110. Every bank and branch shall conduct the business of all its departments in one building or in adjoining buildings except that, under special circumstances and with the written consent of the superintendent, a bank or branch may conduct a portion of its business elsewhere in the same vicinity.

Investment in real property

1111. The investment of any departmental bank in real property for any of the purposes authorized by subdivision (a) of Section 750 of this code or in the stock of a corporation transacting a safe deposit or a trust business may be carried in either the commercial, savings, or trust departments, or may be apportioned to any two or all three such departments.

Deposits with other banks

1112. Deposits made by a department of a departmental bank with other banks, whether temporary or otherwise, shall constitute assets of the respective departments by which they were made, and shall be so carried on the books of such other banks, and shall be repaid only upon the order of the department to whose credit they stand.

CHAPTER 10. COMMERCIAL BANKS

Article 1. General

Rediscount, etc

1200. A commercial bank shall not rediscount, borrow money, or hypothecate its assets as security for money borrowed except to the extent and upon the conditions set forth in this division.

Hypothecated assets

1201. Assets hypothecated by a commercial bank as security for moneys borrowed shall not exceed in value the amount borrowed by more than 50 percent except with the prior written consent of the superintendent.

Borrowing

1202. A commercial bank may borrow money for temporary purposes by discounting or otherwise to an amount not in excess of its capital and surplus, but shall not borrow money except as provided in Sections 1204 and 1205 in excess of such amount without the prior written approval of the superintendent.

The amounts of moneys so borrowed by a commercial bank together with the amount of any of its deposits secured by surety bonds shall not at any one time exceed the amount of its capital and surplus without the prior written approval of the superintendent.

Hypothecating assets

1203. A commercial bank may hypothecate its assets in any manner provided by law to secure the deposits of moneys of the United States, of postal savings funds, of bankrupt estates, of the State of California, or of any political subdivision,

public corporation, or district of the State of California. With the prior approval of the Superintendent of Banks a bank may hypothecate its assets to secure moneys payable to other states.

(Amended by Stats. 1951, Ch. 1190.)

[ORIGINAL SECTION]

1203. A commercial bank may hypothecate its assets in any manner provided by law to secure the deposits of moneys of the United States, of postal savings funds, of bankrupt estates, of the State of California, or of any political subdivision, public corporation, or district of the State of California

Borrowing

1204. A commercial bank may borrow for the purpose of buying from the United States, United States bonds, United States Treasury certificates, or notes or other obligations of the United States.

Rediscounts

1205. A commercial bank may rediscount, with or without guaranty or endorsement, with a Federal Reserve bank, or may sell to a Federal Reserve bank notes, drafts, bills of exchange, acceptances, and other securities and loans secured by obligations of the United States with no restrictions and as fully and to the same extent as may national banks under the Federal Reserve Act or regulations issued pursuant thereto.

Negotiable certificates

1206. A commercial bank may issue negotiable certificates of deposit transferable by endorsement and delivery and non-negotiable certificates transferable only on the books of the bank. It shall not make partial payments upon a certificate of deposit

Investments

1207. A commercial bank shall not invest more than 5 per cent of its assets in the bonds of any one obligor, except bonds of the United States or for the payment of which the faith and credit of the United States are pledged, bonds of the State of California or for the payment of which the faith and credit of the State of California are pledged, and bonds of any county, city and county, city, metropolitan water district, school district, or irrigation district of the State of California which qualify as investments for savings banks.

Insurance agent

1208. A commercial bank located in a place the population of which does not exceed 5,000 persons according to the most recent official federal or state census may act as agent for any fire, life, or other insurance company authorized to do business in California by soliciting and selling insurance and collecting premiums and may receive for such services such fees and commissions as may be agreed upon with the insurance company if the bank is engaged in such business on October 1, 1949, and is duly licensed under the Insurance Code, and may act also as the broker or agent for others in making or procuring loans on real property located within 100 miles of the place in which the bank is located and may receive for such services a fee or a commission if it is engaged in such business on October 1, 1949, and is duly licensed. In engaging in either of such businesses the bank shall comply with all rules and regulations of the superintendent relating thereto and shall not guarantee either the principal or interest of any loan procured by it as broker or agent or assume or guarantee the payment of any premium on

insurance policies written through it as agent or broker or guarantee the truth of any statement made by an insured in filing an application for insurance.

Article 2. Loan Limits

1220. For the purpose of this article:

(a) "Obligations" means the total sums for the payment of which a person is obligated, primarily or secondarily, to a commercial bank. "Obligations"

(b) Obligations of a person include obligations of others to a commercial bank arising out of loans made by the bank for the benefit of such person.

(c) Obligations of an individual include the obligations of a partnership or association for which obligations the individual is liable.

(d) Obligations of a partnership include the obligations of its members who are liable for its obligations.

(e) Obligations of a corporation include the obligations of all subsidiaries in which it owns or controls a majority interest, except to the extent and under such restrictions as the superintendent may prescribe in specific instances upon special application made by any bank prior to the creation of such obligations.

1221. The obligations, other than those described in Section 1226, of any one person owing to a commercial bank at any one time shall not exceed the following limitations, except as provided in Section 1222. Same: Limitations

(a) Obligations secured by personal property or collateral shall not exceed 25 percent of the capital and surplus of the commercial bank.

(b) Obligations secured by real property shall not exceed 15 percent of the capital and surplus of the commercial bank.

(c) Obligations which are unsecured shall not exceed 10 percent of the capital and surplus of the commercial bank.

(d) Obligations, secured and unsecured, in all, shall not exceed 25 percent of the capital and surplus of the commercial bank.

Obligations arising out of the discount of commercial or business paper actually owned by the person negotiating the same and endorsed by such person without limitation, together with the secured and unsecured obligations, if any, of such person, shall not exceed 40 percent of the capital and surplus of the commercial bank.

1222. The obligations of any person to a commercial bank, whether secured or unsecured, may exceed the limitations of Section 1221; provided, such obligations together with the obligations, other than those held by the bank as fiduciary, of such person to the savings and trust departments of the bank, do not exceed an amount equal to 10 percent of the combined capital and surplus of all departments of the bank or an amount equal to 20 percent of the capital and surplus allocated to the commercial department, whichever is lower. Same: Limits

Same
Secured

1223. An obligation shall not be deemed secured by personal property or collateral unless the personal property or collateral held as security is of a kind which has not been declared ineligible by the superintendent and unless it has a market value at least 15 percent greater than the amount of the obligations secured thereby. The superintendent may by general regulation declare any particular kinds or classes of personal property ineligible as security. An obligation shall not be deemed secured by real property unless the obligation and the lien securing the same conform to the provisions of Section 1227 or Section 1228. Secured and unsecured loans shall be represented by separate notes and shall not be combined in any way within one note or notes.

The guaranty or other secondary liability for the performance of another obligation shall be deemed a secured obligation if such other obligation is secured as herein defined.

(Amended by Stats. 1951, Ch. 534.)

[ORIGINAL SECTION]

1223. An obligation shall not be deemed secured by personal property or collateral unless the personal property or collateral held as security is of a kind which has not been declared ineligible by the superintendent and unless it has a market value at least 15 percent greater than the amount of the obligations secured thereby. The superintendent may by general regulation declare any particular kinds or classes of personal property ineligible as security. An obligation shall not be deemed secured by real property unless the obligation and the lien securing the same conform to the provisions of Section 1227 or Section 1228. Secured and unsecured loans shall be represented by separate notes and shall not be combined in any way within one note or notes.

Same

1224. In addition to the limitations contained in Sections 1221 and 1222 a commercial bank may issue letters of credit and may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, exclusive of days of grace, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples. A commercial bank shall not issue such letters of credit or accept such drafts or bills in the aggregate to an amount exceeding 50 percent of its paid-up capital and surplus or, when authorized by the superintendent, to an amount exceeding 100 percent of its paid-up capital and surplus nor issue such letters of credit or accept such drafts or bills for any one person to an amount exceeding 10 percent of its paid-up capital and surplus, unless the bank is and remains secured by either attached documents or some other actual security growing out of the same transaction as the acceptance.

(Amended by Stats. 1951, Ch. 534.)

[ORIGINAL SECTION]

1224. In addition to the limitations contained in Sections 1221 and 1222 a commercial bank may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, exclusive of days of grace,

which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods provided shipping documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples. A commercial bank shall not accept such drafts or bills in the aggregate to an amount exceeding 50 percent of its paid-up capital and surplus or, when authorized by the superintendent, to an amount exceeding 100 percent of its paid-up capital and surplus nor accept such drafts or bills for any one person to an amount exceeding 10 percent of its paid-up capital and surplus, unless the bank is and remains secured by either attached documents or some other actual security growing out of the same transaction as the acceptance.

Same

1225. With the approval of the superintendent a commercial bank may accept drafts or bills of exchange drawn upon it having not more than three months' sight to run, exclusive of days of grace, drawn by banks or bankers in foreign countries for the purpose of furnishing dollar exchange as required by the usages of trade in the respective countries; provided, no commercial bank shall accept such drafts or bills of exchange for any one bank to any amount exceeding 10 percent of the capital and surplus of the accepting bank unless the draft or bill of exchange is accompanied by documents conveying or securing title or unless the bank is secured by some other adequate security. A commercial bank shall not accept such drafts or bills, whether secured or unsecured, in the aggregate to an amount exceeding 50 percent of its capital and surplus.

Same; Exceptions

1226. The limitations of Sections 1221 and 1222 shall not apply to the following and the following shall not be included among the obligations of a person for the purpose of applying such limitations:

(a) Loans secured by obligations of the United States or by obligations unconditionally guaranteed both as to principal and interest by the United States, having a market value at least 10 percent in excess of the loans secured thereby.

(b) Loans to the extent that they are covered by guarantees or by commitments to take over or to purchase without recourse made by any Federal Reserve bank or by the United States, or by any department, bureau, board, commission, agency, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States.

(c) Drafts or bills of exchange drawn in good faith against actual existing values with negotiable bills of lading attached, whether or not accepted by the drawee.

(d) Bankers' acceptances of other banks which are eligible for rediscount with a Federal Reserve bank.

(e) Demand balances owing by a reserve depositary arising out of deposits made pursuant to Article 3 of this chapter.

(f) Obligations resulting from daily clearances through any clearing house association.

(g) Obligations which are fully guaranteed or fully insured or covered by a commitment to fully guarantee or fully insure by the Federal Housing Administrator.

Real property security

1227. A commercial bank may lend on the security of a first lien on real property if:

(a) The term does not exceed 10 years and the amount does not exceed 60 percent of the sound market value of the property as determined by proper appraisal; or

(b) The loan is on a single family residence, the term does not exceed 20 years, is repayable in equal installments not less often than monthly, and the amount does not exceed 60 percent of the sound market value of the property as determined by proper appraisal; or

(c) The loan is on a farm or productive agricultural lands, the term does not exceed 20 years, is repayable in equal installments not less often than annually, and the amount does not exceed 60 percent of the sound market value of the property as determined by proper appraisal; or

(d) The term of the loan does not exceed six months and the amount does not exceed 85 percent of the sound market value of the property as determined by proper appraisal; or

(e) The term of the loan does not exceed one year and the amount does not exceed 85 percent of the sound market value of the property as determined by proper appraisal, and the loan is for the purpose of financing building operations under a plan providing for payment or refinancing by loans otherwise permitted by this chapter.

Leasehold property security

1228. A commercial bank may lend on the security of a first lien on real property or a first lien on a leasehold (1) under a lease for not less than 99 years which is renewable or (2) under a lease having a period of not less than 50 years to run from the date of the loan, if:

(a) The loan is fully guaranteed or insured or covered by a commitment to guarantee or insure by the United States, the Federal Housing Administrator, or by any other agency of the United States which the superintendent shall have approved for the purposes of this subdivision as an issuer of insurance or guarantees of loans on real property, whether the proceeds of the guarantee or insurance is payable in cash or in obligations of the United States; or

(b) The loan is fully guaranteed by the United States or any agency thereof pursuant to the "Servicemen's Readjustment Act of 1944" or any act of Congress supplementary or amendatory thereof, or, if a portion of the loan is so guaranteed, then if the unguaranteed portion of the loan does not exceed 60 percent of the sound market value of the property or leasehold for loan purposes as determined by proper appraisal.

Loan on stock

1229. A commercial bank shall not lend in the aggregate more than 5 percent of its assets upon the security of the stock of any one corporation or upon the security of the bonds of any one obligor except bonds of the United States or for the payment of which the credit of the United States is pledged, bonds of the State of California or for the payment of which the credit of the State of California is pledged, and bonds of any county,

city and county, city, metropolitan water district, school district, or irrigation district of the State of California which qualify as investments for savings banks.

Loan limit

1230. A commercial bank shall not lend more than 35 percent of its assets in the aggregate upon the security of real property.

Restrictions

1231. No loan shall be made by any commercial bank upon the securities of one or more corporations, the payment of which loan is undertaken, in whole or in part, severally, but not jointly, by two or more persons:

(a) If the borrowers or underwriters are obligated absolutely or contingently to purchase the securities, or any of them, collateral to such loan, unless the borrowers or underwriters have paid on account of the purchase of such securities an amount in cash, or its equivalent, equal to at least 25 percent of the several amounts for which they remain obligated in completing the purchase of such securities.

(b) If the commercial department making such loan is liable, directly or indirectly, or contingently, for the repayment of such loan or any part thereof.

(c) If its term, including any renewal thereof by agreement, express or implied, exceeds the period of one year.

(d) Or to an amount under any circumstances in excess of 25 percent of the department's capital and surplus.

Same

1232. A commercial bank shall not make a loan upon the capital stock of any other bank unless such bank has been in existence at least two years and has earned and paid a dividend on its capital stock, nor, without the written approval of the superintendent, shall it make a loan on the security of the capital stock of another bank if by the making of such loan the capital stock of such other bank owned or held as collateral by all departments of the lending bank will exceed in the aggregate 25 percent of the stock of such other bank.

Secured loans

1233. A commercial bank may make loans secured in the manner and with the margin permitted to savings banks and any such loans shall be deemed secured loans for the purposes of applying the provisions of this chapter.

Additional security

1234. Nothing in this chapter restricts a commercial bank in taking any lien on or pledge of any property as additional security for a loan already made in good faith.

Article 3. Reserves

Reserves

1250. Every commercial bank at all times shall maintain total reserves equal to the following percentages of the aggregate amount of its deposits, exclusive of deposits of the United States, postal savings funds, and state, county, municipal, and other deposits of public moneys which are secured as required by law:

(a) 18 percent if the bank has its principal place of business in a city having a population of 100,000 or over.

(b) 15 percent if the bank has its principal place of business in a city having a population of 50,000 or over and less than 100,000.

(c) 12 percent if the bank is located elsewhere in the State, unless the bank is acting as a reserve depositary and in that event, 15 percent.

Same

1251. Of the total reserves required to be maintained by a commercial bank, an amount equal to 6 percent of its deposits, or if it is acting as a reserve depositary an amount equal to one-half of its required total reserves, shall consist of, (a) gold bullion or any form of money or currency authorized by the laws of the United States kept in the bank's vault or, with the consent of the superintendent, in a safe deposit box in any other bank in this State under the exclusive control of the depositing bank, or (b) deposits subject to call with a Federal Reserve bank in the district in which the bank is located.

The remainder of such total reserves shall consist of, (a) gold bullion or any form of money or currency authorized by the laws of the United States kept as above provided, (b) deposits subject to call with a Federal Reserve bank in the district in which the bank is located, or (c) deposits subject to call with reserve depositaries of such bank designated as such pursuant to Section 1255 of this code.

Compliance with Federal Reserve Act

1252. If any commercial bank is a member of a Federal Reserve bank it shall comply with the reserve requirements of the Federal Reserve Act and its compliance therewith shall be in lieu of and shall relieve such bank from compliance with the provisions of this article.

Failure to maintain

1253. If a commercial bank fails to maintain its total reserves, the superintendent may impose a penalty upon it based upon the length of time the deficiency in its reserves continues, at the following rates:

(a) At the rate of 6 percent per annum upon any deficiency not exceeding 2 percent of its deposits.

(b) At the rate of 8 percent per annum upon any additional deficiency exceeding 2 percent and not exceeding 3 percent of its deposits.

(c) At the rate of 10 percent per annum upon any additional deficiency exceeding 3 percent and not exceeding 4 percent of its deposits.

(d) At the rate of 12 percent per annum upon any additional deficiency in excess of 4 percent of its deposits.

Same

1254. If the total reserves of any commercial bank fall below the amount required to be maintained by this article it shall not make any new loans or discounts, except by discount of bills of exchange on sight, nor pay any dividends until its reserves have been restored to the full amount herein required. If any commercial bank fails to maintain its reserves as required by this article, the superintendent may notify such bank to restore its reserves and if it fails to do so within 30 days thereafter it may be deemed insolvent and may be proceeded against

as provided in this division. A deposit by one bank with another bank shall not be regarded as a loan.

Reserve depositaries

1255. A bank or trust company, by a majority vote of all its directors, may nominate another bank or other banks which meet the qualifications hereinafter set forth as its reserve depositary or depositaries. The superintendent, in his discretion, may approve or disapprove such nomination. If he approves the same he shall designate the bank so nominated as a reserve depositary of the nominating bank.

A reserve depositary may be a banking corporation located in any city in the United States and having a paid-up capital and surplus of one million dollars ($1,000,000) or more, or it may be a bank organized under the laws of this State or a national banking association located in this State having a combined paid-up capital and surplus conforming with the following schedule:

(a) Not less than five hundred thousand dollars ($500,000), if located in a city which has a population of 300,000 or over.

(b) Not less than four hundred thousand dollars ($400,000), if located in a city which has a population of 100,000 or over and less than 300,000.

(c) Not less than three hundred thousand dollars ($300,000), if located in a city which has a population of 50,000 or over and less than 100,000.

(d) Not less than two hundred thousand dollars ($200,000), if located elsewhere in the State.

"Deposits"

1256. The term "deposits" wherever used in this article shall be the aggregate deposits of a commercial bank exclusive of the deposits of public moneys referred to in Section 1250.

Reserves

1257. Whenever he determines that the maintenance of sound banking practices or the prevention of injurious credit expansions or contractions makes such action advisable, the superintendent by general regulation and without submitting such regulation to any other state agency or authority, may change, from time to time, the nature and amount of reserves required to be maintained by commercial banks doing business in this State which are not members of a Federal Reserve Bank. The reserves so specified shall not be less than those provided in this chapter nor greater than those required, at the time, of commercial banks doing business in this State which are members of a Federal Reserve Bank.

(Added by Stats. 1951, Ch. 549)

Chapter 11. Savings Banks

Article 1. Investments

Investments

1350. A savings bank may invest its funds only as follows:

Land and buildings, etc

1351. An amount not exceeding 50 percent of its capital and surplus in the land and buildings used for the conduct of its business, in stock of a corporation owning such premises as

provided in Section 752 of this code, furniture and fixtures, vaults, safe deposit boxes, and other personal property necessary to the proper conduct of its business; provided, said 50 percent limitation may be exceeded if the investment in excess thereof is approved in writing by the superintendent and is approved by two-thirds of the directors.

Bullion, etc.

1352. In gold and silver bullion and United States mint certificates of ascertained value.

Federal bank stock

1353. In stock of a Federal Reserve bank or of a federal home loan bank to the extent authorized by Section 754 of this code.

United States obligations

1354. In bonds or other interest bearing notes and obligations of the United States and those for which the faith and credit of the United States are pledged for the payment of principal and interest.

State bonds

1355. In bonds of the State of California and those for which the faith and credit of the State of California are pledged for the payment of principal and interest and in registered warrants of the State of California.

County, etc., bonds

1355.1. In the bonds of any county, city and county, city, metropolitan water district, municipal utility district, flood control district, or school district of the State of California (herein referred to generally as public corporations) except the bonds of any particular such public corporation which may be declared ineligible for investment by savings banks by regulations of the superintendent, provided an amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 2 percent of the bank's savings deposits, whichever is greater, may not be invested in the bonds of any one such public corporation.

Public corporation bonds

1356. In the bonds of any other political subdivision, public corporation, or district of the State of California (herein referred to generally as public corporations) having the power, without limit as to rate or amount, to levy taxes to pay the principal and interest of such bonds upon all property within its boundaries subject to taxation by such public corporation, and in the bonds of any special district established by and within any municipal utility district; provided:

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 2 percent of the bank's savings deposits, whichever is greater, may not be invested in the bonds of any one such public corporation or special district;

(b) The net direct debt of such public corporation or of such special district together with its net overlapping debt does not exceed 20 percent of the assessed valuation of the taxable property within its boundaries according to the last official equalized county assessment roll.

(Amended by Stats. 1951, Ch. 480.)

[ORIGINAL SECTION]

1356. In the bonds of any other political subdivision, public corporation, or district of the State of California (herein referred to generally as

public corporations) having the power, without limit as to rate or amount, to levy taxes to pay the principal and interest of such bonds upon all property within its boundaries subject to taxation by such public corporation, provided:

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 2 percent of the bank's savings deposits, whichever is greater, may not be invested in the bonds of any one such public corporation;

(b) The net direct debt of such public corporation together with its net overlapping debt does not exceed 20 percent of the assessed valuation of the taxable property within its boundaries according to the last official equalized county assessment roll.

Other state and foreign bonds

1357. An amount not exceeding in all 20 percent of the bank's savings deposits in (a) the bonds or other evidences of indebtedness of, or which are unconditionally guaranteed by, the Dominion of Canada, the Territory of Hawaii, or any state of the United States other than California, for the payment of both principal and interest of which in United States' dollars the faith and credit of such dominion, territory, or state are pledged; (b) in limited obligations of any state of the United States, other than California, payable only from special taxes which are pledged to the payment of principal and interest of such limited obligations; and (c) in the bonds or other evidences of indebtedness of any city, county, political subdivision, public corporation, or district (herein referred to generally as public corporations) of any state of the United States other than California, having the power without limit as to rate or amount to levy taxes to pay the principal and interest of such bonds upon all property within its boundaries subject to taxation by such public corporation; provided:

Conditions

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in the bonds or other obligations of any one state other than California, or in the bonds of any one public corporation located in a state other than California;

(b) In the case of bonds constituting general obligations of any such state, such state has not within 10 years prior to such investment defaulted for a period of more than 90 days in the payment of any part of either principal or interest of any of its debts;

(c) In the case of such limited obligations of any such state, (1) that such state has not within 10 years prior to the date of such investment defaulted for a period of more than 90 days in the payment of either principal or interest of any of its debts; (2) the special taxes pledged for the payment of such limited obligations shall have been collected for five fiscal years next preceding any investment and during said five fiscal years shall have averaged at least one and one-half times the debt service requirements, including those for principal, interest, and sinking fund, on all such special obligations existing at the time; and (3) such special taxes for each of said five fiscal years shall have equaled at least the amount of all such debt service requirements on such special obligations; and

(d) In the case of bonds or other evidences of indebtedness of any such public corporation of any state other than California:

(1) Such public corporation has had a corporate existence or been otherwise established and functioning for at least 10 years prior to the time of such investment;

(2) Such public corporation has a population of at least 50,000 inhabitants according to the last federal or state census;

(3) Such public corporation for a period of at least 10 years prior to such investment has not defaulted in the payment of any part of the principal or interest of any of its debts for a period of more than 90 days; and

(4) The net direct debt together with the net overlapping debt of such public corporation does not exceed 10 percent of the assessed valuation of the property subject to taxation by such public corporation according to the last official equalized assessment roll or list upon the basis of which taxes for debt service are based.

(Amended by Stats. 1951, Ch. 480.)

[ORIGINAL SECTION]

1357. An amount not exceeding in all 20 percent of the bank's savings deposits in (a) the bonds or other evidences of indebtedness of any state of the United States other than California, for the payment of both principal and interest of which the faith and credit of such state are pledged; (b) in limited obligations of any state of the United States, other than California, payable only from special taxes which are pledged to the payment of principal and interest of such limited obligations; and (c) in the bonds or other evidences of indebtedness of any city, county, political subdivision, public corporation, or district (herein referred to generally as public corporations) of any state of the United States other than California, having the power without limit as to rate or amount to levy taxes to pay the principal and interest of such bonds upon all property within its boundaries subject to taxation by such public corporation, provided:

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in the bonds or other obligations of any one state other than California, or in the bonds of any one public corporation located in a state other than California;

(b) In the case of bonds constituting general obligations of any such state, such state has not within 10 years prior to such investment defaulted for a period of more than 90 days in the payment of any part of either principal or interest of any of its debts;

(c) In the case of such limited obligations of any such state, (1) that such state has not within 10 years prior to the date of such investment defaulted for a period of more than 90 days in the payment of either principal or interest of any of its debts; (2) the special taxes pledged for the payment of such limited obligations for five fiscal years next preceding any investment shall have averaged at least one and one-half times the highest debt service requirements, including those for principal, interest, and sinking fund, on all such special obligations existing at any time during said five fiscal years; and (3) such special taxes for each of said five fiscal years shall have equaled at least the amount of all such debt service requirements on such special obligations, and

(d) In the case of bonds or other evidences of indebtedness of any such public corporation of any state other than California:

(1) Such public corporation has had a corporate existence or been otherwise established and functioning for at least 10 years prior to the time of such investment,

(2) Such public corporation has a population of at least 50,000 inhabitants according to the last federal or state census;

(3) Such public corporation for a period of at least 10 years prior to such investment has not defaulted in the payment of any part of the principal or interest of any of its debts for a period of more than 90 days; and

(4) The net direct debt together with the net overlapping debt of such public corporation does not exceed 10 percent of the assessed valuation of the property subject to taxation by such public corporation according to the last official equalized assessment roll or list upon the basis of which taxes for debt service are based.

"Net direct debt"

1358. The term "net direct debt" of any public corporation means all indebtedness of every kind after deducting from such indebtedness sinking funds available for the payment thereof, any indebtedness evidenced by tax anticipation notes for the payment of which nondelinquent taxes are pledged, obligations payable only from special assessments, revenue obligations payable only from special revenues pledged for their payment, and such proportion of any indebtedness issued for revenue producing works, properties, or utilities which have been in operation for at least one year as the amount of the annual net revenue therefrom bears to the amount of the annual debt service requirements of such bonds.

"Net overlapping debt"

The term "net overlapping debt" of any public corporation means such proportion of the net direct debt as above defined of any other public corporation (herein called overlapping corporation) which lies wholly or partially within the boundaries of such public corporation as the assessed valuation of the taxable property of such overlapping public corporation lying within the boundaries of such public corporation as shown by the last official equalized county assessment roll bears to the assessed valuation of all taxable property of such overlapping public corporation as shown by the last official equalized county assessment roll.

District bonds

1359. An amount not exceeding in all 5 percent of the bank's savings deposits in bonds of any irrigation district, water storage district, water conservation district, county water district, reclamation district, drainage district, and any district the primary function of which is the irrigation, reclamation or drainage of land within its boundaries, located in California, other than bonds referred to in Section 1355.1; provided:

Conditions

(a) Such bonds qualify under Section 1356; or

(b) Such bonds have been certified as legal securities for savings banks pursuant to Chapter 1 of Division 10 of the Water Code and such certification remains unrevoked; and

(c) The total outstanding bonded indebtedness of the district including bonds authorized but not issued, but excluding bonds payable solely from revenues and not directly or indirectly from assessments, does not exceed 50 percent of the aggregate of the assessed value of the lands, exclusive of improvements, subject to assessment by the district, and the value of the property owned by the district or to be acquired or constructed with the proceeds of the bonds under consideration.

(d) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in the bonds of any one such district.

(Amended by Stats. 1951, Ch. 480.)

[ORIGINAL SECTION]

1359. An amount not exceeding in all 5 percent of the bank's savings deposits in bonds of any irrigation district, water storage district, water conservation district, county water district, reclamation district, drainage district, and any district the primary function of which is the irrigation, reclamation, or drainage of land within its boundaries, located in California, provided:

(a) Such bonds have been certified as legal securities for savings banks pursuant to Chapter 1 of Division 10 of the Water Code and such certification remains unrevoked;

(b) The total outstanding bonded indebtedness of the district including bonds authorized but not issued does not exceed 50 percent of the aggregate of the assessed value of the lands, exclusive of improvements, subject to assessment by the district, and the value of the property owned by the district or to be acquired or constructed with the proceeds of the bonds under consideration.

(c) The district is required and obligated to establish and maintain a reserve fund consisting of cash or United States bonds in an amount not less than the amount of the annual debt service requirements of its outstanding bonded indebtedness in addition to its current debt service requirements and which fund is not subject to any other lien or charge; and

(d) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in the bonds of any one such district.

Federal bank bonds

1360. An amount not exceeding in all 5 percent of the bank's savings deposits in bonds or other obligations issued by a federal land bank or by a federal intermediate credit bank established under the Federal Farm Loan Act, in bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, and in the bonds of any federal home loan bank established under said act, provided:

12 U S C §641

12 U S C §1421

Conditions

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the bank's savings deposits, whichever is greater, may not be invested in the bonds of any one federal land bank, in the bonds of any one Federal Intermediate Credit Bank, in the bonds or debentures of the Federal Home Loan Bank Board, or in the bonds of any one federal home loan bank.

Tax anticipation notes

1361. An amount not exceeding in all 5 percent of the bank's savings deposits in notes with a maturity not exceeding six months from date of issue, issued in anticipation of the collection of taxes by the State of California or any city, county, city and county, or school district thereof, provided:

Conditions

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 2 percent of the bank's savings deposits, whichever is greater, may not be invested in such obligations of any one city, county, city and county, or school district; and

(b) Such notes and warrants are a first lien upon the taxes in anticipation of the collection of which they are issued, are payable in the order in which they are issued and, provided the total amount of such notes issued in anticipation of the collection of taxes payable at any one time or during any specified period does not exceed 50 percent of the amount of such taxes.

Revenue securities, states, etc

1362. An amount not exceeding in all 10 percent of the bank's savings deposits in revenue securities of any state of the United States and of any city, county, city and county, political subdivision, public corporation, or district (herein referred to generally as public corporations) of any such state and of any department, board, agency, or authority of any such state or of any such public corporation; provided:

Conditions

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in revenue securities payable from the income from any one revenue producing property or project or issued by any one public corporation whether issued directly or through a department, board, agency, or authority thereof;

(b) Such revenue securities constitute obligations payable out of the revenues from a revenue producing property owned, controlled, or operated by such state, public corporation, or by a department, board, agency, or authority thereof and are secured by such revenues;

(c) The net income from such property available for the payment of such securities for the five fiscal years next preceding any such investment shall have averaged at least one and one-tenth times all debt service requirements for principal, interest, and sinking fund of all revenue securities payable only out of the revenues from such property during each of such fiscal years, and for each of such five fiscal years shall have equaled at least all debt service requirements for principal, interest, and sinking fund of such securities, and for the last fiscal year shall have amounted to at least the maximum annual debt service requirement for any fiscal year thereafter on all such securities which were outstanding during such last fiscal year and which will be outstanding in any fiscal year thereafter;

(d) The gross income from the property, the net income from which is pledged for the payment of such securities, in the last fiscal year prior to such investment was not less than one million dollars ($1,000,000) if located in California, and was not less than five million dollars ($5,000,000) if located elsewhere;

(e) The issuer of the securities is obligated to maintain rates at least sufficient to meet debt service requirements and such obligation is legally enforceable; and

(f) The public corporation which issues the securities or the public corporation, any department, board, agency, or authority of which issues the securities, if existing elsewhere than in California, has not within 10 years prior to such invest-

ment defaulted for a period of more than 90 days in the payment of principal or interest on any of its debts.

(Amended by Stats. 1951, Ch. 480.)

[ORIGINAL SECTION]

1362. An amount not exceeding in all 10 percent of the bank's savings deposits in revenue securities of any state of the United States and of any city, county, city and county, political subdivision, public corporation, or district (herein referred to generally as public corporations) of any such state and of any department, board, agency, or authority of any such state or of any such public corporation, provided:

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in revenue securities payable from the income from any one revenue producing property or project or issued by any one public corporation whether issued directly or through a department, board, agency, or authority thereof;

(b) Such revenue securities are payable out of the revenues from a revenue producing property owned, controlled, or operated by such state, public corporation, or by a department, board, agency, or authority thereof and are secured by a direct and exclusive charge and lien upon such revenues;

(c) The net income from such property available for the payment of such securities for the five fiscal years next preceding any such investment shall have averaged at least one and one-tenth times all debt service requirements for principal, interest, and sinking fund of all revenue securities payable only out of the revenues from such property during each of such fiscal years, and for each of such five fiscal years shall have equaled at least all debt service requirements for principal, interest, and sinking fund of such securities, and for the last fiscal year shall have amounted to at least the maximum annual debt service requirement for any fiscal year thereafter on all such securities which were outstanding during such last fiscal year and which will be outstanding in any fiscal year thereafter;

(d) The gross income from the property, the net income from which is pledged for the payment of such securities, in the last fiscal year prior to such investment was not less than two million five hundred thousand dollars ($2,500,000) if located in California, and was not less than five million dollars ($5,000,000) if located elsewhere; and

(e) The public corporation which issues the securities or the public corporation, any department, board, agency, or authority of which issues the securities, if existing elsewhere than in California, has not within 10 years prior to such investment defaulted for a period of more than 90 days in the payment of principal or interest on any of its debts.

Housing agency bonds

1363. An amount not exceeding in all 5 percent of the bank's savings deposits in bonds of any local public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either, (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their matu-

rity, or (2) by a pledge of annual contributions under an annual contribution contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of Section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations.

(Amended by Stats. 1951, Ch. 480.)

[ORIGINAL SECTION]

1363. An amount not exceeding in all 5 percent of the bank's savings deposits in bonds issued by housing authorities established pursuant to the Housing Authorities Law of the State of California, provided:

(a) An amount in excess of 25 percent of the savings bank's paid-up capital and surplus or 1 percent of the bank's savings deposits, whichever is greater, may not be invested in the bonds of any one housing authority;

(b) Such bonds are additionally secured by a pledge of annual contributions to be paid by an agency of the United States over a fixed period of years and for the payment of which contributions the faith and credit of the United States is pledged conditioned only upon a compliance with the conditions of the contract for such contributions;

(c) Such contributions are sufficient in amount to assure the payment by such authority of both principal and interest on the bonds as they become due;

(d) The housing authority covenants that it will not transfer title to the property upon which the proceeds of the bonds are to be expended in any manner which would constitute grounds for the termination of said contributions; and

(e) Such bonds are secured by a covenant of the authority to observe all agreements and conditions set forth in the contributions contract and giving the bondholders remedies by which they may enforce observance of the same

Evidences of indebtedness Corporations

1364. An amount not exceeding in all 10 percent of the bank's savings deposits in evidences of indebtedness of companies incorporated in the United States and, directly or indirectly, engaged in manufacturing, extraction, merchandising or commercial financing; provided:

Conditions

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in such evidences of indebtedness of any one company;

(b) Any unsecured evidences of indebtedness must be issued by a company whose property is free of mortgage and shall carry a covenant by the obligor that they will be secured equally with any mortgage bond which may be later issued;

(c) The company is of such size as to attract at least statewide interest in its publicly held securities and its gross income shall have averaged not less than ten million dollars ($10,000,000) and its net income shall have averaged not less than one million dollars ($1,000,000) for the five fiscal years preceding the investment and its gross income was not less than ten million dollars ($10,000,000) and its net income not less than one

million dollars ($1,000,000) for at least three of said five fiscal years;

(d) Consolidated current assets are not less than two and one-half times consolidated current liabilities, as shown by the latest published balance sheet; provided, that in any year for which combined federal income and excess profits taxes exceed 40 percent, consolidated current assets shall be not less than three times consolidated current liabilities after deducting from current assets cash and United States Government obligations in an amount not exceeding the amount of federal income and excess profits taxes included in current liabilities and deducting from current liabilities such federal income and excess profits taxes to an amount not exceeding the amount deducted from current assets;

(e) The total consolidated debt of the company including current liabilities and "minority interest" (i.e., any outstanding interest in a subsidiary having a prior claim on the earnings of such subsidiary), as shown on the latest published balance sheet, does not exceed 33⅓ percent of its gross assets less valuation reserves; and

(f) The consolidated annual net income for the five fiscal years next preceding the investment, before deduction of state and federal taxes imposed on or measured by income or profits but after deducting all charges (including reserves, regularly recurring charges for amortization of discount, and expense allocable to funded debt); (1) shall have averaged not less than six times the annual consolidated interest charges existing at the time the investment is made; (2) in at least three of said five fiscal years shall have been at least four times the annual consolidated interest charges for the same year; and (3) for the fiscal year next preceding the investment shall have been not less than six times the consolidated interest charges for such year and not less than six times the annual consolidated charges on the funded debt outstanding at the time of the investment.

(Amended by Stats. 1951, Ch. 480.)

[ORIGINAL SECTION]

1364 An amount not exceeding in all 10 percent of the bank's savings deposits in evidences of indebtedness of companies incorporated in the United States and engaged in manufacturing, extraction, merchandising, or commercial financing, provided:

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in such evidences of indebtedness of any one company;

(b) Any unsecured evidences of indebtedness must be issued by a company whose property is free of mortgage and shall carry a covenant by the obligor that they will be secured equally with any mortgage bond which may be later issued;

(c) The company is of such size as to attract at least state-wide interest in its publicly held securities and its gross income shall have averaged not less than ten million dollars ($10,000,000) and its net income shall have averaged not less than one million dollars ($1,000,000) for the five fiscal years preceding the investment and its gross income was not less than ten million dollars ($10,000,000) and its net income not less than one million dollars ($1,000,000) for at least three of said five fiscal years;

(d) Consolidated current assets are not less than two and one-half times consolidated current liabilities, as shown by the latest published balance sheet; provided, that in any year for which combined federal income and excess profits taxes exceed 40 percent, consolidated current assets shall be not less than three times consolidated current liabilities after deducting from current assets cash and United States Government obligations in an amount not exceeding the amount of federal income and excess profits taxes included in current liabilities and deducting from current liabilities such federal income and excess profits taxes to an amount not exceeding the amount deducted from current assets;

(e) The total consolidated debt of the company including current liabilities and "minority interest" (i.e., any outstanding interest in a subsidiary having a prior claim on the earnings of such subsidiary), as shown on the latest published balance sheet, does not exceed 33⅓ percent of its gross assets less valuation reserves; and

(f) The consolidated annual net income for the five fiscal years next preceding the investment, before deduction of state and federal taxes imposed on or measured by income or profits but after deducting all charges (including reserves, regularly recurring charges for amortization of discount, and expense allocable to funded debt); (1) shall have averaged not less than six times the annual consolidated interest charges existing at the time the investment is made; (2) in at least three of said five fiscal years shall have been at least four times the annual consolidated interest charges for the same year; and (3) for the fiscal year next preceding the investment shall have been not less than six times the consolidated interest charges for such year and not less than six times the annual consolidated charges on the funded debt outstanding at the time of the investment

Railroad bonds

1365. An amount not exceeding in all 5 percent of the bank's savings deposits in fixed interest railroad bonds meeting the requirements of paragraphs (b) and (c), in bonds secured by a mortgage on jointly operated railroad facilities meeting the requirements of paragraph (d), and in railroad equipment trust certificates meeting the requirements of paragraph (e), provided:

Conditions

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in the bonds and equipment trust certificates of any one railroad company, including bonds guaranteed or assumed by such railroad, bonds constituting a lien upon any property jointly used by such railroad, and bonds constituting a lien upon any of the railroad's operative property;

(b) Such railroad bonds are issued by or are assumed, guaranteed, or provision made unconditionally for the payment of principal and interest on specified dates, by a solvent railroad company:

(1) Which operates at least 500 miles of standard gauge road within the continental United States and which has had average annual operating revenues of at least ten million dollars ($10,000,000) during the five years next preceding the investment;

(2) Whose average annual balance of income available for fixed charges for the last 15 years for which the necessary statistical data are available, when divided by an amount equal to its fixed charges for the last fiscal year, shall produce a quotient which is at least 15 percent higher than the quotient obtained by dividing the average annual balance of income

Same

available for fixed charges of all Class 1 railroads for the same 15-year period by an amount equal to the fixed charges of all Class 1 railroads for the last year in the period;

(3) Whose average "balance of net income" (computed by deducting the sum of its fixed charges and contingent interest charges for the latest fiscal year from the average annual balance available for fixed charges for the latest 15 years for which the necessary statistical data are available) when divided by its average annual railroad operating income for the same 15-year period, shall produce a quotient at least 15 percent greater than the quotient obtained by dividing the average balance of income of all Class 1 railroads, computed in the same manner, by the average annual railway operating income of all Class 1 railroads for the same 15-year period; and

(4) Whose average balance of income available for fixed charges for the last three fiscal years preceding the investment (or for such lesser number of fiscal years as may have elapsed since December 31, 1946) has not been less than one and one-half times its fixed charges for the last fiscal year.

(c) Such railroad bonds are secured by:

(1) A mortgage (either direct or collateral) which shall be a first mortgage on not less than 75 percent of the mileage subject to the mortgage; or

(2) A first mortgage on terminal properties comprising the company's principal freight or passenger terminal in a city of not less than 250,000 population according to the latest federal or state census; or

(3) A refunding mortgage on not less than 75 percent of the railroad mileage owned or operated by the issuing company under which bonds may be issued for retirement or refunding of all debts secured by prior liens on all or any part of the property (other than liens on equipment) subject to the mortgage; provided, that the amount of debt senior to the refunding mortgage is not more than 50 percent of the sum of all senior debt and the refunding mortgage, or that underlying mortgage bonds in an amount equal to at least 50 percent of the debt outstanding under the refunding mortgage are pledged as security under such refunding mortgage; or

(4) A first mortgage on railroad property leased to and operated by the company where the lease extends beyond the maturity date of the bonds and the company has guaranteed, assumed, or committed itself under the terms of the lease to pay principal and interest on the bonds.

(d) Bonds secured by a mortgage on jointly operated railroad facilities must be secured by a first mortgage on a terminal, depot, tunnel, or bridge used by or leased to two or more railroads which have jointly and severally agreed unconditionally to pay the interest and principal of the bonds or have unconditionally guaranteed or assumed such payment, one of which railroads must meet the requirements set forth in paragraph (b) of this section.

(e) Railroad equipment trust certificates must be issued by a solvent Class 1 railroad whose average balance of income available for fixed charges for the last three fiscal years preceding the investment (or for such lesser number of fiscal years as may have elapsed since December 31, 1946) shall be not less than one and one-half times its fixed charges for the last fiscal year. Such certificates must be issued to provide funds for the construction or acquisition of new standard gauge railroad equipment made with the approval of the Interstate Commerce Commission and be secured by equipment trust, lease, conditional sales contract, or first lien on such equipment. The aggregate principal amount of such obligations shall not exceed 80 percent of the purchase price of the equipment and such certificates shall mature within 15 years from date of issuance in equal annual, semiannual, or monthly installments, beginning not later than one year after the date of issuance.

Definitions

(f) As used in this section the terms "balance of income available for fixed charges," "fixed charges," "contingent interest," and "railway operating income" shall have the same meaning as in the accounting reports filed by common carriers by rail pursuant to regulations of the Interstate Commerce Commission except that "balance of income available for payment of fixed charges" shall be computed before deduction of federal income or excess profits taxes, and "fixed charges" and "contingent interest" of the railroad shall be such charges existing as of the time the computation is made excluding charges with respect to debt which has been retired or will be retired within six months and for the payment of which funds have been or are contemporaneously being set aside in trust but including charges with respect to new debt issued or in the process of being issued.

Public utility bonds

1366. An amount not exceeding in all 10 percent of the bank's savings deposits in the bonds and debentures of gas and electric companies meeting the requirements of subparagraph (b), in the bonds and debentures of telephone companies meeting the requirements of subparagraph (c), and in the bonds and debentures of water companies meeting the requirements of subparagraph (d); provided:

Conditions

(a) Of said 10 percent of the bank's savings deposits not more than three-fourths thereof may be invested in bonds and debentures of gas and electric companies, not more than one-half thereof in bonds and debentures of telephone companies, and not more than one-quarter thereof in bonds and debentures of water companies; and provided, that an amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or 1 percent of its savings deposits, whichever is greater, may not be invested in any of such bonds or debentures issued by any one such public utility company;

(b) Bonds or debentures of a gas and electric company must be of an issue which originally amounted to not less than one million dollars ($1,000,000) and, if bonds, be secured by a mortgage on substantially all of its physical property, and, if

Same

debentures, must be issued by a company substantially all of whose physical property is free of mortgage and must carry a covenant to be secured equally with any mortgage indebtedness subsequently issued, and both bonds and debentures must be issued by a public utility corporation, which

(1) Derives more than 50 percent of its gross operating revenue from the business of supplying electricity, artificial gas, or natural gas or all or any of them, and at least 80 percent of its gross operating revenue from all or any of the public utility businesses enumerated in this section;

(2) Shall have had a gross operating revenue of not less than seven million five hundred thousand dollars ($7,500,000) for its most recent fiscal year;

(3) Has a funded debt not exceeding two-thirds of the value of its physical property as shown by the books of the corporation or by a statement of a certified public accountant issued within one year, which statement may be based upon the books of the corporation, less the amount of any reserves for depreciation, retirement or amortization of such physical property. (Physical property of a corporation shall include the physical property of a subsidiary corporation if the corporation owns not less than 90 percent of the outstanding voting shares of the subsidiary corporation); and

(4) Shall have had earnings including earnings of subsidiaries mentioned in paragraph (3), available for interest payments, before deduction of state and federal taxes imposed on or measured by income or profits, during four of the five most recent fiscal years and during the most recent fiscal year equal to at least twice the existing annual interest charges on the corporation's total funded debt during such respective fiscal years.

(c) Bonds or debentures of telephone companies must be of an issue originally amounting to at least one million dollars ($1,000,000) and, if bonds, be secured by a mortgage on substantially all of the physical property of the company, and if debentures must be issued by a company substantially all of whose physical property is free of mortgage and must carry a covenant to be secured equally with any mortgage indebtedness subsequently issued, and both bonds and debentures must be issued by a company:

(1) Which during its last fiscal year had gross revenues of at least seven million five hundred thousand dollars ($7,500,000), more than 50 percent of which was derived from owned properties used in furnishing telephone and other communication services and at least 80 percent of its gross revenues from all or any of the public utility businesses enumerated in this section;

(2) Whose funded debt does not exceed two-thirds of the value of its physical property as shown by the books of the corporation or by a statement of a certified public accountant issued within one year, which statement may be based upon the

books of the corporation, less the amount of any reserves shown on said statement for depreciation, retirement or amortization of such physical property. (Physical property of a corporation shall include the physical property of a subsidiary corporation if the corporation owns not less than 90 percent of the outstanding voting shares of the subsidiary corporation); and Same

(3) Which for four of the five most recent fiscal years and for the last fiscal year had earnings including earnings of subsidiaries mentioned in paragraph (2) available for the payment of interest charges, before deduction of state and federal taxes imposed on or measured by income or profits, at least equal to twice the interest charges on the company's total funded debt during such respective fiscal years.

(d) Water company bonds or debentures must be of an issue originally amounting to at least one million dollars ($1,000,000) and if bonds, be secured by a first mortgage on the company's property, and if debentures, must be issued by a company whose property is free of mortgage and must carry a covenant to be secured equally with any mortgage indebtedness subsequently issued, and both bonds and debentures must be issued by a company:

(1) Which is the supplier of substantially all water for domestic use in a community or communities having a population of not less than 25,000;

(2) Whose funded debt does not exceed two-thirds of the value of its physical property as shown by the published statement of the company for its next preceding fiscal period, less the amount of any reserves shown for depreciation, retirement or amortization of such physical property. (Physical property of a corporation shall include the physical property of a subsidiary corporation if the corporation owns not less than 90 percent of the outstanding voting shares of the subsidiary corporation); and

(3) Which for four out of the five most recent fiscal years and for the most recent fiscal year shall have had earnings including those of subsidiaries mentioned in paragraph (2) available for the payment of interest charges, before deduction of state and federal taxes imposed on or measured by income or profits, of at least one and one-half times the interest charges on the company's total funded debt during such respective fiscal years

The term "funded debt" as used in this chapter means all interest-bearing indebtedness of a corporation not maturing within one year of the date it was incurred. "Funded debt"

(Amended by Stats. 1951, Ch. 480.)

[ORIGINAL SECTION]

1366 An amount not exceeding in all 10 percent of the bank's savings deposits in the bonds of gas and electric companies meeting the requirements of subparagraph (b), in the bonds and debentures of telephone companies meeting the requirements of subparagraph (c), and in the bonds of water companies meeting the requirements of subparagraph (d), provided:

(a) Of said 10 percent of the bank's savings deposits not more than three-fourths thereof may be invested in bonds of gas and electric companies, not more than one-half thereof in bonds and debentures of telephone companies, and not more than one-quarter thereof in bonds of water companies; and provided, that an amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or 1 percent of its savings deposits, whichever is greater, may not be invested in any of such bonds or debentures issued by one such public utility company;

(b) Bonds of gas and electric companies must be of an issue which originally amounted to not less than one million dollars ($1,000,000) and be secured by a mortgage on currently usable property and be issued by a public utility corporation, which

(1) Derives at least 80 percent of its gross operating revenue from the business of supplying electricity, artificial gas, or natural gas or all or any of them;

(2) Shall have had a gross operating revenue of not less than seven million five hundred thousand dollars ($7,500,000) for its most recent fiscal year;

(3) Has a funded debt not exceeding 50 percent of the value of its fixed assets as shown by the books of the corporation; and

(4) Shall have had earnings available for interest payments during four of the five most recent fiscal years and during the most recent fiscal year equal to at least twice the existing annual interest charges on the corporation's total debt not including current liabilities

(c) Bonds or debentures of telephone companies must be of an issue originally amounting to at least one million dollars ($1,000,000) and, if bonds, be secured by a mortgage on the property of the company, and if debentures must be issued by a company whose property is free of mortgage and must carry a covenant to be secured equally with any mortgage indebtedness subsequently issued, and both bonds and debentures must be issued by a company;

(1) Which during its last fiscal year had gross revenues of at least seven million five hundred thousand dollars ($7,500,000), at least 80 percent of which was derived from owned properties used in furnishing telephone and other communication services;

(2) Whose funded debt does not exceed 50 percent of the value of its fixed assets as shown by the books of the corporation; and

(3) Which for four of the five most recent fiscal years and for the last fiscal year had earnings available for the payment of interest charges at least equal to twice the interest charges on the company's total debt other than current indebtedness.

(d) Water company bonds must be of an issue originally amounting to at least one million dollars ($1,000,000), be secured by a first mortgage on the company's property, and be issued by a company:

(1) Which is the supplier of substantially all water for domestic use in a community or communities having a population of not less than 25,000;

(2) Whose funded debt does not exceed 60 percent of the value of its fixed assets as established for rate making purposes by the public regulatory body having jurisdiction thereof; and

(3) Which for four out of the five most recent fiscal years and for the most recent fiscal year shall have had earnings available for the payment of interest charges, before deduction of state and federal taxes imposed on or measured by income or profits, of at least one and one-half times the interest charges on the company's total indebtedness.

Other securities

1367. An amount not exceeding in all 25 percent of the paid-up capital and surplus of the savings bank or not exceeding 1 percent of the bank's savings deposits, whichever is lesser, may be invested in securities, other than corporation shares, whether or not such securities are herein expressly authorized and whether or not they qualify hereunder, in which in the

informed opinion of the bank it is prudent to invest savings funds.

(Amended by Stats. 1951, Ch. 480.)

[ORIGINAL SECTION]

1367. An amount not exceeding in all 25 percent of the paid-up capital and surplus of the savings bank or not exceeding 1 percent of the bank's savings deposits, whichever is lesser, may be invested in securities, other than corporation shares, not herein otherwise expressly authorized, in which in the informed opinion of the bank it is prudent to invest savings funds.

"Savings deposits"

1368. Wherever used in this chapter the term "savings deposits" includes all deposits in the savings bank however represented including those represented by certificates of deposit and time deposits of public funds.

Prior investments

1369. The legality of investments heretofore lawfully made by any savings bank pursuant to the provisions of the Bank Act as it read prior to October 1, 1949, or pursuant to any other law of this State shall not be affected by the adoption of the Banking Code or this code and the enactment of the Banking Code or this code shall not require the changing of any investments heretofore lawfully made.

Accounting record Amortized cost

1370. Any investments heretofore or hereafter made may be carried on the books of the bank at their cost less amortization of any premium paid thereon; provided, that whenever the market value of an investment is less than the amortized cost thereof, the superintendent may require the bank either to write down such investments to their then market value in such manner as he may determine or to establish valuation reserves expressly allocated to such investments in the amount of such depreciation in value. If any savings bank makes any investment which does not comply at the time it is made with the provisions of this chapter or if any savings bank has heretofore made an investment which did not comply at the time it was made with the requirements of the Bank Act then in effect, such bank, on demand of the superintendent, shall dispose of such investment or make such other provision therefor as the superintendent may direct.

Certificating security classes

1371. The superintendent is authorized upon the written application of any person made upon such form and containing such information as he may prescribe and when in his opinion the purposes of this chapter will be served thereby, to issue his certificate certifying that in his opinion and upon the information furnished him, specifying the same, any particular security of a class in this chapter referred to constitutes a security in which savings banks are permitted to invest pursuant to the provisions of this chapter. The superintendent may request any public official in whose office information relative to the assessed valuation of taxable property of any political subdivision, public corporation, or district is kept, or in whose office information relative to the direct debt or the overlapping debt of any political subdivision, public corporation or district, is kept, or in whose office any other information pertinent to a determination

of whether or not any bonds issued by any political subdivision, public corporation, or district are qualified as investments for savings banks under this chapter is kept, to furnish him such information, and upon such request being made it shall be the duty of such public official to furnish to the superintendent such information.

(Added by Stats. 1951, Ch. 480.)

Other laws

1372. The provisions of this chapter govern the investment of funds by savings banks but wherever by any law of this State it is now provided that the moneys of any pension fund, retirement plan, trust fund, or the moneys of any special fund the investment of which is governed by law, or the funds of any political subdivision or public corporation may or shall be invested in securities which are a legal investment for savings banks, then such law shall be deemed to authorize or require, as the case may be, that such moneys be invested in securities in which savings banks were authorized to invest their funds by the provisions of the Bank Act as it read prior to January 1, 1949, or by any other law of this State or in which savings banks are authorized to invest their funds by the provisions of Sections 1350 to 1366, inclusive, of this chapter; provided, that the provisions of said sections limiting the amount which a savings bank may invest in securities to a specified percent of its paid-up capital and surplus, or savings deposits, shall not apply to investments authorized by the terms of this section.

(Renumbered and amended by Stats. 1951, Ch. 480.)

[ORIGINAL SECTION]

1371. The provisions of this chapter govern the investment of funds by savings banks but wherever by any law of this State it is now provided that the moneys of any pension fund, retirement plan, trust fund, or the moneys of any special fund the investment of which is governed by law, or the funds of any political subdivision or public corporation may or shall be invested in securities which are a legal investment for savings banks, then such law shall be deemed to authorize or require, as the case may be, that such moneys be invested in securities in which savings banks were authorized to invest their funds by the provisions of the Bank Act as it read prior to January 1, 1949, or by any other law of this State or in which savings banks are authorized to invest their funds by the provisions of Sections 1350 to 1366, inclusive, of this chapter.

Article 2. Deposits, Borrowing, Etc.

Property dealings

1380. No savings bank, directly or indirectly, shall deal or trade in real or personal property in any other case or for any other purpose than is authorized by this division.

Debts and liabilities

1381. No savings bank shall contract any debt or liability for any purpose other than for deposits, nor shall it borrow money or hypothecate any of its assets except as follows:

(a) A savings bank with the prior written approval of the superintendent and pursuant to a resolution adopted by the vote of a majority of its board of directors may borrow money and hypothecate any of its assets when necessary to meet immediate demands of its depositors. The superintendent in giving any such approval may fix the amount to be borrowed, the

amount and character of assets to be hypothecated, the terms of the loan, and the rate of interest.

(b) A savings bank may rediscount, with or without guarantee or endorsement, with a Federal Reserve bank or with any other bank its acceptances, notes, or other securities. It shall not rediscount such acceptances, notes, or other securities in an amount exceeding its capital and surplus without the previous consent of the superintendent.

(c) A savings bank may hypothecate its securities in the manner provided by law to secure the deposit of moneys of the United States, of postal savings funds, and of moneys of the State of California or of any political subdivision, public corporation, or district of the State of California.

(d) A savings bank, pursuant to a resolution approved by a majority of its board of directors, may borrow for the purpose of buying from the United States, United States bonds, United States treasury certificates, or notes or obligations of the United States. The fact of such transaction shall be forthwith reported in writing to the superintendent.

Payment by draft

1382. A savings bank may pay regular depositors when requested by them by draft upon other banks and charge current rate of exchange for such drafts.

Certificates of deposit

1383. A savings bank may issue negotiable time certificates of deposit transferable by endorsement and delivery and may issue nonnegotiable time certificates of deposit transferable only upon the books of the bank. A savings bank shall make no partial payments upon a certificate of deposit.

Payment

All certificates of deposit issued by a savings bank shall be made payable:

(a) Without notice, on a certain date or at the expiration of a certain time specified in the instrument, not less than 30 days after the date of deposit; or

(b) Upon notice in writing which is actually required to be given a certain number of days specified in the instrument, not less than 30 days, before the date of repayment; and

(c) In all cases only upon presentation and surrender of the certificate.

Repayment

1384. A savings bank shall provide by its by-laws or by contract with its depositors the time and condition on which repayment is to be made to depositors, except when otherwise provided in this division. In all cases, except as otherwise provided in this division, it shall be provided by the by-laws or contracts that notice in writing of at least 30 days, at the option of the bank, may be required to be given of intention to withdraw any deposit or any part thereof.

Whenever there is any call by depositors for repayment of a greater amount than the bank may have disposable for that purpose the bank must not make any new loan or investment until such excess call has ceased.

A savings bank shall not waive any requirement of notice before payment of any savings deposit except as to all savings deposits having the same requirement.

Public administrator

1385. Whenever the public administrator becomes the administrator of the estate of a decedent who at the time of his death left money on deposit with a savings bank, the public administrator may allow such deposit to remain in the savings bank and may deposit therein to the account of the decedent any moneys of said estate not required for current expenses of administration, and in such cases the public administrator need not deposit the same with the county treasurer. Moneys so deposited, whether by the decedent or by the public administrator, may be withdrawn upon the order of the public administrator countersigned by a judge of the superior court when required for the purpose of administration or otherwise.

Article 3. Loans and Discounts

Bankers' acceptances

1400. A savings bank may discount or purchase bankers' acceptances of the kind, character, and maturity eligible for rediscount with a Federal Reserve bank.

Limitation

A savings bank shall not at any one time acquire or hold, directly or indirectly, by discount or purchase, bankers' acceptances from any one acceptor in an amount in excess of 10 percent of its paid-up capital and surplus unless the acceptance is and remains secured either by attached documents or by some other actual security growing out of the same transaction as the acceptance, except that a savings bank, irrespective of any such security, may acquire and hold acceptances of any one acceptor having a paid-up capital of not less than three million dollars ($3,000,000) up to but not exceeding 25 percent of the capital and surplus of the savings bank. A savings bank shall not at any one time acquire or hold, directly or indirectly, by discount or purchase, a combined total amount of bankers' acceptances in an amount greater than 20 percent of the deposits of such bank.

Security required

1401. A savings bank shall not loan any money except on adequate security of real or personal property.

Terms

1402. A savings bank shall make no loans for a longer period than 10 years, except installment loans provided for in paragraphs (b) and (c) of Section 1413, in paragraph (b) of Section 1414, and except insured loans provided for in Section 1416.

Loans to one borrower

1403. A savings bank shall not make any loan or loans to any one borrower, including therein loans on the endorsement or guarantee of such borrower, loans to any partnership of which such borrower is a partner, and loans made for the benefit of such borrower, to an amount exceeding 35 percent of the capital and surplus of such bank, except:

(a) Any savings bank may make a loan up to thirty-five thousand dollars ($35,000) on the security of real property; provided, the amount thereof does not exceed the amount of its capital and surplus.

(b) Loans secured by bonds or other securities of the United States or for the payment of which the faith and credit of the United States are pledged, and loans of the character

described in Section 1416 which are fully insured or fully guaranteed by the United States or some agency thereof, shall not be included within the above limitation and shall not be subject thereto.

(c) The renewal or extension of any loan heretofore legally made by any savings bank shall not be subject to the above limitation.

Same

1404. A savings bank shall not make a loan or loans to any one borrower, including therein loans on the endorsement or guarantee of such borrower, loans to any partnership of which such borrower is a member, or loans made for the benefit of such borrower, on the security of the capital stock of any one corporation in an amount in excess of 10 percent of the capital and surplus of such bank.

Loans secured by corporation stock

1405. A savings bank shall not make loans on the security of the capital stock of any one corporation which in the aggregate amount exceed 25 percent of the capital and surplus of the bank.

Loans secured by mortgage bonds

1406. A savings bank shall not make loans on the security of real estate mortgage bonds issued by one obligor in the aggregate to an amount in excess of 35 percent of its capital and surplus.

Installment loans

1407. A savings bank shall not at any one time hold installment loans of the character authorized by paragraphs (b) and (c) of Section 1413, the unexpired terms of which exceed 10 years, excluding therefrom loans fully insured or fully guaranteed by the United States or any agency thereof, to an aggregate amount in excess of 35 percent of its deposits.

Loans secured by bonds, etc

1408. A savings bank shall not make loans on the security of the bonds, notes, or obligations of any one obligor in the aggregate to an amount in excess of 5 percent of the savings bank's assets, except:

(a) It may make loans on the security of the bonds of the United States or those for the payment of which the faith and credit of the United States are pledged, or on the security of bonds of the State of California or those for the payment of which the faith and credit of the State of California are pledged, free of such limitation; and

(b) It may make loans to an amount not exceeding 10 percent of the bank's assets on the security of the bonds of any one obligor if the bonds qualify as investments for savings banks under Section 1355.1 or Section 1356 or if they are the bonds of any other state of the Union and qualify as investments for savings banks under Section 1357.

Security value requirements

1409 No savings bank shall loan money:

(a) On bonds or other obligations of the United States or for the payment of which the faith and credit of the United States are pledged, or on bonds or other obligations of the State of California or for the payment of which the faith and credit of the State of California are pledged unless such bonds or obligations have a market value at least 10 percent in excess of the amount loaned thereon; or

(b) On bonds which are eligible for investment by savings banks under Section 1355.1 or Section 1356 of this code or on the bonds of any other state of the United States which are eligible for investment by savings banks under Section 1357 of this code, unless such bonds have a market value at least 15 percent in excess of the amount loaned thereon; or

(c) On bonds or other securities which are eligible for investment by savings banks under Sections 1364, 1365, or 1366 of this code unless such bonds or securities have a market value at least 15 percent in excess of the amount loaned thereon; or

(d) On bonds and other securities which are eligible for investment by savings banks under Sections 1359, 1360, 1361, 1362, or 1363 of this code, or on bonds or other securities of cities, counties, political subdivisions, public corporations, or districts of any state of the United States other than California which are eligible for investment by savings banks under Section 1357 of this code, unless such bonds or securities have a market value at least 20 percent in excess of the amount loaned thereon; or

(e) On other bonds or securities or on the capital stock of any corporation unless such bonds, securities, or stock have a market value at least 50 percent in excess of the amount loaned thereon; or

(f) On personal property unless such personal property has a market value at least 50 percent in excess of the amount loaned thereon.

Loans secured by bank stock

1410. No savings bank shall make a loan upon the capital stock of any other bank unless such bank has been in existence at least two years and has earned and paid a dividend on its capital stock, nor, without the written approval of the superintendent, shall it make a loan on the security of the capital stock of another bank if by the making of such loan the stock of such other bank owned or held as collateral by all departments of the lending bank will exceed in the aggregate 25 percent of the capital stock of such other bank.

Loans on mining shares Felony

1411. No savings bank shall purchase, invest in, or loan on mining shares and any officer of any bank who knowingly consents or participates in a violation of this section shall be guilty of a felony.

Participation under federal acts

1412. A savings bank may participate with the Federal Reserve bank or the Reconstruction Finance Corporation in loans of the character prescribed by the provisions of Section 13b of the Federal Reserve Act or of Section 5d of the Reconstruction Finance Corporation Act, as said acts were amended by an act of Congress approved June 19, 1934 and as later amended, provided:

(a) That the portion of such loan on which the bank assumes direct liability shall not exceed 35 percent of the paid-up capital and surplus of the bank and shall be adequately secured by a first lien on real or personal property with such margin of security as is prescribed in other sections of this division;

(b) That any portion of the loan carried by the bank in excess of the amounts otherwise prescribed in this division shall be covered by a commitment of the Federal Reserve bank or the Reconstruction Finance Corporation to repurchase such excess portion on demand, at any time on or prior to maturity of the notes, evidencing the indebtedness, without recourse upon the bank.

Loans secured by first lien

1413. A savings bank may lend on the security of a first lien on real property if:

(a) The term of the loan does not exceed 10 years and the amount does not exceed 60 percent of the sound market value of the property as determined by proper appraisal; or

(b) The loan is on a single family residence, the term does not exceed 20 years, is repayable in equal installments not less often than monthly, and the amount does not exceed 60 percent of the sound market value of the property as determined by proper appraisal; or

(c) The loan is on a farm or productive agricultural lands, the term does not exceed 20 years, is repayable in equal installments not less often than annually, and the amount does not exceed 60 percent of the sound market value of the property as determined by proper appraisal; or

(d) The term of the loan does not exceed one year and the amount does not exceed 85 percent of the sound market value of the property as determined by proper appraisal and the loan is for the purpose of financing building operations under a plan providing for payment or refinancing by loans otherwise permitted by this chapter.

Exception

A savings bank may make a loan without regard to the above restrictions when necessary to facilitate the sale of real property owned by the bank.

Loans secured by lien on leasehold

1414. A savings bank may lend on the security of a first lien on a leasehold on real property having a period of not less than 50 years to run from the date of the loan, if:

(a) The term of the loan does not exceed five years and the amount does not exceed 60 percent of the sound market value of the leasehold together with any improvements located on the property which are made subject to the lien; or

(b) The real property subject to the leasehold is improved with a single family residence, the term of the loan does not exceed 20 years and is repayable in equal installments not less often than monthly, and the amount of the loan does not exceed 60 percent of the sound market value of the leasehold together with the improvements located on the property which are made subject to the lien.

Transactions with junior liens, etc

1415. A savings bank holding a first lien on real property may take, or purchase and hold, or loan upon another and immediately junior lien but all such loans shall not exceed in the aggregate 60 percent of the sound market value of the property as determined by proper appraisal. A savings bank may loan not to exceed 90 percent of the face value of a deed of trust or mortgage which constitutes a first lien upon real property,

but in no event shall any such loan exceed 60 percent of the sound market value of the property covered by said mortgage or deed of trust as determined by proper appraisal.

Loans secured by first lien on leasehold

1416. A savings bank may lend on the security of a first lien on real property or a first lien on a leasehold (1) under a lease for not less than 99 years which is renewable, or (2) under a lease having a period of not less than 50 years to run from the date of the loan, if:

(a) The loan is fully guaranteed or fully insured or covered by a commitment to fully guarantee or fully insure by the United States, the Federal Housing Administrator, or by any other agency of the United States which the superintendent shall have approved for the purposes of this subdivision as an issuer of insurance or guarantees of loans on real property, whether the proceeds of the guarantee or insurance is payable in cash or in obligations of the United States; or

(b) The loan is fully guaranteed by the United States or any agency thereof pursuant to the "Servicemen's Readjustment Act of 1944" or any act of Congress supplementary or amendatory thereof, or, if a portion of the loan is so guaranteed, then if the unguaranteed portion of the loan does not exceed 60 percent of the sound market value of the property or leasehold for loan purposes as determined by proper appraisal.

Additional security

1417. Nothing in this chapter restricts a savings bank in taking any lien or pledge of any property as additional security for a loan already made in good faith.

Article 4. Reserves

Reserves: Total

1430. Every savings bank at all times shall maintain total reserves in an amount equal to 5 percent of the aggregate amount of its deposits, exclusive of deposits of the United States, postal savings funds, and state, county, municipal, and other deposits of public moneys which are secured as required by law.

Minimum on hand

1431. Of the reserves required to be maintained by a savings bank an amount equal to at least 1 percent of the amount of its deposits shall be maintained as reserves on hand and shall consist of, (a) gold bullion or any form of money or currency authorized by the laws of the United States, or (b) deposits subject to call with a Federal Reserve bank in the district in which the bank is located. The remainder of such reserves required to be maintained equal in amount to 4 percent of the amount of the bank's deposits shall consist of, (a) gold bullion or any form of money or currency authorized by the laws of the United States, (b) deposits subject to call with a Federal Reserve bank in the district in which such bank is located or with reserve depositaries designated for it pursuant to Section 1255 of this code, or (c) unpledged negotiable direct obligations of the United States.

Maximum on hand

1432. No savings bank shall be required to maintain reserves on hand in excess of four hundred thousand dollars ($400,000) and when such reserves on hand reach that amount, the balance of total reserves necessary to make up the 5 percent may be kept on deposit with a reserve depositary designated for it pursuant to Section 1255 of this code.

Compliance with Federal Reserve Act

1433. If any savings bank is a member of a Federal Reserve bank, it shall comply with the reserve requirements of the Federal Reserve Act and its amendments, and its compliance therewith shall be in lieu of and shall relieve such savings bank from compliance with the provisions of this article.

Failure to maintain

1434. If the total reserves of any savings bank fall below the amount required to be maintained by this article, it shall not make any new loans or pay any dividends until its total reserves have been restored to the full amount required, and the superintendent may impose the same penalties as he is authorized to impose on commercial banks under Section 1253 of this code. If any savings bank fails to maintain its reserves as required by this article, the superintendent may notify such bank to restore its reserves and if it fails to do so within 30 days thereafter it may be deemed insolvent and may be proceeded against as provided in this division.

Deposits in commercial bank

1435. A savings bank may deposit funds on open account with a commercial bank except the commercial department of a bank of which it is the savings department. Not more than 10 percent of the deposits of a savings bank or more than twenty-five thousand dollars ($25,000), whichever is greater, shall be deposited by a savings bank with any one commercial bank, without the permission of the superintendent. A savings bank shall not deposit an amount in excess of 30 percent of its deposits with all commercial banks, except with the consent of the superintendent.

Savings deposits

1436. A savings bank may accept savings deposits from other banks but the sum so deposited shall not exceed 30 percent of the capital and surplus of the depositing bank nor more than 15 percent of the capital and surplus of the depositary bank.

Changes in reserves

1437. Whenever he determines that the maintenance of sound banking practices or the prevention of injurious credit expansions or contractions makes such action advisable, the superintendent by general regulation and without the necessity of submitting such regulation to any other state agency or authority, may change, from time to time, the nature and amount of reserves required to be maintained by savings banks doing business in this State which are not members of a Federal Reserve Bank. The reserves so specified shall not be less than those provided in this chapter nor greater than those required, at the time, of savings banks doing business in this State which are members of a Federal Reserve Bank.

(Added by Stats. 1951, Ch. 549.)

CHAPTER 12. TRUST COMPANIES

Article 1. General Provisions

Requirements

1500. No corporation shall engage in the trust business unless:

(a) It is authorized by its articles of incorporation to engage in the trust business as defined in Section 106 of this code; and

(b) It has received from the superintendent a certificate of authority pursuant to Section 401 to engage in the trust business, or, if it is a bank, has received the consent of the superintendent to add a trust department pursuant to Section 1102; and

(c) It has capital and surplus in an amount not less than that required by Section 381 or Section 382, as the case may be, or, if it is a bank, has allocated to its trust department capital and surplus in an equal amount; and

(d) It has deposited with the State Treasurer money or securities in compliance with Article 3 of this chapter.

Title insurance companies

1501. A corporation authorized to transact a title insurance business under the Insurance Code and authorized by its articles of incorporation to do a trust business as defined in Section 106 of this code may engage in the trust business and maintain a trust department as well as a title insurance department if it complies with the following requirements:

(a) It shall first obtain the consent of both the superintendent and the Commissioner of Insurance.

(b) In its application for such consent it shall include a statement making a segregation of its capital and surplus for each department. The minimum amount of capital and surplus apportioned to the trust department shall be two hundred thousand dollars ($200,000). When such apportionment is approved by the superintendent and the Commissioner of Insurance the part of such capital and surplus apportioned to each department shall be segregated and shall be treated as the separate capital and surplus of each such department as if each such department was a separate business.

(c) It shall make the deposits of money or securities with the State Treasurer pursuant to Article 3 of this chapter.

(d) As to its trust department it shall be subject to and shall comply with all the requirements of this division applicable to trust companies and the rules and regulations of the superintendent.

National banking associations

1502. Any national banking association whose principal place of business is in this State, which is authorized to transact a trust business, and which has complied with the requirements of Article 3 of this chapter and of all other laws of this State relating to the deposit of securities for the protection of court and private trusts, may engage in and conduct a trust business and may be appointed by any court to act in any fiduciary capacity in which a trust company is authorized to act. All acts

provided in this code to be performed by the superintendent, the State Treasurer, or other public officials for or in respect to the deposit of securities by trust companies, shall be performed for such national banking associations equally with trust companies. Every such association shall be permitted to use the word "trust" in its corporate name and to advertise its authority to engage in and conduct a trust business and to advertise for and solicit such business in this State, notwithstanding any contrary provision in this division or in any other law. The superintendent shall have access to reports of examination made by the Comptroller of the Currency insofar as they relate to the trust department of such association. "Trust"

1503. No foreign corporation, other than a national banking association which is authorized to conduct a trust business in this State, shall have or exercise the powers of a trust company nor directly or indirectly transact or conduct in this State a trust business as defined in Section 106 of this code; but any foreign corporation which is authorized by its articles of incorporation to exercise trust powers may act as trustee for the following purposes: Foreign corporations

(a) To deliver bonds and receive payments therefor.

(b) To deliver permanent bonds in exchange for temporary bonds of the same issue.

(c) To deliver refunding bonds in exchange for those of a prior issue or issues.

(d) To register bonds or to exchange registered bonds for coupon bonds or coupon bonds for registered bonds.

(e) To pay interest on such bonds, and take up and cancel coupons representing such interest payment.

(f) To redeem and cancel bonds when called for redemption or to pay and cancel bonds when due.

(g) To certify registered bonds for the purpose of exchanging registered bonds for coupon bonds.

A foreign corporation which is authorized by its articles of incorporation to exercise trust powers may be appointed and may accept appointment and act as trustee under any mortgage, deed of trust, or other instrument securing bonds or other obligations issued or to be issued by any railroad corporation which owns a railroad operating in the State of California and extending into another state.

A foreign corporation exercising in this State the powers conferred by this section shall not establish or maintain directly or indirectly any branch office or agency in this State unless it has complied with all of the applicable provisions of Chapter 14 of this division. Branch offices

Article 2. Apportionment of Capital

1520. Of the minimum capital and surplus required of a trust company under Section 382 or of the minimum capital required to be allocated to the trust department of a departmental bank under Section 381 there shall be apportioned and set aside the following amounts for the following purposes: Minimum capital and surplus

(a) If the principal place of business of such trust company or bank is situated in a city the population of which does not exceed 100,000 persons, fifty thousand dollars ($50,000) shall be apportioned and set aside to secure the faithful performance of court trusts and fifty thousand dollars ($50,000) shall be apportioned and set aside to secure the faithful performance of private trusts.

Whenever any such trust company or bank is required to make the first additional deposit of securities with the State Treasurer pursuant to Section 1540, it shall forthwith apportion and set aside an additional fifty thousand dollars ($50,000) of its capital and surplus as security for the faithful performance of court trusts and an additional fifty thousand dollars ($50,000) of its capital and surplus as security for the faithful performance of private trusts.

(b) If its principal place of business is situated in a city the population of which exceeds 100,000 persons, one hundred thousand dollars ($100,000) shall be apportioned and set aside to secure the faithful performance of court trusts and one hundred thousand dollars ($100,000) shall be apportioned and set aside to secure the faithful performance of private trusts.

Same

1521. The respective amounts of capital and surplus apportioned and set aside pursuant to Section 1520 shall be treated in all respects as separate capital or capital and surplus of each respective kind or class of business, as though the same were conducted by separate and distinct corporations, and each shall be kept, held, used, and disposed of wholly for the exclusive benefit, protection, and security of the respective classes of trust business to which the same were respectively so apportioned and set aside.

Article 3. Deposits with State Treasurer

Deposits with State Treasurer

1540. Every trust company shall deposit with the State Treasurer money or securities of the character described in Section 1542 as security for its court and private trusts as follows:

(a) If the trust company's principal place of business is situated in a city the population of which does not exceed 100,000 persons, it shall deposit with the State Treasurer money or securities having a market value of at least fifty thousand dollars ($50,000) as security for the faithful performance and execution of all court trusts accepted by it, and money or securities having a market value of at least fifty thousand dollars ($50,000) as security for the faithful performance and execution of all private trusts accepted by it.

Whenever any such trust company receives trust funds or property, other than real property, from court trusts accepted by it to the amount of five hundred thousand dollars ($500,000), it shall forthwith give the superintendent written notice thereof, and within 30 days thereafter shall make an additional deposit with the State Treasurer of money or securities having

a market value of fifty thousand dollars ($50,000) as security for its court trusts, and money or securities having a market value of fifty thousand dollars ($50,000) as additional security for its private trusts.

(b) If the trust company's principal place of business is situated in a city the population of which exceeds 100,000 persons, it shall deposit with the State Treasurer money or securities having a market value of at least one hundred thousand dollars ($100,000) as security for the faithful performance and execution of all court trusts accepted by it, and money or securities having a market value of at least one hundred thousand dollars ($100,000) as security for the faithful performance and execution of all private trusts accepted by it.

Same

1541. Whenever any trust company receives trust funds or property, other than real property, from court trusts accepted by it to the amount of one million dollars ($1,000,000), it shall forthwith give the superintendent written notice thereof, and within 30 days thereafter shall make an additional deposit with the State Treasurer of money or securities having a market value of fifty thousand dollars ($50,000). For each additional five hundred thousand dollars ($500,000) of such trust funds thereafter received by any trust company from court trusts a similar notification in writing shall forthwith be given to the superintendent and a further deposit of money or securities having a market value of twenty-five thousand dollars ($25,000) shall be made within 30 days thereafter by such trust company with the State Treasurer until money or securities having a market value of five hundred thousand dollars ($500,000) have been so deposited.

Types of security

1542. Security deposited with the State Treasurer by trust companies pursuant to Sections 1540 or 1541 shall consist of the following:

(a) Bonds or other interest bearing notes or obligations of the United States or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds of the State of California or those for which the faith and credit of the State of California are pledged for the payment of principal and interest or in registered warrants of the State of California.

(c) Bonds of any city, county, city and county, political subdivision, public corporation, or district of the State of California which qualify as an investment for the funds of savings banks under the provisions of Article 1 of Chapter 11 of this division.

(d) Bonds of any state of the United States which qualify as an investment for the funds of savings banks under the provisions of Article 1 of Chapter 11 of this division.

(e) Loans secured by a first lien on real property and otherwise complying with the provisions of subdivision (a) of Section 1413 of this code.

Approval of securities

1543. Such money or securities shall be approved by the superintendent and be deposited with the State Treasurer upon the written order of the superintendent. Upon receiving any such deposit the State Treasurer shall give his receipt therefor and thereafter subject to the provisions of this chapter shall hold such deposits for the sole benefit of the beneficiaries of the class of trust business for the security and protection of which the same were deposited. The State is responsible for the custody and safe return of any money or securities so deposited. The State Treasurer shall deposit any such moneys under the provisions of Sections 16370 to 16375 of the Government Code.

Exchange of securities

1544. Securities deposited pursuant to this article may be exchanged from time to time, with the approval of the superintendent, for other like securities of equal market value. Upon written request to the superintendent, any trust company shall be entitled to withdraw from the State Treasurer, from time to time, any amount of its securities so deposited in excess of the amount it is required to maintain on deposit in order to conform with the requirements of this article. Upon receiving a written request for such withdrawal or exchange, and satisfactory proof of the facts warranting the same, the superintendent shall forthwith deliver to the State Treasurer a written order directing the withdrawal or exchange of such securities so as to conform with the provisions of this section. The State Treasurer shall comply with such written order. So long as the trust company so depositing such securities shall continue solvent, it shall have the right and shall be permitted by the State Treasurer to receive the interest and dividends on any securities deposited by it.

Depreciation of security

1545. Should any security deposited pursuant to this article so depreciate in value as to reduce the deposit below the amount required by this article, additional money or securities shall be deposited promptly in amount sufficient to meet such requirements. The superintendent may make an investigation of the value of any security deposited pursuant to this article, at the time such security is presented for deposit or at any time thereafter, whenever in his judgment such investigation is necessary. The superintendent may make such charge as may be reasonable and proper for such investigation

Sale of securities

1546. The money and securities deposited pursuant to this article shall be subject to sale and the same or the proceeds thereof shall be subject to disposal by the State Treasurer only on the order of a court of competent jurisdiction and for the benefit respectively of the beneficiaries of that class of trust business for the security and protection of which the securities were deposited.

Penalties

1547. Any trust company which fails to comply with this article shall be liable to the people of the State in the sum of one hundred dollars ($100) a day for each day during which such failure or default continues.

Article 4. Investments

Investments

1560. A trust company may invest its capital and surplus only in the securities and properties in which a savings bank is permitted to invest its funds pursuant to Sections 1350 to 1366, inclusive, of Chapter 11 of this division and in loans on real property which savings banks are permitted to make pursuant to Article 3 of Chapter 11 of this division.

Same

1561. Trust funds received by any trust company in connection with its trust business, if invested, shall be invested as provided in the Civil Code, subject to such provisions as may be contained in any trust instrument.

Deposit of funds

1562. Any trust company holding funds awaiting investment or distribution may deposit or leave on deposit such funds with the savings department or the commercial department of any state or national bank. The trust department of any bank doing a departmental business may deposit such funds so held by it with the savings department or the commercial department of the same corporation or association, but no such funds shall be deposited by any trust department of a departmental bank with the savings department or the commercial department of the same corporation or association or of any bank or corporation holding or owning a majority of the capital stock of the trust company making such deposit, unless such bank or corporation shall first pledge, as security for such deposit, securities eligible for investment by savings banks having a market value of not less than the funds so deposited. No security shall be required with respect to any part of such deposits which is insured under the provisions of any law of the United States.

Stock holdings as fiduciary

1563. Any trust company when acting in any capacity under a court or private trust as defined in this chapter, or when acting in any such capacity with one or more persons as cofiduciary or cofiduciaries, unless the instrument creating such trust contains a provision to the contrary, may with the consent of such cofiduciary or cofiduciaries cause any stock or other securities held in any such capacity to be registered in the name of a nominee or nominees of such trust company. Any such trust company shall be liable for any loss occasioned by the acts of any nominee of such trust company with respect to such stock or other securities so registered. The records of such trust company shall at all times show the ownership of any such stock or other securities. Such stock or other securities shall at all times be kept by such trust company separate and apart from its other assets. No domestic or foreign corporation or the registrar or transfer agent of any such corporation shall be liable for registering or causing to be registered on the books of such corporation any share or shares or other securities in the name of any nominee of such trust company or for transferring or causing to be transferred on the books of any such corporation any share or shares or other securities theretofore registered by such corporation in the name of any nominee of such trust

company as herein provided when the transfer is made upon the authorization of such nominee.

Common trust funds

1564. Any trust company may establish and administer common trust funds composed of property permitted by law for the investment of trust funds, for the purpose of furnishing investments to itself as fiduciary, or to itself and others, as cofiduciaries; and may as such fiduciary or cofiduciary invest funds which it lawfully holds for investment in interests in such common trust funds, if such investment is not prohibited by the instrument, judgment, decree, order, or statute creating or governing such fiduciary relationship, and if, in the case of cofiduciaries, the trust company procures the consent of its cofiduciaries to such investment.

Each common trust fund established hereunder shall be treated as an entity separate and distinct from the fiduciary relationships participating therein. No fiduciary in administering a participating fiduciary relationship shall be required to make any apportionment or allocation between the principal and income of such relationship different from that made for such common trust fund. No such participating fiduciary relationship, nor any person having an interest in such relationship, shall have or be deemed to have any ownership in any particular property of such common trust fund, but each such participating fiduciary relationship shall have a proportionate undivided interest in such fund and its income; and the ownership of all property of such common trust fund shall be in the trustee of such fund.

This section shall apply to fiduciary relationships now in existence or hereafter established, whether the same be revocable or irrevocable. The superintendent, at his direction, may make an examination of any common trust fund established hereunder at such times and to such extent as he may deem advisable. The provisions of the Corporate Securities Law shall not apply to the creation, administration, or termination of common trust funds, nor to participation therein.

Participation certificates

1565. With regard to any participation certificates heretofore issued by any trust company, secured by a trust deed or mortgage, the full legal title in the deed or mortgage and debt (referred to in this section as "security") shall be held by the trust company issuing the certificates as trustee of an express trust, with all powers necessary to extend, renew, enforce, collect, and liquidate the same, acquire title to the property covered thereby either through foreclosure or by voluntary conveyance; manage, lease, sell (either for cash or upon deferred payments), exchange, or otherwise realize upon the security or property and distribute the net proceeds thereof. All sums so realized shall, as and when received by such trustee, after payment of its compensation and all costs, charges, and expenses, including brokers' commissions and advances for taxes and assessments, incurred or made in connection with the protection, administration, and liquidation of the security or property, be distributed to the trusts or persons who are beneficiaries

of the trust, as their interests may appear therein. The rights and interests therein of any such beneficiary failing to contribute on demand its or his pro rata of sums advanced, expended, or required by the trust company in the protection, administration, or liquidation of the trust shall be subject to a lien for all sums, with legal interest thereon advanced, expended, or required for any of such purposes by the trustee or by any other beneficiary of the trust.

The trust in such security or property shall continue in the trust company so long as any of the certificates are outstanding, irrespective of any distribution of the certificates from the trust in which the same are held.

The purpose of this section is to define and clarify the rights and obligations of trust companies and of all persons and trusts interested in participation certificates issued under any authority of law.

Article 5. General

Powers

1580. A trust company has the following powers:

(a) It may act, or may be appointed by any court to act, in like manner as an individual, as executor, administrator, guardian of estates, assignee, receiver, despositary, trustee, custodian, or in any other fiduciary or representative capacity for any purpose permitted by law, may act as transfer agent or registrar of corporate stocks and bonds, may buy and sell securities for the account of customers, and may accept and execute any trust business permitted by any law of this or any other state or of the United States to be taken, accepted, or executed by an individual; and

(b) A trust company, upon becoming a member of the Federal Reserve System, shall continue to have such powers as may then or thereafter be conferred upon it by the laws of this State, subject to such federal rules, regulations, and laws as may govern state banks exercising trust powers or trust companies which become members of the Federal Reserve System.

1581. For the purposes of this chapter, all trusts and other business permitted to be accepted or executed by a trust company are hereby classified and defined as either court trusts or private trusts.

"Court trust"

A "court trust" is one in which a trust company acts under appointment, order, or decree of any court, as executor, administrator, guardian, assignee, receiver, depositary, or trustee, or in which it receives on deposit money or property from a public administrator, under any provision of this code, or from any executor, administrator, guardian, assignee, receiver, depositary, or trustee, under any order or decree of any court.

"Private trust"

A "private trust" is every other trust, agency, fiduciary relationship, or representative capacity.

Disclosure of information

1582. A trust company, its officers and employees, shall not disclose any information to any person concerning the existence, condition, management, and administration of any private trust confided to it, except:

(a) Where such disclosure is specifically authorized by the terms of the trust;

(b) Where such disclosure is determined by an officer of the trust company to be necessary in the administration of such trust;

(c) Where such disclosure is required by a court of competent jurisdiction;

(d) Where such disclosure is made to, or upon the instructions of, any party executing the trust instrument; or

(e) Where such disclosure refers to an irrevocable trust, to, or upon the instructions of, any beneficiary thereunder whether or not presently entitled to receive benefits therefrom.

(f) Where such disclosure is made to the superintendent in the course of his examination.

Examinations

1583. The superintendent shall examine the court trust business of a trust company at least once each year and shall examine the private trust business at such times and to such extent as he may deem necessary or advisable.

Reports

1584. In making the reports to the superintendent required by this division, every trust company shall report, in addition to the other facts called for, separately, the amount of real property and the amount of personal property held by such trust company in both its court trusts and in its private trusts.

Title insurance companies

1585. Any corporation doing a departmental business as a title insurance company and as a trust company shall, as to its trust department, be subject to the requirements and have the benefit of the following provisions:

(a) It shall be subject to supervision and examination by the superintendent. The charges for such supervision and examination shall be determined in accordance with Section 270 of this code.

(b) It shall make all reports required by the superintendent of trust companies under this division.

(c) It shall be subject to and have the benefit of all provisions and requirements of this division and of all rules and regulations of the superintendent applicable to trust companies.

Court supervision

1586. Any court having jurisdiction of any executor, administrator, guardian, assignee, receiver, depositary, or trustee, upon the application of any such officer or trustee or upon the application of any person having an interest in the estate or property administered by such officer or trustee, after such notice to the other parties in interest as the court may direct, or without notice if all parties in interest consent thereto, and after a hearing upon such application, may authorize or direct such officer or trustee, whether such person has duly qualified or not, to deposit any moneys then in his hands or which may come into his hands thereafter, and such portion or all of the personal assets of such estate as the court shall deem proper for safekeeping, with any such trust company. Upon such deposit being made the court shall by an order of record reduce the bond to be given, or theretofore given, by such officer

or trustee so as to cover only the estate remaining in the hands of such officer or trustee. The money and property so deposited shall thereupon and thereafter be held by such trust company under the order and direction of the court.

Such trust company shall not be required to give any bond or security, except as provided in this division, in case of any deposit of moneys or other personal assets with it under this section. Its responsibility for the safekeeping of personal assets so deposited with it shall be that of a bailee for hire.

Oaths, etc

1587. Whenever an executor, administrator, guardian of estates, assignee, receiver, depositary, or trustee is required to qualify by taking and subscribing an oath or to make an affidavit, any trust company acting in any such capacity may satisfy such requirement by the oath or affidavit of its president, vice president, secretary, assistant secretary, manager, trust officer, or assistant trust officer. Any such trust company shall be liable for its failure to perform any of the duties required by law to be performed by an individual acting in like capacity and shall be subject to the same penalties for such failure as would be applicable to an individual.

Discontinuing trust business

1588. Whenever any corporation desires to withdraw from and discontinue doing a trust business, it shall furnish to the superintendent satisfactory evidence of its release and discharge from all the obligations and trusts which it has assumed or which have been imposed on it by law. Thereupon the superintendent shall revoke his certificate of authority to do a trust business, and the State Treasurer shall return to it all of the securities deposited by it. Thereafter such corporation shall not be permitted to use and shall not use the word "trust" in its corporate name, or in connection with its business.

Validity of acts

1589. The validity or legality of any act or proceeding done or taken by any trust company, relating to or in connection with the administration of its court and private trusts, shall not be affected or impaired by the neglect or failure of such trust company, or of any officer or employee thereof, to comply with any of the provisions of this division. All such acts and proceedings done or taken prior to the revocation of its certificate of authority to do a trust business by the superintendent, under the provisions of this division, or the revocation by any court or judge thereof of the appointment, order, or decree theretofore entered in such trust matter, shall be as valid and effective for all purposes as if any such neglect or failure had not occurred.

Scope of chapter

1590. Nothing in this chapter shall make it unlawful for any person or corporation not subject to the supervision of the superintendent to engage in the business of receiving and holding money in escrow or of acting as trustee under deeds of trust given solely for the purpose of securing obligations for the repayment of money other than corporate bonds.

Mingling of funds and assets

1591. A bank or trust company shall not mingle trust funds received by it with other assets of the corporation or association and such funds shall not be used in the conduct of

its business except to the extent that such funds are deposited with the savings department or the commercial department of the same corporation or association in accordance with the provisions of this division. Any officer of any bank or association who knowingly violates or consents to the violation of this section is guilty of a felony.

CHAPTER 13. SAFE DEPOSIT

Article 1. General

Notice of adverse claim

1650. Notice to a bank operating a safe deposit department or to a company conducting a safe deposit business of an adverse claim (the person making the adverse claim being hereinafter in this section called "adverse claimant") to any personal property in a safe deposit box maintained by a bank or company and rented to any person, or to any personal property held by the bank or company in safekeeping or storage for any person may be disregarded until and unless the adverse claimant does one of the following:

"Adverse claimant"

(a) Procures and serves upon the bank or company at the office at which such safe deposit box is maintained or such personal property is held a restraining order, injunction, or other appropriate order against the bank or company from a court of competent jurisdiction in an action in which the adverse claimant and all persons in whose name the box is rented or the property is held are parties.

(b) Executes and delivers to the bank or company at the office at which the safe-deposit box is maintained or the property is held a bond in form and with surety acceptable to the bank or company and in an amount fixed by the bank or company, but which amount in no event need be more than twice the market value of the entire property against which the adverse claim is made, indemnifying the bank or company and also all persons in whose names the box is rented or the property is held against all liability, loss, damage, costs, and expenses arising out of the refusal to permit access to the safe-deposit box or withdrawal of the property or any part thereof held in safekeeping or storage.

Restraining order

Unless the restraining order, injunction, or other appropriate order is obtained or a bond is given, the bank or company, notwithstanding the notice, may permit access to the box to the person to whom it is rented or may deliver the contents thereof to or on the order of the person or may deliver the property held in storage or safekeeping to or on the order of the person for whom it is held without any liability on the part of the bank or company.

If an adverse claimant delivers to the bank or company at the office at which the safe-deposit box is maintained or the property is held his affidavit stating that of his own knowledge the person in whose name the box stands or for whom the property is held is a fiduciary for the adverse claimant and that the

fiduciary is about to misappropriate the contents of the box or the property and stating the facts upon which the claim of fiduciary relationship is based, the bank may refuse access to the safe-deposit box or refuse to deliver the personal property until the adverse claim is finally adjudicated or released without liability on its part and without liability for the sufficiency or truth of the facts alleged in the affidavit.

The provisions of this section shall be applicable even though the name of the person appearing on the bank's or company's books as the renter of the box or as the depositor of the property held in storage or safekeeping is modified by a qualifying or descriptive term such as "agent," "trustee," or other word or phrase indicating that the person may not be the owner in his own right of the contents of the box or of the property held in storage or safekeeping.

Article 2. Remedies for Nonpayment of Rent

Liabilities of renters

1660. Every bank operating a safe-deposit department shall be entitled to the special remedies set forth in this article in enforcing the liabilities of safe-deposit box renters and of safekeeping and storage depositors.

Notice

1661. If the rental of any safe-deposit box is not paid within six months from the day it is due, the bank, or at any time thereafter and while such rental remains unpaid, may mail a notice to the person in whose name such box stands on its records stating that if the amount due for such rental is not paid on or before a specified day, which must be at least 30 days after the date of mailing such notice, the bank will cause such box to be forced open.

Removal of contents

1662. At any time after the date specified in such notice, if the rental for such safe-deposit box to the date of payment and the cost of giving such notice have not been paid, the bank, in the presence of two of its employees, one of whom shall be an officer of the bank, may cause such box to be opened and the contents thereof to be removed and inventoried. The inventory shall be signed by such persons and a copy thereof shall be filed with the county treasurer.

Disposition of contents

1663. All contents removed from a safe-deposit box pursuant to Section 1662 shall be retained by the bank for at least two years unless sooner delivered to or on the order of the person in whose name such box stood on the records of the bank. The bank shall deliver the contents of such box to or on the order of the person in whose name such box stood on its records, upon payment to it before such contents are sold or destroyed, of all rental due at the time of opening the box, the cost of giving notice, the charges for opening the box and for custody of the contents, and any other proper charges. The bank may deliver such contents on the order of the person in whose name such box stood on its records, irrespective of any information disclosed by the contents indicating ownership thereof by any other person.

Sale of contents

1664. At any time after two years from the day when a safe-deposit box has been opened pursuant to this article, the bank may mail a notice to the person in whose name such box stood on its records, stating that unless the amounts due to the bank for rental, for the cost of mailing and publishing notice of sale, and for its charges for opening the box and for custody of its contents, and any other proper charges, giving the total amount thereof, are paid, the bank will offer for sale the contents thereof at a time and place named in such notice, which time shall be at least 30 days after the mailing thereof. If the amounts specified in such notice are not paid before the time of sale designated therein, the bank may sell all or any portion of the contents of such box, other than contents of the character described in Section 1668 and other than bonds and other securities which at the time of sale are listed on an established stock exchange in the United States, at public sale at the time and place given in such notice. Notice of the time and place of sale shall be published in a newspaper of general circulation in the county in which the sale is to be held once at least five days before the date of sale, or if no such newspaper is published in the county such notice shall be posted in three public places in the county at least five days before the date of sale. Such notice need describe the property only in general terms and as the unclaimed contents of a safe-deposit box. Such sale may be postponed from time to time by public pronouncement at the time and place of sale.

Same

1665. Notwithstanding any of the provisions of this article, no stocks, bonds, or other securities which, at the time of sale pursuant to Section 1664, are listed on any established stock exchange in the United States may be sold at public sale but may be sold at any time thereafter through an established stock exchange.

Same

1666. Upon the making of a sale of any securities, an officer of the bank shall execute and attach to the securities so sold an affidavit reciting facts showing that such securities were sold pursuant to this article and that the provisions of this article governing such sale have been complied with. The affidavit shall be and constitute sufficient authority to any corporation whose stock is so sold or to any registrar or transfer agent of such corporation to cancel the certificates of stock so sold and to issue a new certificate or certificates representing such stock to the purchaser thereof, and to any registrar, trustee, or transfer agent of registered bonds or other securities, to register any such bonds or other securities in the name of the purchaser thereof.

Proceeds of sales

1667. From the proceeds of any sale the bank shall deduct the amount set forth in such notice and any further charges which may have accrued since the mailing of the notice and shall credit the balance of such proceeds, if any, to an account in the name of the delinquent renter. Such account is a deposit within the meaning of Article 2 of Chapter 7 of this division as of the date of such sale.

Documents, letters, etc

1668. Any documents, letters, or other articles found in a safe-deposit box opened pursuant to Section 1662, which in the judgment of at least two officers of the bank have no intrinsic or marketable value, need not be offered for sale. Such documents, letters, and articles and any other contents which have been offered for sale and for which no purchaser has been found, shall be retained by the bank for not less than five years from the date when such box was opened. At any time thereafter, unless sooner delivered to or on the order of the person in whose name such box stood on the records of the bank, such documents, letters, and articles and also those contents which have been offered for sale and for which no purchaser has been found, may be destroyed in the presence of an officer of the bank, but if no notice of intended sale of the contents of the box has been given pursuant to Section 1664, the bank shall mail a notice of its intention to destroy such documents, letters, and articles at least 30 days before the destruction of the same to the person in whose name such box stood on the records of the bank.

Effect of prior actions

1669. If, before the effective date of this section, a bank or its predecessor in interest, has caused a safe-deposit box to be opened for nonpayment of rental, and the contents of such box or any part thereof remain in its custody, it shall be entitled to the special remedies in enforcing the liability of the former renter of such box as set forth in Sections 1663 to 1668, inclusive, whether or not such box was rented prior to October 1, 1949.

Enforcement of liens

1670. Whenever a bank receives personal property for safekeeping or storage as bailee and issues a receipt therefor, the bank may enforce its lien as warehouseman in accordance with the provisions of the Warehouse Receipts Act or at its option in the manner provided in Sections 1671 to 1673, inclusive, of this article.

Notice

1671. If the amount charged by a bank for the safekeeping or storage of personal property is not paid within six months from the day it is due, the bank, at any time thereafter and while such charges remain unpaid, may mail a notice to the person in whose name the receipt was issued, giving the amount then due for such safekeeping or storage and stating that unless such amount and any other charges accruing to the date of payment are paid, the bank will sell such personal property at a time and place named therein, which time shall be at least 30 days after the mailing of such notice. If the amount specified in such notice and all other charges of the bank and expenses of mailing and publishing notice of sale accruing to time of payment are not paid, the bank may sell all or any portion of such personal property at public sale at the time and place given in such notice. Notice of the time and place of sale shall be published once at least five days before the date of sale in a newspaper of general circulation published in the county in which the sale is to be held, or if no such newspaper is published in the county such notice shall be posted in three public places in the county at least five days before the date of sale.

Such sale may be postponed from time to time by public pronouncement at the time and place of sale. The bank may include in the notice required to be mailed a statement to the effect that if the amount due at that time is not paid at least 10 days before the date set for the sale, it may cause any container in which any of such personal property may be, to be opened and the contents thereof to be sold at the time and place fixed for the sale with or without such container, or the container may be sold without the contents. If such statement is included in the notice, the bank, at any time within 10 days before the date fixed for the sale, may open any such container and remove the contents in the presence of two employees of the bank, one of whom shall be an officer thereof, both of whom shall make and sign an inventory of the contents. Thereafter, on the day fixed for the sale, the contents may be sold as a whole or separately and with or without the container, or the container may be sold without the contents.

Deduction of charges

1672. From the proceeds of the sale, the bank shall deduct all charges as stated in the final notice, together with any further charges that have accrued since the mailing thereof, and reasonable expenses for notices, advertising, and sale, and shall credit the balance of the proceeds, if any, to an account in the name of the person in whose name the receipt for such personal property was issued.

Documents, letters, etc

1673. Any documents, letters, or other articles which, in the judgment of an officer of the bank, have no apparent intrinsic or marketable value, need not be offered for sale. Such documents, letters, and articles and any other articles which have been offered for sale and for which no purchaser has been found, shall be retained by the bank for not less than five years from the date when notice of sale was mailed. At any time thereafter, unless sooner delivered to or on the order of the person in whose name the receipt was issued, such documents, letters and articles may be destroyed in the presence of an officer of the bank and of a notary public.

Sale of contents

1674. The power conferred on a bank to sell the contents of a safe-deposit box or personal property received for safekeeping or storage for nonpayment of rental or other charges, includes power to sell any bonds, stock certificates, promissory notes, choses in action, or other securities, and any other tangible or intangible property found in such box or in the container in which such personal property was received for safekeeping or storage, regardless of whether it appears from such securities or property that the person in whose name the box stood or to whom the safekeeping or storage receipt was issued, possesses title to any interest in such securities or other property or power to transfer such title or interest.

Remedies

1675. A bank holding a safe-deposit box originally rented from, or personal property against which a safekeeping or storage receipt was issued by, a predecessor in interest, or a bank holding the contents of such box, shall be entitled to the remedies as to such box or the contents thereof or as to the safe-

keeping or storage of such property in like manner and to the same extent as if such box had been rented from or such safekeeping or storage of personal property had been received by such bank in the first instance.

Same

1676. The provisions of this article do not preclude any other remedy by action or otherwise now or hereafter existing for the enforcement of the claims of a bank against the person in whose name the safe-deposit box stood or stands, or in whose name the safekeeping or storage receipt was issued, nor bar the right of a bank to so recover, at its option, either the entire amount of the debt due to it without recourse to sale of the property, if any, or so much of the debt due to it as shall not have been paid by the proceeds of the sale of all or any portion of the property deposited with it.

Moneys due

1677. If the principal of, or interest or dividends on, any securities that have come into the possession of any bank by reason of action taken pursuant to this article, is due and payable at the time such securities come into the bank's possession, or thereafter while such securities remain in the possession of the bank, shall become due and payable, the bank at its election may collect such principal, interest, or dividends and from the proceeds thereof may deduct all sums then due to it from the person to whom such safe-deposit box was rented or to whom such safekeeping or storage receipt was issued. The remainder of the money so collected, if any, shall be credited by the bank to the account of the delinquent boxholder or of the person in whose name the safekeeping or storage receipt was issued.

Notice

1678. (a) Whenever this article requires that notice be sent to a person, and the box stood or stands on the records of the bank or the safekeeping or storage receipt was issued in the names of two or more persons, notice addressed to either or to any one of such two or more persons shall be binding upon and effective as to the remaining person or all remaining persons, and notice addressed to the name of any deceased individual shall be binding upon his legal representatives and on his heirs and legatees.

(b) Whenever this article requires that notice be published prior to a sale, the notice shall include the name and address of the person in whose name the safe-deposit box stood on the records of the bank or the safekeeping or storage receipt was issued. The names and addresses of all such persons whose property is to be sold at the same time and place may be included in a single published notice.

(c) Whenever this article requires that an amount be credited to the account of a person in whose name a safe-deposit box stood on the records of the bank or a safekeeping or storage receipt was issued, and the box stood or the receipt was issued in two or more names, such account shall be in both or all such names, subject to withdrawal by or upon the written order of any one or more of such persons, or by their successors or legal representatives.

(d) Whenever this article requires that a notice shall be mailed to the person in whose name the safe-deposit box stood on the records of the bank or a safekeeping or storage receipt was issued, such notice shall be deemed to have been so mailed if it is enclosed in a sealed envelope addressed to the person in whose name the safe-deposit box stood in the office of the bank at which the records of such safe-deposit box rentals are kept, or to the person in whose name such receipt was issued, as the case may be, addressed to such person at the address or place appearing on the safe-deposit or storage records of such office, and such envelope with postage prepaid has been deposited by registered mail in the United States mail.

Tax deduction

1679. Whenever an amount of safe-deposit rental, custody, safekeeping, or other charge is to be paid or deducted pursuant to this article, there shall be added to and paid or deducted with said amount, the amount of any tax imposed by laws and regulations.

United States bonds

1680. Any bank or trust company may receive bonds issued by the United States Government for safekeeping, collection, or storage, and shall receipt therefor to the depositor and shall maintain adequate records of all transactions therewith. In every case of such deposit the depositary bank shall have the right to return to the depositor either the identical bonds deposited by him or other bonds of the same issue, par value, and character.

CHAPTER 14. FOREIGN BANKING CORPORATIONS

Article 1. Banking Business

Foreign corporations Licenses

1750. A foreign corporation shall not engage in the banking or trust business in this State unless it is licensed to do so and unless it first complies with all of the provisions of this chapter and then only to the extent expressly permitted in this chapter. In transacting such business a foreign corporation shall comply with all applicable provisions of this division and of the laws of this State.

Requirements

1751. A foreign banking corporation shall not after October 1, 1949, commence to do business in this State until it has met the following requirements:

(a) It is authorized by its charter to transact the character of business described in Section 1756 and has complied with the laws of the state or country under which it is incorporated.

(b) It has filed with the superintendent a certified copy of its charter or articles of incorporation and of its by-laws and an application in such form and containing such information as the superintendent may require, accompanied by a fee of two hundred fifty dollars ($250).

(c) It has furnished to the superintendent such proof of the nature and character of its business and its financial condition, stock ownership, and management as he may require.

(d) It has designated the superintendent and his successor in office by a duly executed instrument in writing, its agent, upon whom process directed to the corporation may be served. The superintendent shall forward by mail, postage prepaid, a copy of every process served upon him under the provisions of this subdivision, addressed to the manager or agent of such corporation at its principal place of business in this State. For each copy of process the superintendent shall collect the sum of five dollars ($5) which shall be paid by the plaintiff or moving party at the time of service, to be recovered by him as a part of his costs.

(e) It has complied with all applicable requirements of the Corporations Code of California relating to foreign corporations except matters specifically otherwise provided for in this code.

(f) Its manager or agent residing in this State has taken an oath that he will, as far as the duty devolves upon him, diligently and honestly administer the affairs of the corporation and will not knowingly violate or wilfully permit to be violated any of the provisions of law applicable to the corporation and the oath, subscribed by the manager or agent taking it, has been transmitted to the superintendent and filed in his office.

(g) It has allocated and assigned to its California business a portion of its capital and surplus equal in amount to the amount of capital required by this division of a bank commencing to do business in the city in which the foreign corporation proposes to do business. One-half of the required minimum allocated capital and surplus, or one hundred thousand dollars ($100,000), whichever is greater, shall be kept in cash or in securities of the kind which may be deposited by trust companies to secure court and private trusts under Section 1542 and shall be deposited with the State Treasurer for the faithful performance of all obligations entered into in California.

(h) It has received from the superintendent his certificate licensing it to do business.

Money or securities deposited

1752. Money or securities deposited with the State Treasurer by a foreign banking corporation pursuant to Section 1751 shall first be approved by the superintendent and upon his order shall be deposited with the State Treasurer.

Upon receiving any such deposit the State Treasurer shall give his receipt therefor and shall hold such deposit for the sole benefit of the creditors of such corporation's California business. The State is responsible for the custody and safe return of any such deposits excepting only money or securities applied for the benefit of such creditors pursuant to an order of court. The State Treasurer shall deposit any such moneys under the provisions of Sections 16370 to 16375 of the Government Code.

Securities deposited pursuant to this section may be exchanged from time to time, with the approval of the superintendent, for other like securities of equal market value. Upon written request to the superintendent, any such corporation shall

be entitled to withdraw from the State Treasurer, from time to time, any amount of its securities so deposited in excess of the amount it is required to maintain on deposit in order to conform with the requirements of this chapter. Upon receiving a written request for such withdrawal or exchange, and satisfactory proof of the facts warranting the same, the superintendent shall forthwith deliver to the State Treasurer a written order directing the withdrawal or exchange of such securities so as to conform with the provisions of this chapter. The State Treasurer shall comply with such written order. So long as the corporation so depositing such securities shall continue solvent and shall discharge its California obligations promptly, it shall have the right and shall be permitted by the State Treasurer to receive the interest and dividends on any securities deposited by it.

Should any security so depreciate in value as to reduce the deposit below the amount required, additional money or securities shall be deposited promptly in amount sufficient to meet such requirements. The superintendent may make an investigation of the value of any security deposited at the time such security is presented for deposit or at any time thereafter. The superintendent may make such charge as may be reasonable and proper for such investigation.

The State Treasurer may sell and transfer any securities deposited pursuant to this chapter and may dispose of the proceeds only on the order of a court of competent jurisdiction and for the benefit of the creditors of such corporation's business in California.

Separate assets

1753. Every foreign banking corporation doing business in this State shall keep the assets of its California business entirely separate and apart from the assets of its business outside California as though the California business was conducted by a separate and distinct corporation. Every such corporation shall keep separate books of account and separate records for its California business and shall observe with respect to such business the applicable requirements of this division and the rules and regulations of the superintendent. The creditors of such corporation's California business shall be entitled to priority with respect to the assets of its California business before such assets may be used or applied for the benefit of its other creditors or transferred to its general business.

Approval of application

1754. The superintendent may give or withhold his approval of the application of a foreign banking corporation in his discretion. If he approves the application, he shall issue a license to such corporation when it has satisfied all the requirements of this chapter authorizing it to transact the business permitted by Section 1756 at the location specified in such license. Such license shall be for one year and may be renewed from year to year upon payment of an annual license fee of two hundred fifty dollars ($250). No such license shall be transferable or assignable. Each such license shall be conspicuously displayed at all times in the place of business specified therein.

Suspension and revocation

1755. If the superintendent finds that any foreign corporation to which he has issued a license has violated any law or has conducted its affairs in an unauthorized manner, or is in an unsound or unsafe condition, or cannot with safety and expediency continue business, the superintendent may suspend or revoke the license of such foreign corporation and notify it of such suspension or revocation.

Deposits

1756. A foreign corporation which is authorized by license under Section 1754 may transact in this State the business of buying, selling, paying, or collecting bills of exchange, of issuing letters of credit, of receiving money for transmission by draft, check, cable, or otherwise, and of making loans. A foreign corporation shall not accept deposits in this State.

Loans

1757. Nothing in this chapter shall be deemed to prohibit a foreign banking corporation which does not maintain an office in this State for the transaction of business from making loans in this State secured by mortgages on real property or from accepting assignments of mortgages covering real property situated in this State.

Privileges

1758. A foreign corporation, subject to compliance with any applicable laws of this State pertaining to foreign corporations, and which is not engaged in the banking business may lend money or buy or sell bonds in this State and for that purpose may maintain offices in this State and sue and be sued in this State under its corporate name, notwithstanding anything in this division restricting the use of any words in the name, signs, or advertising matter of corporations not under the supervision of the superintendent.

Use of corporate title

1759. Notwithstanding anything in this division, a foreign corporation which is authorized by its articles of incorporation to transact a trust business, which has complied with the laws of this State affecting the transaction in this State of life insurance by a foreign corporation, and which on August 10, 1913, was engaged in transacting such business in this State may continue to make use of its corporate title in its life insurance business in this State.

Report

1760. Every foreign banking corporation licensed by the superintendent to transact business in this State, whenever required by the superintendent, shall make a written report to him, in such form as he shall prescribe, in words and figures of the English language, verified by one of its officers, managers, or agents residing in this State. Such report shall show the actual financial condition of the corporation's business in this State at the close of any past day designated by the superintendent, and shall set forth such other information as the superintendent may require. The verification of such report shall state that the person making it has a personal knowledge of the matters therein contained, and that he believes that every allegation, statement, and matter contained therein is true. If required by the superintendent such corporation shall also furnish complete financial information, in such form and detail as the super-

intendent may prescribe, verified by its proper officers, covering all the corporation's business not only in this State but elsewhere.

Penalties

1761. If any foreign banking corporation fails to make any report required by the superintendent, or refuses to furnish the required information in the form prescribed, it shall be liable to the people of this State in the sum of one hundred dollars ($100) per day for each day that such omission continues. Any wilful false statement contained in any such report or in any other sworn statement made to the superintendent by such corporation shall constitute perjury.

Same

1762. Any foreign corporation which is required to comply with the provisions of this chapter and fails to do so is guilty of a misdemeanor and in addition thereto shall be liable to the people of this State in the sum of one hundred dollars ($100) per day for each day that such offense continues.

Same

1763. Any person who transacts business in this State on behalf of a foreign corporation which is subject to the provisions of this chapter but which is not authorized to transact such business in this State is guilty of a misdemeanor and in addition thereto shall be liable to the people of this State in the sum of one hundred dollars ($100) per day for each day that such offense continues.

"Foreign corporation"

1764. The term "foreign corporation" as used in this division does not include national banking associations whose principal place of business is in this State.

Article 2. Representatives of Foreign Banking Corporations

Representatives of foreign corporations

1780. An individual may establish and maintain an office or offices in this State as representative of one or more foreign banking corporations but only upon first obtaining a license from the superintendent. The application for such license shall be in such form and shall set forth such information as the superintendent may require. The superintendent may grant or refuse the application in his discretion and may at any time in his discretion revoke any such license. Such representative shall pay an annual license fee of two hundred fifty dollars ($250) for each such office. If more than one individual representative of the same foreign banking corporation uses the same office the annual license fee for such office shall be two hundred fifty dollars ($250) plus twenty-five dollars ($25) for each individual representative over one using the same office.

(Amended by Stats. 1951, Ch. 534.)

[ORIGINAL SECTION]

1780. An individual may establish and maintain an office in this State as representative of a foreign banking corporation but only upon first obtaining a license from the superintendent. The application for such license shall be in such form and shall set forth such information as the superintendent may require. The superintendent may grant or refuse the application in his discretion and may at any time in his discretion revoke any such license. Such representative shall pay an annual license fee of two hundred fifty dollars ($250) for each such office.

1781. Any licensed representative may maintain one or more places of business as his office as such representative, but not as a place of business of the foreign banking corporation. Notwithstanding anything in this division he may use an office sign at his place of business indicating that such place is the office of a representative of the particular foreign banking corporation which he represents, and he may use in his business as such representative the letterheads, circulars, and other printed matter of such corporation. Same

Article 3. Transmission of Money Abroad

1800. No person except (a) a bank or trust company or a foreign banking corporation licensed to do business in this State, or (b) an incorporated railroad, steamship, or express company, or (c) a partnership or corporation actually engaged in international operation in the general travel and tourist business, shall engage in the business of receiving money for the purpose of transmitting the same or its equivalent to foreign countries. The provisions of this article shall not apply to the receipt of money by an agent of an incorporated telegraph company at any regular office of such company for immediate transmission by telegraph. Transmission of money abroad

1801. Every railroad, steamship, or express company, and every partnership or corporation engaging in the business described in Section 1800 shall first obtain a license from the superintendent and shall pay annually on or before July 1st a license fee of two hundred fifty dollars ($250). The superintendent in his discretion may grant or refuse such license and may at any time revoke any such license. For the purposes of this article, "qualified company" means any company, partnership, or corporation licensed pursuant to this section. License "Qualified company"

1802. Each qualified company shall file with the superintendent on or before January 1st and on or before July 1st each year a report in form satisfactory to the superintendent listing (a) its offices in this State at which money is received for transmission to foreign countries, (b) its employees at such offices authorized to receive money for such purpose, and (c) the name and business address of each person not regularly employed by it at one of its offices who is authorized to receive money for transmission by the company to foreign countries. Each such person shall be an agent of the company for all purposes in connection with or incidental to the receipt and transmission of money or its equivalent to foreign countries. Whenever the appointment of any such agent is terminated and another person is appointed by the company in his place and whenever the company appoints any additional person as such agent, the company shall promptly notify the superintendent of such appointment giving the name and business address of each person so designated. Report

1803. Each qualified company shall file with the superintendent annually on or before July 1st a verified report, in Verified report

such form as the superintendent may prescribe, showing in such detail as he may require its business and transactions during the preceding calendar year relative to the receipt and transmission of money to foreign countries.

Examination

1804. The superintendent may at any time and from time to time examine the business of any agent in order to ascertain whether such business is being conducted in a lawful manner and whether all moneys received for transmission to foreign countries are properly accounted for. Each agent shall keep his books, records, and accounts in such form and manner as the superintendent may prescribe. The expense of the superintendent in making any such examination of an agent shall be paid to the superintendent on his demand by the company represented by such agent.

Copy of forms

1805. Each qualified company shall file with the superintendent a certified copy of every receipt form used by it or by its agents for money received for transmission to foreign countries. No such company or its agents shall use any receipt a certified copy of which has not first been filed with the superintendent. Any company violating the requirements of this section shall be subject to a fine of fifty dollars ($50) for each violation. If any such company or its agent uses a receipt form a certified copy of which has not first been filed with the superintendent, such company shall be liable for the acts of its agents whether or not the company authorized the agent to use such form.

Forwarding money

1806. Every qualified company shall forward all moneys received for transmission to a foreign country to the person designated by the depositor within 10 days after receiving such money.

Surety

1807. As security for the faithful performance of its obligations, each qualified company before engaging in the business of transmitting money to foreign countries shall deposit with the State Treasurer fifty thousand dollars ($50,000) in lawful money, or securities of the kind which may be deposited by trust companies to secure court and private trusts under Section 1542 having a market value of at least fifty thousand dollars ($50,000), or money and such securities amounting in the aggregate to at least fifty thousand dollars ($50,000). Such deposit shall be made in the manner specified in and shall be subject to the provisions of Section 1752.

Same

1808. In lieu of the deposit of money and securities pursuant to Section 1807, a qualified company may deliver to the superintendent the bond of a surety company, in form and written by a company satisfactory to the superintendent, in the principal sum of fifty thousand dollars ($50,000), conditioned upon the faithful holding and transmission of all moneys received by such company or its agents for such purpose. The superintendent shall deposit such bond with the State Treasurer.

Same

1809. The money and securities deposited with the State Treasurer pursuant to Section 1807 and the proceeds of any

bond held by the State Treasurer pursuant to Section 1808 shall constitute a trust fund for the benefit of such persons as shall deliver to any such qualified company or its agent money for transmission to foreign countries. Suit to recover on any such bond may be brought by any party aggrieved in a court of competent jurisdiction of any county in which such company has an agent. The service of summons on any agent of such company shall constitute service upon such company.

Penalties

1810. Any person, other than an authorized officer or employee of a bank or trust company or of a foreign banking corporation licensed to do business in this State or an agent of a qualified company, who represents that he is authorized to receive, or who solicits or receives, money or the equivalent thereof for transmission to foreign countries is guilty of a misdemeanor.

Chapter 15. Examinations and Reports

Article 1. Examinations

Examinations Annual

1900. The superintendent shall cause every bank, every foreign banking corporation doing business in this State, every trust company, and the trust department of every title insurance company doing a trust business to be examined at least once in each fiscal year and whenever and as often as he shall deem it advisable. On each annual examination the superintendent shall inquire as to the condition and resources of the bank or foreign banking corporation, the mode of managing its affairs, the actions of its board of directors, the investment and disposition of its funds, the safety and prudence of its management, the security afforded its depositors and creditors, and whether its articles of incorporation and all applicable provisions thereof are being complied with and into such other matters as the superintendent may determine. The officers and employees of every bank, trust company, title company's trust department, and foreign banking corporation being examined shall exhibit to the examiners, on request, any or all of its securities, books, records, and accounts and shall otherwise facilitate the examination so far as it may be in their power.

Extra examinations

1901. Whenever, in the judgment of the superintendent, the condition of any bank, trust company, or foreign banking corporation renders it necessary or expedient to make an extra examination or to devote any extraordinary attention to its affairs, he has authority to make any necessary extra examinations and to devote any necessary extra attention to the conduct of its affairs and to charge for such extra services an amount not exceeding thirty-five dollars ($35) a day for each examiner engaged in the examination of such bank.

Annual directors' examination

1902. The board of directors of every bank and of every trust company, or a committee thereof composed of at least three directors, none of whom is an officer of such bank or trust company, shall examine such bank or trust company at least

once in each fiscal year. No such examination shall be commenced within three months of the completion of the examination for the preceding year. Such examination shall show the actual financial condition of the bank or trust company and shall set forth such matters and shall be in such form as the superintendent may require. Such examination shall include an examination of the books, papers, and affairs of the bank and particularly of its loans and discounts and of the security given therefor. The board of directors may employ such assistance in making any examination as it deems necessary. Within 30 days after the examination is completed, a report thereof, verified by the directors who made it, shall be filed with the board of directors and thereafter shall be kept available for inspection by the superintendent.

Report

Extra examination

1903. If the board of directors of any bank or trust company fails to make such examination or to cause it to be made or to file copies of the report in the manner and within the time required by Section 1902, the superintendent may cause an extra examination of such bank or trust company to be made at its expense.

Optional special examination

1904. In lieu of an examination pursuant to Section 1902, the board of directors of any bank or trust company may request the superintendent to cause a special examination or audit to be made. Within 60 days after the receipt of a certified copy of the board's resolution requesting such examination, the superintendent shall cause a special examination or audit to be made either by the department or by certified public accountants at the expense of such bank or trust company. Within 30 days after the completion of the examination or audit, the superintendent shall deliver to the board of directors a true copy of the report of the examination or audit.

Other examinations acceptable

1905 In lieu of a directors' examination for any year, the superintendent may accept any examination of a bank or trust company made during such year by the Federal Reserve Bank if such bank or trust company is a member thereof, by the Federal Deposit Insurance Corporation or any equivalent federal corporation or agency insuring deposits if such bank or trust company is a member thereof, or by a clearing house association of which such bank or trust company is a member.

Special audits

1906. The superintendent, whenever in his opinion the condition of the bank, trust company, or foreign banking corporation is such as to require such audit, may require any bank, trust company, or foreign banking corporation to employ a certified public accountant to make a special audit of the affairs of such bank or trust company at its expense.

Appraisals

1907. The superintendent, for good cause, at any time and from time to time may employ appraisers to appraise the value of any investment, asset, or property held or upon which a lien is held as security for a loan. The bank, trust company, or foreign banking corporation shall pay to the superintendent on demand the cost of such appraisal.

Oaths

1908. The superintendent, a deputy superintendent, and every examiner assigned to an examination may administer an oath to any person whose testimony is required for the purposes of any examination authorized by this division and may by issuance of subpena compel the appearance of any person and the production of any evidence for the purposes of the examination.

Disclosure of information

1909. The superintendent in his discretion at any time may furnish to the Comptroller of the Currency or to any of his examiners, to the Federal Reserve Bank or any of its examiners, to the Federal Deposit Insurance Corporation or to any equivalent federal corporation or agency insuring deposits or any examiners thereof, or, if the bank is a member of a Federal Home Loan Bank, to such Federal Home Loan Bank or to the Federal Home Loan Bank Board or its examiners copies of any examination made pursuant to this chapter, and may disclose to any such corporation or examiner any information with reference to the condition or affairs of any bank or trust company.

Insolvency report of

1910. If a deputy superintendent or any examiner has knowledge of the insolvency or unsafe condition of any bank, trust company, or foreign banking corporation and fails or neglects to forthwith report such fact to the superintendent in writing over his signature, he is guilty of a felony.

National banking associations

1911. A national banking association doing business in this State and receiving deposits of any bank organized under the laws of this State, at the request of the superintendent, shall submit to an examination by him, at the expense of such association, should he deem it necessary or desirable that such examination be made. If any such association refuses to permit such an examination to be made, the superintendent shall notify every bank depositing its funds with such association to withdraw its deposits therefrom and the banks so notified shall comply with his order.

Violations

1912. If it appears to the superintendent that a bank, trust company, or foreign banking corporation is violating or failing to comply with its articles of incorporation or with any law of this State, he may direct such bank, trust company, or foreign banking corporation to comply with its articles or with the law by an order issued over his official seal, or if it appears to the superintendent that any bank, trust company, or foreign banking corporation is conducting its business in an unsafe or injurious manner he may in like manner direct it to discontinue the unsafe or injurious practices. The order shall require the bank, trust company, or foreign banking corporation to show cause before the superintendent at a time and place to be fixed by him why the order should not be observed.

Hearings

1913. If upon any hearing held pursuant to Section 1912 it appears to the superintendent that the bank, trust company, or foreign banking corporation is violating or failing to comply with its articles or with any law of this State or is conducting its business in an unsafe or injurious manner he may make a

final order directing it to comply with its articles or with the law or to discontinue the unsafe or injurious practices. Unless within 10 days after the issuance of such final order its enforcement is restrained in a proceeding brought by the bank, trust company, or foreign banking corporation, it shall forthwith comply therewith.

Meetings

1914. Whenever he deems it expedient, the superintendent may call a meeting of the stockholders of any bank or trust company. Notice of the time and place of the meeting shall be given to each stockholder by a notice mailed to him by registered mail at his last known address at least 15 days before the date of the meeting. Any expenses of such meeting shall be borne by the bank or trust company.

Emergencies

1915. During any emergency period declared by the President of the United States, each bank shall conform to any order of the superintendent directed to it, relating to and conforming with regulations, limitations, or restrictions which are applicable thereto prescribed by the Secretary of the Treasury, the Comptroller of the Currency, or the Board of Governors of the Federal Reserve System regulating or governing the operations of banks which are members of the Federal Reserve System.

Same

1916. During any emergency period declared by the Governor no bank shall transact any banking business except to such extent and subject to such regulations, limitations, or restrictions as may be prescribed by the superintendent, which, as to member banks, shall be as consistent as the exigencies of the situation permit with the provisions of the Federal Reserve Act and regulations issued thereunder or, as to insured banks, shall be as consistent as the exigencies of the situation permit with the rules and regulations governing banks whose deposits are insured by the Federal Deposit Insurance Corporation.

Article 2. Reports

Reports

1930. Every bank and every trust company shall make and file with the superintendent whenever required by him a report in such form as he may prescribe, verified by two of its principal officers, showing its financial condition and such other information as the superintendent may require at the close of business on any past day designated by him. If such bank or trust company regularly keeps its books on an accrual basis the report may be prepared on an accrual basis The verification shall state that each of the officers making it has a personal knowledge of the matters in the report and that each of them believes that each statement in the report is true.

Triannual

1931. The superintendent shall call for the report specified in Section 1930 from all banks and trust companies at least three times each year, and for at least three times each year shall designate as the day as of which such reports shall be made the day designated by the Comptroller of the Currency for reports from national banking associations.

Departments

1932. Every bank doing a departmental business shall make and file with the superintendent with each report required by Section 1930 a separate report in such form as he may prescribe verified as required by Section 1930, showing the financial condition of each department as of the day specified by the superintendent.

Branch offices

1933. Every bank and every trust company which has one or more branch offices in any place other than the city in which its head office is located shall include in its report, in addition to the information required by Section 1930, the total deposits and total loans of each of its branch offices in each such place.

Special

1934. The superintendent may at any time require any bank or trust company to make and file with him a special report furnishing such information as he may specify when necessary to inform him fully of the actual financial condition and affairs of the bank or trust company.

Statement of financial condition

1935. At the time of furnishing a report under Section 1931 every bank and every trust company shall publish a condensed statement of its financial condition, at least once, in some newspaper of general circulation published in the city or town where its principal place of business is located, or, if no newspaper is published in such city or town, then in some newspaper of general circulation published in the county where its principal place of business is located. The published statement shall set forth such information and be in such form as may be required by the superintendent.

Use of English language

1936. Every corporation, domestic or foreign, licensed to transact a banking or trust business, or to perform any functions of a bank or trust company, shall keep its corporate records, financial records, and books of account pertaining to its California business in words and figures of the English language and in form satisfactory to the superintendent.

False statements

1937. Any person intentionally making a false statement in any report required to be rendered under this article is guilty of perjury.

Penalties

1938. If any bank or trust company fails to make any report required by this article within 15 days after the day as of which the report is to be made or within 15 days of the day the call of the superintendent for the report is received, whichever is later, or fails to include therein any matter required by this article or by the superintendent, it shall be liable to the people of this State in the sum of one hundred dollars ($100) for each day that such report is delayed or withheld by the failure or neglect of such bank or trust company.

Article 3. Accounting

Assets

1950. A bank or trust company shall not enter or carry on its books any asset at a valuation exceeding the actual cost thereof to such bank or trust company, unless the superintendent has first given his written consent.

Debts

1951. Any debt due a bank on which interest is past due and unpaid for the period of one year shall be charged off, unless it is well secured and is in process of collection.

Writing down assets

1952. The superintendent at any time may require a bank to write down any asset held by it to a valuation which will represent its then fair market value.

CHAPTER 16. SALE, MERGER, CONSOLIDATION, AND CONVERSION

Article 1. Sale of a Bank, a Department, or a Branch

Sale of business

2050. Any bank or trust company may sell (a) the whole of its business, or (b) the whole of the business of any of its departments, or (c) the whole of the business of any of its branches, or (d) the whole of the business of any department of any branch, to any other bank which may purchase the same upon compliance with the provisions of this article.

Agreement of purchase

2051. The selling and purchasing banks shall enter into an agreement of purchase and sale which shall contain all the terms and conditions of the sale and contain proper provision for the payment of all liabilities of the selling bank, or of the department, branch, or branch department sold, and proper provision for the assumption by the purchasing bank of all fiduciary and trust obligations of the selling bank, or department, branch, or branch department sold. The agreement may provide for the transfer of all deposits of the selling bank or of the department, branch, or branch department sold to the purchasing bank, subject to the right of every depositor of the selling bank or of the department, branch, or branch department so sold to withdraw his deposit in full on demand after such transfer, irrespective of the terms under which it was deposited with the selling bank, and may provide for the transfer of all court and private trusts so sold to the purchasing bank, subject to the rights of all trustors and beneficiaries under the trusts so sold after such transfer to nominate another or succeeding trustee of the trust so transferred.

Same Approval by shareholders

2052. The agreement of purchase and sale must be approved by shareholders holding of record at least two-thirds of the issued shares of stock of each bank respectively, such consent to be evidenced either in a writing signed by the shareholders or by a vote at a shareholders' meeting of each of such banks called for the purpose of acting upon such agreement. If either of such banks is a national banking association, its consent shall be given and evidenced in such manner as may be provided by the laws of the United States applicable thereto.

Copy to superintendent

2053. When the agreement has been executed by the appropriate officers of each of the banks pursuant to authority conferred by the board of directors of each bank respectively and when the same has been approved by the requisite number of shareholders, the original or a duplicate original thereof shall be filed with the superintendent. There shall be attached to the

agreement filed with the superintendent certificates executed by the secretary of each of the banks respectively, certifying that the agreement has been approved by the required number of shareholders of the bank of which he is secretary in the manner herein provided, or if the bank is a national banking association a certificate executed by its secretary certifying that its consent has been given in the manner required by the laws of the United States. Such agreement shall not become effective until it has been approved in writing by the superintendent. When the agreement has been executed and approved by each of such banks in the manner herein required and has been approved by the superintendent notice of such agreement shall be published once a week for four successive weeks in a newspaper published in the county in which the selling bank has its principal place of business, or if the business of a branch or a department of a branch is sold then in a newspaper published in the county in which such branch office is located, and in the county in which the purchasing bank has its principal place of business. Within 10 days after the last publication of such notice an affidavit showing publication in compliance herewith shall be filed in the office of the superintendent.

Notice, publication of

2054. No action can be brought against the selling bank on account of any deposit, obligation, trust, or liability transferred to or assumed by the purchasing bank after the expiration of one year from the last day of the publication of a notice provided for in Section 2053 or from the day upon which the approval of the superintendent becomes effective, whichever last occurs.

Limitation of actions

2055. The selling bank shall maintain for a period of at least one year after the last date of the publication of the notice provided for in Section 2053, such amount, if any, of its capital or of its capital and surplus as the superintendent in his discretion may require.

Maintaining capital

2056. Except as otherwise provided in this article, neither the rights of creditors nor any liability or obligation for the payment of money nor any claim or cause of action against the selling bank shall be in any manner released or impaired by the sale and the rights, obligations, and relations of all creditors, depositors, trustors, and beneficiaries of trusts and of all other persons shall remain unimpaired by the sale, but the purchasing bank shall succeed to all such relations, obligations, trusts, and liabilities and shall be liable to pay, discharge, and perform all such debts and obligations and to perform all trusts of the selling bank in the same manner as if the purchasing bank had itself incurred the debt or obligation or had assumed the relation of trust, and the purchasing bank shall succeed to all rights, offsets, and defenses of the selling bank in connection therewith.

Rights of creditors, etc

2057. Upon the approval by the superintendent of an agreement of purchase and sale he shall fix a time when such approval shall be effective and at such time the purchasing bank or trust company ipso facto and by operation of law and without further transfer, substitution, act, or deed succeeds to all

Effectiveness of approval

rights, obligations, properties, assets, investments, deposits, demands, and agreements covered by the agreement, and to all trusts of the selling bank or of the department or branch sold or of the department of the branch sold and to all properties, assets, investments, agreements, rights, and obligations of the selling bank or trust company under all trusts, executorships, administrations, guardianships, agencies, and all other fiduciary or representative capacities to the same extent as though it had originally assumed, acquired, or owned the same and succeeds to and is entitled to take and execute the appointment of all executorships, trusteeships, guardianships, and other fiduciary and representative capacities to which the selling bank or trust company may be named or is thereafter named in wills, whenever probated, or to which it is or may be named or appointed by any other instrument.

Purchase of shares

2058. Subject to the prior approval of the Superintendent of Banks and the affirmative vote of two-thirds of all of its directors, a bank or trust company may purchase in one transaction 100 percent of the outstanding shares of any state bank or of a national banking association, or trust company operating in this State, in accordance with a plan by which:

1. The bank whose stock has been purchased shall immediately be merged with the purchasing bank in the manner contemplated by law; or

2. The bank whose stock has been purchased, shall immediately be dissolved, its assets vested in its shareholders and its deposits and all other liabilities, including trust liabilities, shall be assumed by the acquiring bank or trust company, subject to the right of each depositor of the bank whose stock has been purchased to withdraw his deposit and of the right of trustors and beneficiaries under trusts held by such bank to nominate another trustee as in the case of the purchase and sale of the business of a bank under Section 2051 of this code.

The acquiring bank may permit directors of the bank or trust company, whose shares are so acquired, to retain their respective qualifying shares until dissolution; provided, that each such director agrees to accept the purchase price of his shares in lieu of his proportionate share of the assets upon dissolution.

Upon the approval by the superintendent of the plan, he shall fix a time when the consummation of such plan shall become effective. Upon completion of the plan, the acquiring bank ipso facto and by operation of law and without further transfer, substitution, act or deed, succeeds to the rights, properties, assets, investments, deposits, demands, agreements and trusts of the bank or trust company whose stock has been purchased under all trusts, executorships, administrations, guardianships, agencies, and all other fiduciary or representative capacities to the same extent as though it had originally assumed the same and shall succeed to and be entitled to take and execute the appointment to all executorships, trusteeships, guardianships and other fiduciary and representative capacities to which the bank whose

stock has been purchased may be named, or is thereafter named, in wills whenever probated or to which it is, or may be named, or appointed by any other instrument, all subject to all other provisions of this code.

Before granting the approval required by this section, the superintendent may direct the purchasing bank to continue banking facilities at the location, or locations, of the purchased bank, if, in his judgment, public convenience would require the continuation of such banking facilities. The superintendent may also impose such other terms and conditions as will, in his judgment, be considered necessary to insure the faithful carrying out of the requirements hereof.

(Added by Stats. 1951, Ch. 1190.)

Article 2. Merger and Consolidation

Merger or consolidation.

2070. Any two or more banks or trust companies organized under the laws of this State may be merged into one of such constituent banks or trust companies or consolidated into a new bank or trust company upon compliance with the provisions of Part 8 of Division 1, Title 1 of the Corporations Code and upon compliance with the provisions of this article. The merger or consolidation of such banks shall have the same force and effect as is provided in the Corporations Code for the merger or consolidation of domestic corporations.

Approval

2071. Any agreement for the merger or consolidation of two or more banks or trust companies shall have the approval of the superintendent endorsed thereon before the same is filed with the Secretary of State.

When effective

2072. When any agreement for consolidation or any agreement for merger has been filed with the Secretary of State with the approval of the superintendent endorsed thereon, a copy thereof, certified by the Secretary of State, shall immediately be filed with the superintendent and upon, but not until, such filing the merger or consolidation shall be and become effective for all purposes. In the case of a consolidation, the superintendent, thereupon, and as of the hour and day of such filing, shall issue his certificate authorizing the consolidated bank or trust company to engage in the commercial banking, savings banking, or trust business or some or all of such businesses, as the case may be; and, in the case of a merger, if the surviving corporation acquires additional powers by such merger, the superintendent shall issue to it his certificate authorizing it to engage in the commercial banking, savings banking, or trust business or some or all of such businesses, as the case may be.

Rights

2073. Whenever any bank qualified to do a trust business or any trust company has been merged into or consolidated with a bank or trust company, the surviving bank or trust company or the consolidated bank or trust company, as the case may be, ipso facto and by operation of law and without further transfer, substitution, act, or deed succeeds to the rights, properties, assets, investments, deposits, demands, agreements, and trusts

of the constituent bank or trust company under all trusts, executorships, administrations, guardianships, agencies, and all other fiduciary or representative capacities to the same extent as though it had originally assumed the same and succeeds to and is entitled to take and execute the appointment to all executorships, trusteeships, guardianships, and other fiduciary and representative capacities to which the constituent corporation may be named or is thereafter named in wills, whenever probated, or to which it is or may be named or appointed by any other instrument.

Article 3. Effect of Conversion of a National Banking Association Into a State Bank and of the Conversion of a State Bank Into a National Banking Association, and the Effect of Mergers or Consolidations of State and National Banks

Conversion to national banking association

2090. Nothing in this division restricts the right of any bank organized under the laws of this State to convert into a national banking association upon compliance with the appropriate laws of the United States.

Conversion to state bank

2091. A national banking association may convert into a state bank with the approval of the superintendent which he shall not grant unless he is satisfied that such bank meets all of the requirements set forth in this division for the establishment of a bank in the place or places in which it is doing or proposes to do business. Upon such conversion he shall issue his certificate to the bank authorizing it to engage in the commercial banking, savings banking, or trust business or two or all of such businesses, as the case may be.

Merger, etc., with national banking association

2092. Nothing in this division restricts the right of any one or more banks organized under the laws of this State to merge into or consolidate with one or more national banking associations pursuant to the laws of Congress.

Merger, etc with state banks

2093. Nothing in this division restricts one or more national banking associations from merging into or consolidating with one or more banks organized under the laws of this State. For the purpose of effecting any such merger or consolidation a national banking association shall be deemed a "foreign corporation" as that term is used in Chapter 3, Part 8, Division 1 of the Corporations Code and the laws of Congress shall be deemed the "laws of the state" in which a national banking association is formed.

"Foreign corporation"

Certificate

2094. Whenever a state bank results from the merger or consolidation of one or more national banking associations with one or more state banks and the agreement for consolidation or merger has been filed with the Secretary of State with the approval of the superintendent endorsed thereon, a copy thereof, certified by the Secretary of State, shall immediately be filed with the superintendent and upon, but not until, such filing the merger or consolidation shall be and become effective for all purposes. In the case of a consolidation, the superintendent,

thereupon, and as of the hour and day of such filing, shall issue his certificate authorizing the consolidated bank or trust company to engage in the commercial banking, savings banking, or trust business or some or all of such businesses, as the case may be; and, in the case of a merger, if the surviving corporation acquires additional powers by such merger, the superintendent shall issue to it his certificate authorizing it to engage in the commercial banking, savings banking, or trust business or some or all of such businesses, as the case may be.

Succession by operation of law

2095. Whenever: (a) a national banking association authorized and qualified to conduct a trust business in this State has been heretofore or is hereafter created by the conversion of a state bank likewise authorized and qualified; or (b) a state bank likewise authorized and qualified has been heretofore or is hereafter created by the conversion of a national banking association likewise authorized and qualified; or (c) one or more national banks likewise authorized and qualified has been heretofore or is hereafter consolidated with one or more other national banking associations likewise authorized and qualified; or (d) one or more state banks likewise authorized and qualified consolidate with or merge into one or more national banking associations likewise authorized and qualified; or (e) one or more national banking associations likewise authorized and qualified consolidate with or merge into one or more state banks likewise authorized and qualified or (f) a national banking association authorized and qualified to conduct a trust business in this State purchases or has purchased the trust business and assets of another national banking association or of a bank organized under the laws of this State, the resulting state bank or national banking association, or the purchasing national banking association, as the case may be, ipso facto and by operation of law and without further transfer, substitution, act, or deed succeeds to the rights, obligations, properties, assets, investments, deposits, demands, agreements, and trusts of the former or selling state bank or national banking association under all trusts, executorships, administrations, guardianships, agencies, and under all other fiduciary or representative capacities to the same extent as though it had originally assumed the same and succeeds to and is entitled to take and execute the appointment to all executorships, trusteeships, guardianships, and other fiduciary or representative capacities to which the former or selling state bank or national banking association, as the case may be, is or may be named in wills, whenever probated, or to which the former or selling state bank or national banking association is or may be named or appointed by any other instrument.

(Amended by Stats. 1951, Ch. 501.)

[ORIGINAL SECTION]

2095. Whenever: (a) a national banking association authorized and qualified to conduct a trust business in this State has been heretofore or is hereafter created by the conversion of a state bank likewise authorized and qualified, or (b) a state bank likewise authorized and qualified has been heretofore or is hereafter created by the conversion of a national

banking association likewise authorized and qualified; or (c) one or more national banks likewise authorized and qualified has been heretofore or is hereafter consolidated with one or more other national banking associations likewise authorized and qualified; or (d) one or more state banks likewise authorized and qualified consolidate with or merge into one or more national banking associations likewise authorized and qualified; or (e) one or more national banking associations likewise authorized and qualified consolidate with or merge into one or more state banks likewise authorized and qualified, the resulting state bank or national banking association, as the case may be, ipso facto and by operation of law and without further transfer, substitution, act, or deed succeeds to the rights, obligations, properties, assets, investments, deposits, demands, agreements, and trusts of the former state bank or national banking association under all trusts, executorships, administrations, guardianships, agencies, and under all other fiduciary or representative capacities to the same extent as though it had originally assumed the same and succeeds to and is entitled to take and execute the appointment to all executorships, trusteeships, guardianships, and other fiduciary or representative capacities to which the former state bank or national banking association, as the case may be, is or may be named in wills, whenever probated, or to which the former state bank or national banking association is or may be named or appointed by any other instrument.

Same

2096. Whenever one or more state banks and one or more national banking associations have been merged or consolidated, the consolidated state bank or national banking association or the surviving state bank or national banking association, as the case may be, succeeds without other transfer to all the rights and property of each of the constituent banks or national banking associations and is subject to all the debts and liabilities of each such constituent bank or national banking association in the same manner as if the surviving or consolidated state bank or national banking association had incurred them.

All rights of creditors and all liens upon the property of each of the constituent banks or national banking associations are preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the time of the consolidation or merger.

Any action or proceeding pending by or against any one of the constituent banks or national banking associations may be prosecuted through judgment, which binds the consolidated or surviving state bank or national banking association; or the consolidated or surviving state bank or national banking association may be proceeded against or substituted in the place of the constituent state bank or national banking association.

Notice of intention to merge, etc

2097. Whenever a savings bank or a bank with a savings department converts into or merges into a national banking association or a national banking association results from a consolidation of a savings bank or a bank with a savings department with a national banking association, the bank shall file with the superintendent coincident with its application to the Comptroller of the Currency a formal notice of its intention to convert, merge, or consolidate.

Prior to the completion of such conversion, merger, or consolidation the bank shall deliver to the superintendent the following:

(a) A notice of the fact of such conversion, merger, or consolidation directed to its savings depositors appropriate for newspaper advertisement;

(b) A notice addressed to each savings depositor enclosed in a stamped envelope addressed to him at his last known address reading as follows:

"You are notified that the _____, now the _____, has converted into (merged into) or (consolidated with) a national banking association and has therefore ceased to be under the jurisdiction of the California State Banking Department and is now under the jurisdiction of the Comptroller of the Currency pursuant to the National Bank Act."

No other matter may be enclosed with this notice except with permission of the superintendent.

Immediately upon completion of the conversion, merger, or consolidation the superintendent shall publish the notice provided for in paragraph (a) once a week for four successive weeks in a newspaper published in each city in which the bank transacted business, the cost of which shall be paid in advance to the superintendent, and shall mail the notices provided for in paragraph (b).

Article 4. Certificates

Certificates

3010. Whenever: (a) a sale of the whole of the business of any bank authorized to engage in the trust business, or of the trust department of any bank or of any branch office of any bank has been completed; or (b) two or more state banks, one or more of which is authorized to engage in the trust business, are consolidated or merged; or (c) one or more national banks, one or more of which is authorized to engage in the trust business, are consolidated with or merged into a state bank, the superintendent, upon request, shall issue under his official seal a certificate in writing duly acknowledged by him in substantially the following form:

"State Banking Department

State of California }
City and County of San Francisco } ss.

I, _____, Superintendent of Banks of the State of California, do hereby certify (1) that _____ bank has purchased (the whole of the business, or the whole of the business of the _____ department, or the whole of the business of the _____ department of the _____ branch or the whole of the business of the _____ branch, as the case may be) of _____ bank, and that the agreement of purchase and sale as approved by me on _____ ____, _____, has been filed in my office; or (2) that _____ bank has been created by the consolidation of _____ bank and _____ bank and that the agreement of consolidation certified to by the Secretary of

State was filed in my office at ____ o'clock on _____ ____, ______; or (3) that _____ bank has merged into the _____ bank and that the agreement of merger certified to by the Secretary of State was filed in my office at ____ o'clock on _____ ____, ______; and I do further certify that the (purchase and sale) (consolidation) (merger) above referred to has been approved by me in the manner required by law and that such (purchase and sale) (consolidation) (merger) has been fully completed and consummated.

Given under my official seal this ____ day of _____, 19___.

_____, Superintendent of Banks."

The recordation of such certificate in the office of the recorder of any county shall be to all persons constructive notice that all of the rights, benefits, privileges, duties, and obligations of whatsoever kind or nature held or possessed by or imposed upon the bank so selling its business and assets or that has expired by such consolidation or by such merger are retained by and imposed upon the successor bank.

Such certificate shall be prima facie evidence in all courts and places of the regularity of the proceedings taken and of the fact of such sale, consolidation, or merger.

Form of certificate

3011. Whenever: (a) a national banking association authorized and qualified to conduct a trust business in this State is created by the conversion of a state bank likewise authorized and qualified; or (b) a state bank, likewise authorized and qualified, is created by the conversion of a national banking association, likewise authorized and qualified; or (c) one or more national banks, likewise authorized and qualified, are merged with or consolidated into one or more other national banking associations likewise authorized and qualified; or (d) one or more state banks, likewise authorized and qualified, are merged with or consolidated into one or more national banking associations likewise authorized and qualified; or (e) a national banking association authorized and qualified to conduct a trust business in this State purchases or has purchased the trust business and assets of another national banking association or of a bank organized under the laws of this State, there may be executed by the president and secretary or the cashier of the resulting state bank or national banking association or purchasing national banking association, as the case may be, its certificate in substantially the following form:

"State of California }
County of_____} ss.

The undersigned, _____, president, and _____ (secretary or cashier) of _____ (name of bank), being duly sworn, each for himself, certifies as follows:

WHEREAS, The _____ (name of bank) is a (national bank organized under the laws of the United States, or a bank

organized under the laws of the State of California, as the case may be); and

WHEREAS, Said _____ (name of bank) was created in the following manner: (by consolidation, merger or conversion, as the case many be) or said _____ (name of bank) purchased the trust business and assets of _____ (name of bank); and

WHEREAS, The _____ (name of bank) is authorized and qualified under the laws of the State of California to conduct a trust business in this State; and

WHEREAS, Said _____ (name of bank) has received from (the Comptroller of the Currency or the Superintendent of Banks, or both, as the case may be) authorization or approval for the conduct of said business under the name of _____, of which authorization the following is a full, true and correct copy:

(Insert copy of authorization or approvals)

Now, Therefore, It Is Hereby Certified that the business formerly conducted by _____ has been succeeded to and is now being conducted by _____, with its principal place of business in the (City of _____, County of _____, or city and county, as the case may be)."

Such certificate shall be sworn to and duly acknowledged before a notary public by the persons executing the same. Execution

The recordation of such certificate in the office of the recorder of any county shall be to all persons constructive notice that all of the rights, benefits, privileges, duties, and obligations of whatsoever kind or nature held or possessed by or imposed upon the bank so converted, merged, consolidated, or whose trust business and assets have been sold, are retained by and imposed upon the successor bank or national banking association. Any such certificate shall be prima facie evidence in all courts and places of the regularity of the proceedings taken and of the fact of such conversion. Recordation

(Amended by Stats. 1951, Ch. 501.)

[ORIGINAL SECTION]

3011. Whenever: (a) a national banking association authorized and qualified to conduct a trust business in this State is created by the conversion of a state bank likewise authorized and qualified; or (b) a state bank, likewise authorized and qualified, is created by the conversion of a national banking association, likewise authorized and qualified; or (c) one or more national banks, likewise authorized and qualified, are merged with or consolidated into one or more other national banking associations likewise authorized and qualified; or (d) one or more state banks, likewise authorized and qualified, are merged with or consolidated into one or more national banking associations likewise authorized and qualified there may be executed by the president and secretary or the cashier of the resulting state bank or national banking association, as the case may be, its certificate in substantially the following form:

"State of California, }
County of _____ } ss.

The undersigned, _____, president, and _____ (secretary or cashier) of _____ (name of bank), being duly sworn, each for himself, certifies as follows:

WHEREAS, The _____ (name of bank) is a (national bank organized unde• the laws of the United States, or a bank organized under the laws of the State of California, as the case may be) ; and

WHEREAS, Said _____ (name of bank) was created in the following manner: (by consolidation, merger or conversion, as the case may be) ; and

WHEREAS, The _____ (name of bank) is authorized and qualified under the laws of the State of California to conduct a trust business in this State; and

WHEREAS, Said _____ (name of bank) has received from (the Comptroller of the Currency or the Superintendent of Banks, or both, as the case may be) authorization or approval for the conduct of said business under the name of _____, of which authorization the following is a full, true and correct copy :

(Insert copy of authorization or approvals)

NOW, THEREFORE, IT IS HEREBY CERTIFIED that the business formerly conducted by _____ has been succeeded to and is now being conducted by _____, with its principal place of business in the (City of _____, County of _____, or city and county, as the case may be)."

Such certificate shall be sworn to and duly acknowledged before a notary public by the persons executing the same.

The recordation of such certificate in the office of the recorder of any county shall be to all persons constructive notice that all of the rights, benefits, privileges, duties, and obligations of whatsoever kind or nature held or possessed by or imposed upon the bank so converted are retained by and imposed upon the successor bank or national banking association. Any such certificate shall be prima facie evidence in all courts and places of the regularity of the proceedings taken and of the fact of such conversion

Cancellation

3012. Whenever all of the business and assets of any bank or trust company have been purchased by another bank or trust company or whenever any bank or trust company has been merged into another bank or trust company or whenever one or more banks or trust companies have been consolidated into a new bank or trust company or whenever a state bank has been converted into a national banking association the selling bank or trust company, the merged bank or trust company, the constituent banks or trust companies, or the converted bank, as the case may be, shall surrender their respective certificates of authority to do a banking business to the superintendent for cancellation.

Same entity
Conversion

3013. Whenever a national banking association has converted into a state bank and whenever a state bank has converted into a national banking association, the resulting state bank or national banking association, as the case may be, shall be deemed the same corporate entity as the bank from which it was converted and any reference to the converting bank in any writing, whether executed or taking effect before or after the conversion, shall be deemed a reference to the converted bank if not inconsistent with the other provisions of such writing.

(Added by Stats. 1951, Ch. 501.)

Same entity
Merger

3014. Whenever a state bank or a national banking association has merged into a state bank and whenever a national banking association or state bank has merged into a national banking association the resulting state bank or national banking association, as the case may be, shall be deemed the same corporate entity as the merged bank and any reference to the

merged bank in any writing, whether executed or taking effect before or after the merger, shall be deemed a reference to the resulting bank if not inconsistent with the other provisions of such writing.

(Added by Stats. 1951, Ch. 501.)

Same entity Consolidation

3015. Whenever one or more state banks or national banking associations have consolidated into a new state bank or into a new national banking association, the resulting state bank or national banking association, as the case may be, shall be deemed the same corporate entity as the constituent state bank or banks or national banking association or associations, as the case may be, and any reference to the constituent state bank or banks or to the national banking association or associations in any writing, whether executed or taking effect before or after the consolidation, shall be deemed a reference to the resulting bank or national banking association if not inconsistent with the other provisions of such writing.

(Added by Stats. 1951, Ch. 501.)

CHAPTER 17. LIQUIDATION, CONSERVATORSHIP, REORGANIZATION, AND DISSOLUTION

Article 1. Liquidation by Superintendent

Involuntary liquidation

3100. Whenever it appears to the superintendent that:

(a) The capital of any bank is impaired;

(b) Any bank has violated its articles of incorporation or any law of this State;

(c) Any bank is conducting its business in an unsafe or unauthorized manner;

(d) Any bank refuses to submit its books, papers, and affairs to the inspection of any examiner;

(e) Any officer of any bank refuses to be examined upon oath touching the concerns of such bank;

(f) Any bank has suspended payment of its obligations;

(g) Any bank is in such condition that it is unsound, unsafe, or inexpedient for it to transact business; or

(h) Any bank neglects or refuses to observe any order of the superintendent made pursuant to Section 1913 of this code unless the enforcement of such order is restrained in a proceeding brought by the bank;

the superintendent may forthwith take possession of the property and business of such bank and retain possession until such bank resumes business or its affairs be finally liquidated as herein provided. Such bank, with the consent of the superintendent, may resume business upon such conditions as he may prescribe. The term "bank" wherever used in this chapter includes trust companies and foreign banking corporations licensed to do and doing a banking business in this State.

"Bank"

Suit to enjoin commissioner

3101. Whenever the superintendent has taken possession of the property and business of any bank, such bank, within 10

days after such taking, if it deems itself aggrieved thereby, may apply to the superior court in the county in which the head office of such bank is located to enjoin further proceedings. The court, after citing the superintendent to show cause why further proceedings should not be enjoined and after a hearing and a determination of the facts upon the merits may dismiss such application or enjoin the superintendent from further proceedings and direct him to surrender the property and business to such bank.

Appeal

3102. An appeal may be taken from the judgment of the court by the superintendent or by the bank in the manner provided by law for appeals from the judgment of a superior court. An appeal from the judgment of the court operates as a stay of the judgment. No bond need be given if the appeal be taken by the superintendent but if the appeal be taken by the bank a bond shall be given as required by Section 943 of the Code of Civil Procedure.

Notice

3103. Upon taking possession of the property and business of any bank, the superintendent shall forthwith give notice of such fact to all persons holding or having in their possession any assets of such bank. No person knowing of such taking or who has been notified thereof shall have a lien or charge upon any assets of the bank for any payment, advance, or clearance thereafter made or for any liability thereafter incurred.

Conserving assets, etc

3104. Upon taking possession of the property and business of any bank, the superintendent has authority and it is his duty to collect all moneys due to such bank and to do such other acts as are necessary or expedient to collect, conserve, or protect its assets, property, and business and he shall proceed to conserve or liquidate the affairs thereof as herein provided.

Attachments

3105. No attachment or execution shall be issued against the property of any bank or trust company before final judgment in any action or proceeding in any court.

Assistants

3106. The superintendent, from time to time, under his official seal, may appoint one or more special deputy superintendents as his agent or agents with the powers specified in the certificate of appointment to assist him in the duty of conservation or of liquidation and distribution. The certificate of appointment shall be filed in the office of the superintendent and a certified copy in the office of the clerk of the county in which the head office of the bank is located. The superintendent may employ such counsel and procure such expert assistance and advice as may be necessary in the liquidation and distribution of the assets of the bank and for that purpose may retain such of the officers or employees of the bank as he may deem necessary. The superintendent shall require from each special deputy superintendent and from each assistant such security for the faithful performance of their duties as he may deem proper.

Compensation

3107. The compensation of special deputies, counsel, and other employees and assistants appointed to assist in the liquidation of any bank and the distribution of its assets and all

expenses of supervision and liquidation shall be fixed by the superintendent and shall be paid out of the funds of such bank in the hands of the superintendent. Such expenses of liquidation must be reported to the court upon each application for payment of a dividend.

Judicial jurisdiction

3108. Upon the superintendent taking possession of the business and property of any bank the superior court of the State of California for the county in which the head office of such bank is located shall have exclusive original jurisdiction of all proceedings relating thereto and of any action or other proceedings brought under the provisions of this chapter. All papers relating to such proceeding, including copies of the certificate of appointment of any special deputy and the inventories required to be filed, shall be filed and be made a part of the record of such proceeding without the payment of any additional fees therefor. No damages may be awarded in such proceeding but, if sought, may only be recovered in a separate action.

Compromising of claims

3109. The superintendent may sell, compromise, or compound any bad or doubtful debt owing the bank, which is for a principal sum not exceeding five hundred dollars ($500), upon such terms as he may deem proper, and, if the principal sum thereof exceeds five hundred dollars ($500), he may compromise, compound, or sell the same upon such terms as the court may approve. If it appears improbable that a recovery on any debt can be had and that the costs of an action to collect would be lost and the principal sum thereof does not exceed five hundred dollars ($500), the superintendent may determine that no suit thereon shall be brought, and if the principal sum thereof exceeds five hundred dollars ($500), he may determine that no suit thereon be brought after obtaining approval of the court.

Selling of property, etc

3110. The superintendent may sell any real or personal property of the bank for cash or on credit and on such other terms and conditions as he may deem proper, subject to the approval of the court.

Contracts

3111. Within six months after taking possession of the property and business of any bank the superintendent may terminate or adopt any executory contract to which the bank may be a party including leases of real or personal property. Claims for damages resulting from the termination of any such contract or lease may be filed and allowed, but no claim of a landlord for damages resulting from the rejection of an unexpired lease of real property or under any covenant of such lease shall be allowed in an amount exceeding the rent reserved by the lease, without acceleration, for the year succeeding the date of the surrender of the premises plus the amount of any unpaid accrued rent without acceleration. Any such claim must be filed within 30 days of the date of such termination or within the time that claims must be filed under Section 3118, whichever is longer.

Conveyances, etc

3112. The superintendent in his own name or in the name of the bank may execute, acknowledge, and deliver any and all

conveyances and other instruments necessary or appropriate to effectuate the sale of any real or personal property or to effectuate any other transaction in connection with the liquidation of the bank or the distribution of its assets. Any conveyance or other instrument executed by the superintendent pursuant to this authority shall be valid and effectual for all purposes as though the same had been executed by the officers of the bank by authority of its board of directors. Whenever the superintendent sells any real property of the bank a certified copy of the order of the court approving the same shall be recorded in the county in which any part of such real property is located.

Legal proceedings

3113. The superintendent in the name of the delinquent bank or in his own name may prosecute and defend any and all actions and other legal proceedings appropriate or necessary to the liquidation of such bank.

Depositing money

3114. The superintendent from time to time shall deposit all moneys coming into his hands in the course of the liquidation of the bank in one or more state banks and in the event of the suspension or insolvency of the depositary they shall be preferred before all other deposits.

Inventory

3115. The superintendent shall make an inventory of the assets of the bank in duplicate and file one in the office of the superintendent and one with the clerk of the county in which the head office of the bank is located to be filed with the papers in the liquidation proceedings. Such inventory shall be open for inspection at all reasonable times.

Claims

3116. When the time fixed for the presentation of claims has expired the superintendent shall make in duplicate a full and complete list of all claims presented, including and specifying such claims as have been rejected by him, and a list of all claims of depositors as shown by the books or records of said bank for which claims have not yet been presented, and shall file one copy of said list in his office and one with the clerk of the county in which the head office of the bank is located to be filed with the papers in the liquidation proceedings. Before each application to the court for leave to declare a dividend the superintendent shall file a supplemental list of claims presented since the last preceding list was filed, including and specifying such claims as have been rejected by him. Such list of claims and of claims of depositors as shown by the books or records of the bank shall be open for inspection at all reasonable times.

Notice

3117. The superintendent shall cause notice to be given by advertisement in such newspapers of general circulation as he may select weekly for three consecutive months, calling on all persons who have claims against the bank to present the same to the superintendent and make legal proof thereof at a place to be specified therein and within four months of the date of the first publication of such notice, which date shall be specified in the notice. Such notice shall also state that all claims other than those of depositors appearing upon the books or records of the bank shall be forever barred if not filed within said four months' period and that all claims of depositors appearing upon the

books or records of the bank will be forever barred, except as herein provided, if not filed prior to the filing of a petition for a final dividend. The superintendent shall also mail a similar notice to all persons, including depositors, whose names appear as creditors upon the books of the bank and whose addresses appear upon the books or records of the bank and shall enclose therewith a printed form of notice of claim.

Verification

3118. All claims of every kind against the bank or against any property owned or held by such bank shall be presented to the superintendent in writing verified by the claimant or someone in his behalf within four months of the date of the first publication of the notice to creditors. Any claim, other than the claim of a depositor whose claim appears upon the books or records of the bank, not so presented within said four months' period shall be forever barred and any claim of a depositor whose claim appears upon the books or records of the bank which is not so presented prior to the date of the filing of the petition of the superintendent with the court for approval of the payment of the final dividend shall be forever barred except as to any moneys remaining after all debts for which claims were duly filed have been paid in full with interest. If the superintendent doubts the validity of any claim he may reject the same and serve notice of such rejection upon the claimant either by mail or personally. An affidavit of the mailing or personal service of such notice shall be prima facie evidence of the receipt thereof and shall be filed with the superintendent. Any action upon a claim so rejected must be brought within three months after the date of mailing or personal service of the notice of rejection.

Dividends

3119. At any time and from time to time after the expiration of the time fixed for the presentation of claims, the superintendent, after obtaining approval of the court, may declare and pay one or more dividends upon all approved claims out of the funds remaining in his hands after the payment of expenses and after setting aside an amount sufficient to pay to all depositors, who have not yet filed claims but whose claims appear upon the books or records of the bank, their pro rata share of the funds then available for the payment of a dividend. At any time after the expiration of one year from the date of the first publication of notice to creditors and after obtaining the approval of the court the superintendent may declare and pay a final dividend.

Objections

3120. Objections to any claim not rejected by the superintendent may be made by any person interested by filing a copy of such objections with the superintendent, who shall present the same to the court at the time of the next application for approval of the declaration of a dividend. The court shall thereupon dispose of said objections or may order a reference for that purpose, and should the objections to any claim be sustained by the court or by the referee, such claim shall not be allowed by the superintendent until the claimant has established his claim by judgment.

Unpaid dividends

3121. Dividends remaining unpaid and any sums available for payment of deposits for which no claim was filed, which remain in the hands of the superintendent six months after the order for the payment of a final dividend, shall be deposited by him in the State Treasury under the provisions of Article 7 of Chapter 6 of Title 10 of Part 3 of the Code of Civil Procedure, and shall be subject to claim or other disposition as provided in said Title 10. The superintendent may pay over the moneys so held by him to the persons respectively entitled thereto at any time prior to such deposit, upon being furnished satisfactory evidence of their right to the same.

(Amended by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION]

3121. Dividends remaining unpaid and any sums available for payment of deposits for which no claim was filed which remain in the hands of the superintendent six months after the order for the payment of a final dividend shall be deposited by him with the State Treasurer in the same manner and subject to the same disposition as provided for unclaimed trust funds by Article 3 of this chapter. The superintendent may pay over the moneys so held by him to the persons respectively entitled thereto at any time prior to such deposit upon being furnished satisfactory evidence of their right to the same.

Interest rate

3122. All approved claims of depositors and other creditors shall bear interest at the rate provided by law on judgments from the date that the superintendent takes possession of the property and business of the bank.

Property

3123. Should the bank have in its possession for safekeeping or storage any jewelry, plate, money, specie, bullion, stocks, bonds, securities, valuable papers, or other valuable personal property or should it have rented any vaults, safes, or safe-deposit boxes, the superintendent shall cause to be mailed by registered mail, postage prepaid, to any known person claiming to be or appearing on the books of the bank to be the owner of such property or to the person in whose name the safe, vault, or box stands a notice notifying such person to remove all such personal property within a specified fixed period of not less than 60 days.

Prepaid rent, etc

3124. On the last day fixed in said notice for the removal of such property or on the date when such property is removed or the box surrendered any contract between the person owning such property or holding said box and the bank shall cease and the amount of the unearned prepaid rent or charges, if any, shall become a debt of the bank to said person.

Disposition of property

3125. If any property be not removed within the time fixed by notice mailed by the superintendent, the superintendent may make such disposition of the property as the court on application thereto shall direct. The superintendent may cause any safe, vault, or box to be opened in his presence or in the presence of one of the special deputy superintendents and of a notary public not an officer or employee of the bank or of the superintendent. The contents thereof, if any, shall be sealed up by such notary public in a package upon which such notary public shall distinctly mark the name and address of the person

in whose name such safe or box stands upon the books of the bank and shall attach thereto a list and a description of the property therein. The package so sealed and addressed, together with the list and description may be kept by the superintendent in one or more of the safes or boxes of the bank or elsewhere until delivered to the person whose name it bears or until otherwise disposed of as directed by the court.

Meeting of stockholders

3126. Whenever the superintendent has paid to every depositor and creditor whose claim has been duly proved and allowed the full amount thereof with interest and has made proper provision for unclaimed dividends and made provision for unclaimed deposits if any sums remain for the payment thereof and shall have paid all expenses of liquidation, he shall call a meeting of the stockholders of the bank. He shall give notice of such meeting by mailing a notice thereof to each of the stockholders at the address appearing upon the books of the bank and by publishing a notice thereof in a newspaper of general circulation published in the county in which the head office of the bank is located at least 30 days prior to the date of the meeting.

Winding up

3127. At the meeting the stockholders shall determine whether the superintendent shall be continued as liquidator and wind up the affairs of the bank or whether an agent or agents shall be elected for that purpose. In so determining the stockholders shall vote by ballot in person or by proxy, each share of stock entitling the holder to one vote and a majority of the stock issued and outstanding being necessary for the making of such determination.

Same

3128. In case it is determined to continue the liquidation under the superintendent, he shall complete the liquidation of the affairs of the bank and after paying the expenses thereof shall distribute the proceeds among the stockholders in proportion to their several holdings of stock in such manner as may be approved by the court.

Same

3129. In case it is determined to appoint an agent or agents to liquidate, the stockholders thereupon shall select such agent or agents by ballot and by a majority vote of the stock present and voting in person or by proxy. The agent or agents so selected shall execute and file with the superintendent a bond to the people of the State in such amount, with such sureties and in such form as may be approved by the superintendent, conditioned for the faithful performance of all of their duties. The superintendent shall then transfer and deliver to such agent or agents all the assets of the bank then remaining in his hands after making provision for unpaid dividends and unclaimed deposits, and upon such transfer and delivery the superintendent shall be discharged from all further liability to such bank, its creditors, and its stockholders.

Assets

3130. Such agent or agents shall convert the assets coming into his or their possession into cash and shall account therefor and make distribution of the property of the bank as herein provided in the case of distribution by the superintendent,

except that the expenses thereof shall be subject to the approval of the court. In the event of the death, removal, or refusal to act of the agent or of one or more of the agents selected, the superintendent shall call a meeting of the stockholders upon the same notice as is provided for the initial meeting and at such meeting the stockholders by the same vote as is required for the initial selection of such agent or agents may elect a successor to the agent or agents who have died, been removed, or refused to act.

Court approval

3131. Whenever pursuant to the provisions of this chapter the approval of the court is required of any step in the liquidation proceedings such approval shall be given after a hearing had upon such notice as the court may direct. At any such hearing the court may by order approve the actions of the superintendent for which he has petitioned the court's approval or it may, by appropriate order, otherwise direct the superintendent in the matter in connection with which the petition was filed.

Borrowing of money

3132. Whenever in the opinion of the superintendent the liquidation or reorganization of any bank taken in charge by him would be facilitated thereby, or the public interests and the interests of depositors or stockholders would be served thereby, the superintendent shall have power to borrow money in behalf of such bank from the Reconstruction Finance Corporation, or from any other federal agency authorized to lend money to receivers, trustees, liquidating agents, or other agents or supervisory authorities in charge of banks which are closed or in process of liquidation, and with approval of the court, the superintendent may secure such borrowings by the pledge of the assets of any such bank in such manner and amount as may to the superintendent seem necessary, proper, or expedient.

Article 1.5. Stockholders Liability
(Article 1.5 added by Stats. 1951, Ch. 378.)

Stockholder's liability

3135. The stockholders of every banking corporation organized under the laws of the State of California shall be held individually liable, equally and ratably, and not one for another, for all contracts, debts and engagements of such corporation, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares, except that such liability shall not apply with respect to shares issued on and after October 25, 1933, in any such corporation whose deposits are insured by the Federal Deposit Insurance Corporation pursuant to the Federal Reserve Act as amended.

(Added by Stats. 1951, Ch. 378.)

31 U. S. C., §409 Transferor's liability

3136. The stockholders in any banking corporation organized under the laws of the State of California who shall have transferred their shares or registered the transfer thereof within 60 days next preceding the date upon which the superintendent shall have taken possession of the property, business

and assets, of such banking corporation, or who shall have so transferred or registered their shares with knowledge of impending failure, shall be liable to the same extent as if they had made no such transfer, to the extent that the subsequent transferee fails to meet such liability. This section shall not be construed to affect in any way any recourse which such stockholders might otherwise have against those in whose names such shares are registered at the time of the closing or failure of said banking corporation.

(Added by Stats. 1951, Ch. 378.)

Same Executors, etc.

3137. Persons holding stock as executors, administrators, guardians, or trustees, shall not be personally subject to any liabilities as stockholders, but the estates and funds in their hands shall be liable in like manner and to the same extent as the testator, intestate, ward, or person interested in such trust funds, would be if living and competent to act and hold the stock in his own name.

(Added by Stats. 1951, Ch. 378.)

Termination of liability

3138. Any such corporation whose deposits are insured by the Federal Deposit Insurance Corporation pursuant to the Federal Reserve Act, as amended, may, at any time while engaged in conducting the business of banking, terminate the liability imposed upon its stockholders by this article. Such termination of liability shall be effective six months after the corporation complies with all of the following requirements:

(a) Have caused notice in writing of such prospective termination to be served upon the superintendent.

(b) Have caused a copy of such notice to be published in a newspaper of general circulation published in the city or town in which the corporation has its principal place of business, or, if no newspaper of general circulation is published in such city, the notice shall be published in a newspaper of general circulation published in the county in which such principal place of business is located.

(Added by Stats. 1951, Ch. 378.)

Enforcement of liability

3139. Whenever the superintendent shall hereafter take possession of the business and property of any bank doing business in this State, for the purpose of liquidating its affairs, as provided by law, he may at any time during the process of such liquidation, if necessary to pay the debts of such corporation, enforce the individual liability of the stockholders set forth in Sections 3133 to 3137 inclusive. For the purpose of enforcing such liability, the superintendent may call for a ratable assessment upon the stockholders of the bank without previous judicial ascertainment of the necessity for such action, and the action of the superintendent in calling for such assessment shall be conclusive on the stockholders of the necessity for such assessment.

(Added by Stats. 1951, Ch. 378.)

Same Procedure

3140. Any such assessment shall be levied by order of the superintendent under his official seal, which order shall be executed in duplicate, one to be filed in the office of the superin-

tendent and one with the papers in the liquidation proceedings in the county in which said bank shall have been located.

(Added by Stats 1951, Ch. 378)

Levying assessment

3141. The order of the superintendent levying the assessment shall specify the amount of the assessment and shall fix a date on which the assessment shall be due and payable. The date shall not be less than 30, nor more than 60 days from the time of making the order levying the assessment. The assessment shall be payable to the superintendent at his office or at such other places as may be specified in the order levying the assessment.

(Added by Stats. 1951, Ch. 378.)

Notice of assessment

3142. Notice of the assessment shall be given by causing a copy of the order to be personally served on each stockholder, or in lieu of personal service, sent through the mail, postage prepaid, addressed to such stockholder at his place of residence or business, as shown upon the books of the bank, and if not shown, where the principal office of the bank was situated. The copies of the order shall be personally served or placed in the mail within 15 days after the making of the order levying the assessment.

(Added by Stats 1951, Ch. 378.)

Right of action

3143. If any stockholder of the bank fails to pay the assessment in full upon the date specified in the order as the date upon which the assessment shall be due and payable, a right of action shall immediately accrue to the superintendent to recover the amount of the assessment or the amount remaining unpaid thereon from the stockholder or stockholders failing to pay the assessment in full.

(Added by Stats 1951, Ch. 378.)

Same Procedure

3144. The superintendent may maintain actions in this State, or in any other state or country to enforce and collect any sums or amounts due and payable and remaining unpaid upon any assessments from any stockholder or stockholders failing to pay the assessment in full. In any such action the superintendent may join as defendants one or more stockholders. In any such action the superintendent shall have the right of attachment as in other actions upon unsecured debts but the superintendent shall not be required to give bond on attachment or pay filing fees or other court costs.

(Added by Stats 1951, Ch. 378)

Use of funds

3145. All sums collected from any assessment, less the expenses of collection, shall be used by the superintendent against the liquidation of claims in the same manner as the assets of the bank are so used. If the ratable assessment, first made, proves inadequate to pay all of the creditors of the bank in full, the superintendent may levy further assessments, and proceed to collect them in like manner so long as the total of such assessments does not exceed the liability set forth in Section 3135.

Further assessments

(Added by Stats. 1951, Ch. 378.)

3146. If, after the payment of all liabilities against the bank, and the costs and expenses of liquidation, any surplus shall remain, the court in the liquidation proceedings shall determine and provide for any equities as between the respective stockholders, including proportions belonging to each stockholder and of any surplus of any of the assets remaining after payment of all liabilities and the costs and expenses of liquidation by reason of full or partial payment of any such assessment or assessments, and shall direct the payment thereof by the superintendent accordingly. Surplus

(Added by Stats 1951, Ch. 378.)

Article 2. Voluntary Liquidation

3150. Any bank which voluntarily has ceased to do a banking business shall immediately notify the superintendent thereof and shall then proceed to liquidate its affairs. Any deposit or other sum which has not been paid to the person entitled thereto within six months after the bank ceased to conduct a banking business shall be paid into the State Treasury under the provisions of Article 7 of Chapter 6 of Title 10 of Part 3 of the Code of Civil Procedure, and shall be subject to claim or other disposition as provided in said Title 10. If the superintendent has reason to conclude that the liquidation of such bank is not being safely or expeditiously conducted, he may take possession of the business and property of such bank in the same manner and with the same effect and subject to the same rights accorded the bank as if he had taken possession pursuant to the provisions of Article 1 of this chapter, and he may proceed to liquidate its affairs in the same manner as provided in said Article 1. When such bank has been completely liquidated, its corporate existence shall be dissolved in the manner provided by law. Ceasing to do business

(Amended by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION]

3150 Any bank which voluntarily has ceased to do a banking business shall immediately notify the superintendent thereof and shall then proceed to liquidate its affairs. Any deposit or other sum which has not been paid to the person entitled thereto within six months after the bank ceased to conduct a banking business shall be paid into the State Treasury in the manner and for the purposes provided in Section 3121. If the superintendent has reason to conclude that the liquidation of such bank is not being safely or expeditiously conducted he may take possession of the business and property of such bank in the same manner and with the same effect and subject to the same rights accorded the bank as if he had taken possession pursuant to the provisions of Article 1 of this chapter and proceed to liquidate its affairs in the same manner as provided in Article 1 of this chapter. When such bank has been completely liquidated its corporate existence shall be dissolved in the manner provided by law.

NOTE: This section was also amended by Stats 1951, Ch. 534, as follows:

3150 Any bank which voluntarily has ceased to do a banking business shall immediately notify the superintendent thereof and shall then proceed to liquidate its affairs Any deposit or other sum which has not been paid to the person entitled thereto within six months after the bank

ceased to conduct a banking business except when such bank has sold all or substantially all of its assets to another bank and the purchasing bank has assumed the liability for such deposits, shall be paid into the State Treasury in the manner and for the purposes provided in Section 3121. If the superintendent has reason to conclude that the liquidation of such bank is not being safely or expeditiously conducted he may take possession of the business and property of such bank in the same manner and with the same effect and subject to the same rights accorded the bank as if he had taken possession pursuant to the provisions of Article 1 of this chapter and proceed to liquidate its affairs in the same manner as provided in Article 1 of this chapter. When such bank has been completely liquidated its corporate existence shall be dissolved in the manner provided by law.

Article 3. Disposal of Unclaimed Trust Property

Unclaimed money, etc.

3160. Whenever any bank or trust company is being liquidated or whenever the trust business of any bank or trust company has been discontinued and the bank or trust company has in its possession money or other property held by it in trust or for safekeeping and the beneficiaries or persons entitled thereto are unknown or cannot be found, the superintendent or the bank or trust company, upon obtaining approval of the superior court of the county in which the liquidation proceedings are pending or in which the head office of such trust company or bank is situated, may:

(a) In the case of money, deliver the same to the State Treasurer;

(b) In the case of other property, deliver the same to the State Controller for deposit in the State Treasury.

Delivery to treasurer or controller

3161. Upon the delivery of any money to the State Treasurer or upon the delivery of any property to the State Controller a certified copy of the order of the court approving such delivery shall be given to the State Controller, and upon the delivery of any money to the State Treasurer a notice giving the amount so delivered shall be filed with the State Controller. Upon the receipt of any money or other properties, the State Treasurer or the State Controller, as the case may be, shall issue a receipt for the same, and said receipt shall be deemed a voucher in favor of the bank or trust company the same as though executed by the beneficiary or other person entitled thereto.

Deposit in State Treasury

3162. All money or other property delivered to the State Treasurer or State Controller pursuant to this article shall be deemed to be so delivered for deposit in the State Treasury under the provisions of Article 8 of Chapter 6 of Title 10 of Part 3 of the Code of Civil Procedure, and shall be subject to claim or other disposition as provided in said Title 10.

(Amended by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION]

3162. All money received by the State Treasurer pursuant to this article shall be deposited in the School Land Fund. All money or other property deposited pursuant to this article shall be reported to and accounted for by the State Controller.

State Treasurer as substituted trustee

3163. Whenever any bank or trust company is being liquidated or whenever the trust business has been discontinued by any bank or trust company and such bank or trust company has in its possession money or other property held by it in trust or for safekeeping and a new or substituted trustee or bailee cannot be obtained, the superior court of the county in which the liquidation proceedings are pending or in which the head office of such bank or trust company is situated may by appropriate order designate the State Treasurer to act as a new or substituted trustee or bailee for such trust company or bank.

(Amended and renumbered by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION, REPEALED BY STATS 1951, CH. 1708, READ AS FOLLOWS]

3163. Any person who claims any money or property so deposited with the State Treasurer may file a verified petition in the Superior Court for the County of Sacramento, stating facts sufficient for the court to determine his right thereto At least 20 days before the hearing of the petition a copy of the petition and notice of hearing shall be served on the Attorney General, who may answer the same at his discretion. If upon a hearing the court is satisfied of the claimant's right or title to the property or money claimed, it shall grant him an order to that effect. Upon the presentation of a certified copy of such order, the State Controller shall draw his warrant on the State Treasurer for the amount of money covered thereby and if the order covers any property, upon presentation of a certified copy of such order the State Controller shall direct the State Treasurer to deliver the property to the claimant and the order shall serve as sufficient authority for the delivery of the property to the claimant.

3164. (Repealed by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION]

3164. Whenever the money claimed by any person or the total value of property or property and money claimed by any person is less than five hundred dollars ($500), any such claimant, in lieu of filing the petition provided for in Section 3163, may present his claim for the money or other property to the State Board of Control stating facts sufficient for the board to determine his right thereto. The board in its discretion and upon recommendation of the Attorney General may allow such claim and order the money paid or the property delivered to the claimant.

3165. (Repealed by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION]

3165 Whenever any payment has been made or any property delivered pursuant to the provisions of this article to any claimant no suit shall thereafter be maintained by any other claimant against the State or any officer thereof for or on account of such money or property.

3166. (Repealed by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION, AS ADDED BY STATS. 1951, CH. 380, READ AS FOLLOWS]

3166 There is hereby appropriated out of the School Land Fund such moneys as may be necessary to pay the warrants drawn by the State Controller upon presentation of the order of the superior court or upon presentation of the order of the State Board of Control for the payment of a claim allowed by it issued pursuant to the provisions of this article

3167. (Repealed by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION]

3167 Money or other property deposited with the State Treasurer under the provisions of this article, if not claimed by the person or persons entitled thereto within five years from the date of such deposit, shall become

the property of the State by escheat and the Attorney General shall commence a proceeding on behalf of the State in accordance with the provisions of Section 1268 of the Code of Civil Procedure to have it adjudged that the title to such property has vested in the State Upon the escheat of any such money or property the money and proceeds from the property shall be disposed of in the same manner as is provided by law for the disposal of estates of deceased persons which have escheated

3168. (Amended and renumbered Sec 3163 by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION]

3168 Whenever any bank or trust company is being liquidated or whenever the trust business has been discontinued by any bank or trust company and such bank or trust company has in its possession money or other property held by it in trust or for safekeeping and a new or substituted trustee or bailee cannot be obtained, the superior court of the county in which the liquidation proceedings are pending or in which the head office of such bank or trust company is situated may by appropriate order designate the State Treasurer to act as a new or substituted trustee or bailee for such trust company or bank.

Article 4. Conservatorship

Conservator

3180. Whenever the superintendent deems it necessary in order to conserve the assets of any bank for the benefit of the depositors and other creditors, he may appoint a conservator of such bank and require of him such bond as he deems proper. The conservator, under the direction of the superintendent, shall take possession of the books, records, and assets of every description of such bank and take such action as he may deem necessary to conserve the assets of such bank pending further disposition of its business.

Powers

3181. A conservator so appointed has all of the powers and rights with relation to the business and the property of the bank for which he is appointed conservator as are possessed by the superintendent under Article 1 of this chapter with relation to a bank of which he has taken possession and the conservator is subject to the same obligations as are imposed upon the superintendent under that article. Upon the appointment of a conservator the bank shall have the same rights as are granted by Sections 3101 and 3102 hereof to a bank whose business and assets have been taken possession of by the superintendent. During the time that the conservator remains in possession of such bank the rights of the bank and of all persons with respect thereto, subject to the other provisions of this article, are the same as if the superintendent had taken possession of the property and business of such bank for the purposes of liquidation. All expenses of any such conservatorship shall be paid out of the assets of the bank and shall be a lien thereon which shall be prior to any other lien. The conservator shall receive a salary in an amount no greater than that which would be paid by the superintendent to a special deputy in charge of the liquidation of a bank.

Examination of bank

3182. The superintendent shall cause to be made and completed at the earliest possible date such an examination of

the affairs of a bank for which he has appointed a conservator as shall be necessary to inform him as to its financial condition.

Payments

3183. While any bank is in the hands of a conservator the superintendent may require the conservator to set aside and make available for withdrawal by depositors and for payment to other creditors on a ratable basis such amounts as in the opinion of the superintendent may safely be used for that purpose.

Receipt of deposits

3184. The superintendent in his discretion may permit the conservator to receive deposits but any deposits received while the bank is in the hands of a conservator shall be held as trust funds and shall not be subject to any limitation as to payment or withdrawal. Such deposits shall be segregated and shall not be used to liquidate any indebtedness of such bank existing at the time such conservator was appointed or for the payment of any later indebtedness incurred for the purpose of liquidating any indebtedness of such bank existing at the time such conservator was appointed. Such deposits shall be kept on hand in cash, invested in direct obligations of the United States, or deposited with the Federal Reserve Bank.

Terminating conservatorship

3185. If the superintendent becomes satisfied that it may safely be done and that it would be in the public interest he may terminate the conservatorship and permit the bank for whom a conservator was appointed to resume the transaction of its business under direction of its board of directors, subject to such terms, conditions, restrictions, and limitations as he may prescribe.

Notice

3186. In any case in which a bank for which a conservator has been appointed has been permitted to accept deposits since the appointment of a conservator, the conservator, before the date upon which the bank may be permitted to resume business under direction of its board of directors, shall cause to be published in a newspaper selected by him as most likely to give proper notice, a notice giving the date on which the affairs of the bank will be returned to its board of directors and stating that the provisions of Section 3184 hereof will not be effective after 30 days from such date. The form of such notice and the newspaper in which the same is to be published shall be first approved by the superintendent. On the date of the publication of such notice the conservator shall mail to every person who made any deposit in such bank after the date of the appointment of the conservator a copy of such notice addressed to such person at the address appearing upon the books of the bank and shall mail a similar notice to every person making a deposit in the bank after the date of the publication of such notice and prior to the time when the affairs of the bank are returned to its board of directors.

Costs of administration

3187. The superintendent is authorized to assess and collect from all banks as may become subject to the provisions of this article their ratable share of the costs incurred in the administration thereof.

Article 5. Reorganization

Reorganization

3200. Any bank, including a bank of which the superintendent has taken possession pursuant to Article 1 hereof or a bank for which a conservator has been appointed pursuant to Article 4 hereof may be reorganized under a plan which requires the consent:

(a) Of depositors and other creditors of such bank representing at least 75 percent in amount of its total deposits and other liabilities as shown by the books of the bank, excluding deposits and other liabilities which are to be satisfied in full under the provisions of the plan; or

(b) Of stockholders owning at least two-thirds of the outstanding capital stock as shown by the books of the bank; or

(c) Of depositors and other creditors of such bank representing at least 75 percent in amount of its total deposits and other liabilities as shown by the books of the bank, excluding deposits and other liabilities which are to be satisfied in full under the provisions of the plan, and of stockholders owning at least two-thirds of its outstanding capital stock as shown by the books of the bank.

Notice

3201. All depositors, creditors, stockholders, and other interested persons shall be given notice of any proposed plan of reorganization in such manner and at such times as the superintendent directs.

Plan

3202. No plan of reorganization shall become effective until the superintendent finds that the plan is fair and equitable to all depositors, creditors, and stockholders and is in the public interest and until he approves the same in writing, subject to such conditions, restrictions, and limitations as he may prescribe.

Secured creditors

3203. No creditor having security for the payment of his claim shall be affected in his right to enforce such security by the provisions of any plan for the reorganization of any such bank. Any plan of reorganization involving the reduction of claims of creditors, as to secured creditors, shall apply to the amounts of their claims against any such bank after the security has been realized upon.

Effective, books, provisions, etc

3204. When any plan of reorganization becomes effective all books, records, and assets of such bank shall be disposed of in accordance with the provisions of the plan and the affairs of the bank shall be conducted by its board of directors in the manner provided by the plan and under the conditions, restrictions, and limitations which may have been prescribed by the superintendent. When any plan of reorganization adopted and approved as herein provided becomes effective all depositors and other creditors and stockholders of the bank, whether or not they have consented to the plan of reorganization, shall be fully and in all respects subject to and bound by its provisions and claims of all depositors and other creditors shall be treated as if they had consented to the plan of reorganization.

Article 6. Liquidation of Insured Banks

Receiver· Federal Deposit Insurance Corporation

3220. The Federal Deposit Insurance Corporation, in this article called the corporation, may be and act as the receiver without bond of any bank the deposits of which are to any extent insured by the corporation and which bank has been closed for the purpose of liquidation without adequate provision being made for the payment of its depositors.

Tender of appointment

3221. The superintendent, when he has taken possession of the property and assets of a closed insured bank for the purpose of liquidation and if he deems it advisable, may tender to the corporation the appointment as receiver of such bank.

Acceptance

3222. If the corporation accepts the appointment as such receiver, the rights of depositors and other creditors of the insured bank shall be determined in accordance with the applicable provisions of the laws of this State.

Powers

3223. The corporation as such receiver shall possess with respect to such closed insured bank all the powers, rights, and privileges given the superintendent under Article 1 of this chapter with respect to the liquidation of a bank the property and assets of which he has taken possession, except insofar as the same may be in conflict with the provisions of subsection (*l*) of Section 12B of the Federal Reserve Act.

Subrogation

3224. If the corporation pays or makes available for payment the insured deposit liabilities of a closed insured bank, the corporation, whether or not it has become receiver, shall be subrogated by operation of law to all rights against such closed insured bank of the owners of such deposits in the same manner and to the same extent as subrogation of the corporation is provided for in subsection (1) (7) of Section 12B of the Federal Reserve Act, as amended, in the case of a closed national bank.

Sale of assets

3225. When acting as the receiver of a closed insured bank, the corporation with the consent of the superintendent and the approval of the court may sell to the corporation any part or all of the assets of the bank or borrow from the corporation and furnish any part or all of the assets of the bank as security for the loan.

Article 7. Priorities

Negotiable instruments

3240. The holder or transferor of a negotiable instrument transferred to a bank for collection has a preferred claim in the amount of the liability of such bank on such instrument if the instrument was forwarded to the bank by any person or by any other bank for collection and remittance, if payment therefor has not been made and if the same has been collected either in whole or in part by such bank, unless the holder or transferor is a voluntary depositor in the bank and the proceeds of the collection, at his request, have been credited by the bank to his account.

Shareholders

3241. Upon the liquidation of any bank whose shareholders are ratably liable for its contracts, debts, and engagements under Chapter 196 of the Statutes of 1931, as amended, any

shareholder thereof who is also a depositor shall be accorded the same rights and priorities as any other depositor when he has paid all assessments levied upon him pursuant to the provisions of said chapter.

Article 1. Miscellaneous Offenses

Felony
Pay for procuring loans, etc

3350. Any director, officer, or employee of a bank or of a foreign banking corporation who asks for or receives, or consents or agrees to receive any commission, emolument, or gratuity or any money, property, or thing of value for his own personal benefit or of personal advantage for procuring or endeavoring to procure for any person any loan from such bank, or the purchase or discount of any note, draft, check, bill of exchange, or other obligation by such bank, or for permitting any person to overdraw any account with such bank, is guilty of a felony.

Overdrawing account

3351. Any director, officer, or employee of a bank who knowingly overdraws his account with such bank and thereby obtains the funds of such bank is guilty of a felony

Defrauding

3352. Any director, officer, agent, or employee of any bank who knowingly receives or possesses himself of any of its property otherwise than in payment of a just demand, and with intent to defraud, omits to make or cause to be made a full and true entry thereof in its books and accounts or concurs in omitting to make any material entry thereof is guilty of a felony.

False statements, etc

3353. Any director, officer, agent, or employee of a bank who knowingly concurs in making or publishing any written report, exhibit, or statement of its affairs or pecuniary condition containing any material statement which is false, or having the custody of its books wilfully refuses or neglects to make any proper entry in such books as required by law, or to exhibit or allow the same to be inspected or extracts to be taken therefrom by the superintendent or his deputies or examiners, is guilty of a felony.

Prohibitions
Purchases from director, etc

3354. No bank shall purchase any real property or any contract arising from the sale of real property or any note or bond in which any director, officer, employee, or controlling stockholder of such bank is personally or financially interested, directly or indirectly, for his own account, for himself, or as the partner or agent of others, without first obtaining the written consent of the superintendent.

Purchases from bank

3355. No officer, director, agent, or employee of a bank shall purchase, directly or indirectly, or be interested in the purchase of, any of the bank's assets for an amount less than the then current market value thereof. Every person violating this section shall be liable to the people of this State, for each offense, for twice the market value of the assets so purchased.

Purchase of bank's obligations or assets

3356. No director, officer, agent, or employee of a bank shall purchase, directly or indirectly, or be interested in the purchase of any of the bank's obligations or assets for an amount less than the face value thereof, unless all the directors of such bank previously approve such purchase by resolution, and a

copy of such resolution is transmitted to the superintendent immediately after adoption. Every person violating this section shall be liable to the people of the State, for each offense, for twice the face value of the assets so purchased.

Actions

3357. Whenever by the terms of this division a penalty, liability, or forfeiture is imposed, such penalty, liability, or forfeiture shall be recovered in an action brought at the request of the superintendent, by the Attorney General, in the name of the people of the State, and the sum recovered shall be paid into the State Banking Fund and used in payment of claims against such fund. Any pecuniary penalty incurred by any bank or person because of the violation of any provision of this division may be compromised and a less amount than that prescribed by this division may be accepted by the superintendent at any time prior to the institution of action to recover the same.

Statements

3358. No bank shall advertise in any manner or publish any statement of the capital authorized or subscribed unless it advertise and publish in connection therewith the amount of capital actually paid in. No bank shall publish a statement of its resources or liabilities in connection with those of any other bank, unless such statement shall show the resources and liabilities of each bank separately. No bank shall in any published statement show its surplus and undivided profits as an aggregate amount.

Investing in own stock

3359. A bank shall not purchase or invest in the shares of its own capital stock or loan on the security of the shares of its own capital stock unless such purchase or loan shall be necessary to prevent loss to the bank on debts previously contracted in good faith. A bank violating this section shall be liable to the people of the State for twice the market or par value of the stock, whichever is greater.

"Bank"

3360. The term "bank" wherever used in this article includes trust companies and foreign banking corporations doing business in this State.

Misapplication of funds, credits, etc

3361. Any officer, director, trustee, employee, or agent of any bank in this State, who abstracts or wilfully misapplies any of the money, funds, or property of the bank, or wilfully misapplies its credit, is guilty of a felony. Nothing in this section shall be deemed or construed to repeal, amend or impair any existing provision of law prescribing a punishment for any such offense.

Directors

3362. Every director of a bank in this State who:

Fraudulent insolvency

(a) In case of the fraudulent insolvency of such bank, shall have participated in such fraud; or

Illegal acts omissions

(b) Wilfully does any act as such director which is expressly forbidden by law or wilfully omits to perform any duty imposed upon him as such director by law, is guilty of a misdemeanor.

The insolvency of a bank is deemed fraudulent for the purposes of this section, unless its affairs appear upon investigation to have been administered clearly, legally, and with the

same care and diligence that agents receiving a compensation for their services are bound, by law, to observe.

Fraudulent guaranty or endorsement

3363. An officer or agent of any bank in this State, who makes or delivers any guaranty or endorsement on behalf of such bank, whereby it may become liable upon any of its discounted notes, bills or obligations, in a sum beyond the amount of loans and discounts which such bank may legally make, is guilty of a misdemeanor.

Director, Participation in unlawful loan

3364. A director of a bank, organized under the laws of this State, who concurs in any vote or act of the directors of such corporation, or any of them, by which it is intended to make a loan or discount to any director of such corporation, or upon paper upon which any such director is liable or responsible to an amount exceeding the amount allowed by the statutes is guilty of a misdemeanor.

Deposits on condition of loan or advance

3365. Any director, trustee, officer or employee of any bank organized under the laws of this State, who makes or maintains, or attempts to make or maintain, a deposit of such bank's funds with any other corporation on condition, or with the understanding, express or implied, that the corporation receiving such deposit make a loan or advance, directly or indirectly, to any director, trustee, officer or employee of the corporation so making or maintaining or attempting to make or maintain such deposit is guilty of a misdemeanor.

Concealing transactions

3366. Any officer or employee of any bank organized under the laws of this State, who intentionally conceals from the directors or trustees of the bank any discounts or loans made by it between the regular meetings of its board of directors or trustees, or the purchase of any securities or the sale of its securities during that period, or knowingly fails to report to the board of directors or trustees when required to do so by law, all discounts or loans made by it and all securities purchased or sold by it between the regular meetings of its board of directors or trustees, is guilty of a misdemeanor.

Accepting deposits when insolvent

3367. Every officer, agent, teller, or clerk of any bank, and every individual banker, or agent, teller, or clerk of any individual banker, who receives any deposits, knowing that the bank, or association, or banker is insolvent, is guilty of a misdemeanor.

False entries

3368. Any officer, director, trustee, employee, or agent of any bank, who wilfully makes a false or untrue entry in any book or record or in any report, tag, or statement of the business, affairs, or condition or in connection with any transaction of such bank, with intent to deceive any officer, director or trustee thereof, or any agent or examiner, private, or official, employed or lawfully appointed to examine into its condition or into any of its affairs or transactions, or any public officer, office, or board to which such bank is required by law to report, or which has authority by law to examine into its affairs or transactions, or into any of its affairs or transactions, or who, with like intent, wilfully omits to make a new entry of any matter particularly pertaining to the business, property, con-

dition, affairs, transactions, assets, or accounts of such bank in any book, record, report, statement, or tag of such bank, or who with like intent alters, abstracts, conceals, or destroys any book, record, report, statement, or tag of such bank made, written, or kept, or required to be made, written, or kept by him or under his direction, is guilty of a felony.

False rumors

3369. Any person who wilfully and knowingly makes, circulates, or transmits to another or others, any statement or rumor, written, printed, or by word of mouth, which is untrue in fact and is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of any bank doing business in this State, or who knowingly counsels, aids, procures, or induces another to start, transmit, or circulate any such statement or rumor, is guilty of a misdemeanor punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than one year, or both.

Article 2. Loans to Officers, Directors, and Employees

Loans to corporations in which an officer is an officer, etc

3370. A bank shall not make any loan to any officer of the bank, directly or indirectly, or to any corporation in which such officer is a stockholder, director, officer, or employee or to any partnership of which such officer is a partner, or for the benefit of such officer or on the endorsement, surety, or guaranty of such officer, except as follows:

Exceptions

A loan may be made to a corporation of which the officer is a director or a minority stockholder if:

(a) The loan is authorized or is confirmed within 40 days after the same is made by a majority of all of the directors of such bank and the affirmative vote of all directors of such bank present at the meeting authorizing or confirming such loan; and

(b) If the officer is a director of such corporation or owns, directly or indirectly, more than 10 percent of the stock of such corporation or if two or more directors or officers of the bank own more than 20 percent of the capital stock of such corporation, the loan is reported to the superintendent in the manner provided in Section 3374.

(Amended by Stats 1951, Ch. 456.)

[ORIGINAL SECTION]

3370 A bank shall not make any loan to any officer of the bank, directly or indirectly, or to any corporation in which such officer is a stockholder, director, officer, or employee or to any partnership of which such officer is a partner, or for the benefit of such officer or on the endorsement, surety, or guaranty of such officer, except as follows:

A loan may be made to a corporation of which the officer is a minority stockholder if

(a) The loan is authorized or is confirmed within 40 days after the same is made by a majority of all of the directors of such bank and the affirmative vote of all directors of such bank present at the meeting authorizing or confirming such loan; and

(b) If the officer owns, directly or indirectly, more than 10 percent of the stock of such corporation or if two or more directors or officers of the bank own more than 20 percent of the capital stock of such corporation, the loan is reported to the superintendent in the manner provided in Section 3374.

Loans to corporations

3371. A bank shall not make any loan to a director of the bank, directly or indirectly, or to any corporation of which such director is a stockholder, officer, or employee or to any partnership of which such director is a partner or on the endorsement, surety, or guaranty of such director unless:

(a) The loan is secured by obligations of the United States or for the payment of which the faith and credit of the United States are pledged, obligations of the State of California or for the payment of which the faith and credit of the State of California are pledged, or bonds of any city, county, city and county, metropolitan water district, or school district of the State of California; or

(b) The loan is to a corporation of which such director is a stockholder, officer, or director and such director does not own more than 10 percent of the capital stock of the corporation and no two or more officers or directors of the bank together own more than 20 percent of the capital stock of the corporation; or

(c) The loan is authorized or is confirmed within 40 days after the same is made by a majority of all of the directors of the bank and the affirmative vote of all directors of the bank present at the meeting authorizing or confirming the loan other than the interested director who shall not vote or participate in any manner in the action of the board authorizing or confirming the loan, except that with the consent of the superintendent previously obtained in writing all directors may vote on such a loan made to any corporation or bank where all of the outstanding shares of stock of one are owned by or held in trust for the owners of not less than 90 percent of the outstanding shares of stock of the other and where all or a majority of the directors of the borrowing corporation or bank are directors of the loaning bank, and if such loan is reported to the superintendent as provided in Section 3374.

Same: Employees

3372. A bank shall not make a loan to any employee of the bank, directly or indirectly, or to any corporation in which such employee or such employee together with one or more directors, employees, or officers of the bank own a controlling interest or to any partnership in which such employee is a partner, or on the surety, guaranty, or endorsement of such employee, unless:

(a) The loan, together with any previous loans to such employee or to any such partnership or corporation, does not exceed two thousand five hundred dollars ($2,500);

(b) The loan is secured by obligations of the United States or for the payment of which the faith and credit of the United States are pledged, or obligations of the State of California or for the payment of which the faith and credit of the State of California are pledged, or bonds of any city, county, city and county, metropolitan water district, or school district of the State of California; or

(c) The loan is authorized or confirmed by the vote of a majority of all of the directors of the bank and the affirmative vote of all directors of the bank present at the meeting authorizing or confirming such loan.

"Loan" 3373. For the purpose of this article "loan" includes any extension of credit. The board of directors of the bank may fix the aggregate amount of credit which may be extended during a given period not in excess of 12 months to any borrower pursuant to this article. Such bank may make advances and renewals pursuant to the board's authorization without further action by the board.

Report of loan 3374. Whenever a bank is required to report a loan to the superintendent such report shall show the following information in form satisfactory to him:

(a) Name of the borrower;

(b) Name of each director or officer interested and the extent of his interest. If to a corporation, the number of shares outstanding of the borrowing corporation and the number of shares owned by any officer or director of the bank;

(c) Amount, date, maturity, and interest rate of the loan;

(d) Description of security, if any;

(e) Names of directors who voted to authorize or ratify the loan.

The action of the board of directors in authorizing, confirming, or refusing to confirm such loan shall be reported to the superintendent within five days after the time when the board of directors authorizes, confirms, or refuses to confirm the same, and in any event the fact of the making of the loan shall be reported to the superintendent within 45 days after the same is made. When any loan required to be reported to the superintendent is paid, the bank shall report such fact and the date thereof to the superintendent.

Loans to corporation owned or controlled by directors 3375. A bank shall not make a loan to any corporation a majority of the stock of which is owned or controlled by any one or more of the directors or by one or more of the directors together with one or more officers of such bank collectively except with the previous consent of the superintendent.

Penalties 3376. Any bank which makes a loan in violation of this article is liable to a fine of not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000) for each offense. Any director, officer, or employee of a bank who knowingly makes or procures a loan in violation of this article is guilty of a felony. Any bank, which, when required to report any loan to the superintendent, fails or neglects to make such report or fails or neglects to report the required information shall be liable to the people of the State in the amount of twenty-five dollars ($25) per day for each day or part thereof during which such failure or neglect continues.

Loans to nonprofit corporations, etc 3377. A bank may make a loan, otherwise complying with the provisions of this division, to a nonprofit corporation or association engaged in religious, charitable, educational, scientific, literary, social, or recreational purposes notwithstanding that one or more directors, officers, or employees of such bank are directors, officers, employees, or members of such nonprofit corporation or association serving without compensation.

Loans to officers, directors, etc

3378. In making any loan to an officer, director, or employee pursuant to this article, the bank shall comply with all other applicable provisions of this division relating to loans by banks.

Article 3. Banking Business by Unauthorized Persons

Unauthorized banking

3390. No person which has not received a certificate from the superintendent authorizing it to engage in the banking business shall solicit or receive deposits, issue certificates of deposit with or without provision for interest, make payments on check, or transact business in the way or manner of a commercial bank, savings bank, or trust company.

Advertising

3391. No person which has not received a certificate from the superintendent authorizing it to engage in the banking business shall advertise that it is accepting deposits, and issuing notes or certificates therefor, or make use of any office sign, at the place where its business is transacted, having thereon any artificial or corporate name, or other words indicating that such place or office is the place or office of a bank or trust company, that deposits are received there or payments made on check, or any other form of banking business transacted, nor shall any such person make use of or circulate any letterheads, billheads, blank notes, blank receipts, certificates, or circulars, or any written or printed paper, whatever, having thereon any artificial or corporate name or other words indicating that such business is the business of a bank, commercial bank, savings bank, or trust company, or transact business in such a way or manner as to lead the public to believe that its business is that of a bank or trust company, except to the extent expressly authorized by this division.

Use of word "bank," etc

3392. No person which has not received a certificate from the superintendent authorizing it to engage in the banking business shall transact business under any name or title which contains the word "bank" or "banker" or "banking" or "savings bank" or "trust" or "trustee" or "trust company" and which indicates that such business is the business of a bank or trust company. Any building and loan association or savings and loan association having in its corporate name words not clearly indicating the nature of its business shall state, on all signs, letterheads, and advertising matter, "This is a building and loan association" or "This is a savings and loan association" or words to that effect.

Building and loan associations

3393. Any building and loan association may issue shares and investment certificates and do such other business as may be authorized by the laws of the State relating to building and loan associations, but no building and loan association shall advertise or hold itself out to the public as a savings bank.

Savings banks

3394. No bank which has not received a certificate authorizing it to engage in the savings bank business shall advertise or put forth a sign as a savings bank, or directly or indirectly solicit or receive deposits or transact business in the way or

manner of a savings bank, or advertise that it is receiving or accepting savings, or do anything which might lead the public to believe that deposits are received or invested under the same conditions or in the same manner as deposits in savings banks.

Penalties

3395. Any person or any bank violating any provision of the foregoing sections of this article shall be liable to the people of the State in the amount of one hundred dollars ($100) a day or part thereof during which such violation continues. Any court of competent jurisdiction in a proceeding brought by the superintendent may enjoin any person from using words in violation of the provisions of this article or from transacting business in violation of this division or in such a way or manner as to lead the public to believe that its business is that of a bank, commercial bank, savings bank, or trust company.

Advertising

3396. No person shall represent by advertisement, circular, or otherwise, or in any manner mislead anyone to believe, that any securities are legal investments for savings banks in this State or conform to the requirements of law relating to such investments, unless such securities are in fact at such time legal investments for such banks or do in fact so conform to such requirements or, unless such person, in making such representation, has acted in good faith and in reliance upon a certificate issued by the superintendent pursuant to Section 1371 issued within one year, upon published reports of the public or private corporations issuing such securities, upon information furnished by a public official in his official capacity or upon information furnished by any established statistical agency approved for this purpose by the superintendent. Any person violating the provisions of this section shall be guilty of a misdemeanor and shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment in a county jail not exceeding one year, or by both such fine and imprisonment.

(Amended by Stats. 1951, Ch. 480.)

[ORIGINAL SECTION]

3396 No person shall represent by advertisement, circular, or otherwise, or in any manner mislead anyone to believe, that any securities are legal investments for savings banks in this State or conform to the requirements of law relating to such investments, unless such securities are in fact at such time legal investments for such banks or do in fact so conform to such requirements. Any person violating the provisions of this section shall be guilty of a misdemeanor and shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment in a county jail not exceeding one year, or by both such fine and imprisonment.

CHAPTER 19. INTERNATIONAL BANKING

"Corporation"

3500. As used in this chapter, unless the context otherwise requires, "corporation" means a corporation organized pursuant to this chapter.

International banking corporations

3501. When authorized by the previous written consent of the superintendent as provided by Chapter 3 of this division three or more persons may organize a corporation for the purpose of engaging in international or foreign banking or other international or foreign financial operations,

or in banking or other financial operations in a dependency or insular possession of the United States, either directly or through the agency, ownership, or control of local institutions in foreign countries, or in such dependencies or insular possessions as provided by this chapter, and to act when required by the Secretary of the Treasury of the United States as fiscal agents of the United States.

Articles

3502. The articles of incorporation shall specify in general terms the objects for which the association is formed and may contain any other provisions not inconsistent with law which the corporation may see fit to adopt for the regulation of its business and the conduct of its affairs.

Organization certificate

3503. The articles of incorporation shall be signed by all of the persons intending to participate in the organization of the corporation and, thereafter, shall be forwarded to the superintendent and shall be filed and preserved in his office. The persons signing the articles of incorporation shall, under their hands, make an organization certificate which shall specifically state:

(a) The name assumed by the corporation, which shall be subject to the approval of the superintendent.

(b) The place or places where its operations are to be carried on.

(c) The place in the State of California where its main office is to be located.

(d) The amount of its capital stock and the number of shares into which it shall be divided.

(e) The names and places of business or residence of the persons executing the certificate and the number of shares to which each has subscribed.

(f) The fact that the certificate is made to enable the persons subscribing the same, and all other persons, firms, companies, and corporations, who or which may thereafter subscribe to or purchase shares of the capital stock of the corporation, to avail themselves of the advantages of this chapter.

Powers

3504. Each corporation shall have power, under such rules and regulations as the superintendent may prescribe:

(a) To purchase, sell, discount, and negotiate, with or without its endorsement or guaranty, notes, drafts, checks, bills of exchange, acceptances, including bankers' acceptances, cable transfers, and other evidences of indebtedness; to purchase and sell, with or without its endorsement or guaranty, securities, including the obligations of the United States or of any state thereof but not including shares of stock in any corporation except as herein provided; to accept bills or drafts drawn upon it subject to such limitations and restrictions as the superintendent may impose; to issue letters of credit; to purchase and sell coin, bullion, and exchange; to borrow and to lend money; to issue debentures, bonds, and promissory notes under such general conditions as to security and such limitations as the superintendent may prescribe, but in no event having liabilities outstanding thereon at any one time exceeding 10

times its capital stock and surplus; to receive deposits outside of the United States and to receive only such deposits in this State or in any other state of the United States as may be incidental to or for the purpose of carrying out transactions in foreign countries or dependencies or insular possessions of the United States.

(b) Generally, to exercise such powers as are incidental to the powers conferred by this chapter or as may be usual, in the determination of the superintendent, in connection with the transaction of the business of banking or other financial operations in the countries, colonies, dependencies, or possessions in which it shall transact business and not inconsistent with the power specifically granted herein. Nothing contained in this chapter shall be construed to prohibit the superintendent, under his power to prescribe rules and regulations, from limiting the aggregate amount of liabilities of any or all classes incurred by the corporation and outstanding at any one time. Whenever a corporation receives deposits in the United States authorized by this chapter it shall carry reserves in such amounts as the superintendent may prescribe, but in no event less than 10 per centum of its deposits.

(c) To establish and maintain for the transaction of its business branches or agencies in foreign countries, their dependencies or colonies, and in any state of the United States, and in the dependencies or insular possessions of the United States, at such places as may be approved by the superintendent and under such rules and regulations as he may prescribe, including any state of the United States, or countries or dependencies not specified in the original organization certificate.

(d) With the consent of the superintendent to purchase and hold stock or other certificates of ownership in any other corporation organized under the provisions of this chapter, or under the laws of any foreign country or a colony of dependency thereof, or under the laws of any state, dependency or insular possession of the United States but not engaged in the general business of buying or selling goods, wares, merchandise, or commodities in the United States, and not transacting any business in the United States except such as in the judgment of the superintendent may be incidental to its international or foreign business.

Investments

3505. Except with the approval of the superintendent, no corporation shall invest in any one corporation an amount in excess of 10 per centum of its own capital and surplus, except in a corporation engaged in the business of banking, when 15 per centum of its capital and surplus may be so invested.

Stock ownership

3506. No corporation shall purchase, own, or hold stock or certificates of ownership in any other corporation organized under this chapter or under the laws of any state which is in substantial competition therewith, or which holds stock or certificates of ownership in corporations which are in substantial competition with the purchasing corporation.

Same

3507. Nothing contained in this chapter shall prevent corporations from purchasing and holding stock in any corporation where such purchase shall be necessary to prevent a loss upon a debt previously contracted in good faith; and stock so purchased or acquired in corporations shall within six months from such purchase be sold or disposed of at public or private sale unless the time to so dispose of same is extended by the superintendent as provided by Section 762.

Business in United States

3508. No corporation shall carry on any part of its business in the United States except such as, in the judgment of the superintendent, shall be incidental to its international or foreign business. Except such as is incidental and preliminary to its organization no corporation shall exercise any of the powers conferred by this chapter until it has been duly authorized by the superintendent to commence business as a corporation organized under the Corporations Code and the provisions of this chapter.

Commerce or commodity trading

3509. No corporation shall engage in commerce or trade in commodities except as specifically provided in this chapter, nor shall it either directly or indirectly control or fix or attempt to control or fix the price of any such commodities. The license of any corporation violating this section shall be subject to forfeiture as provided in this chapter.

Controlling of prices

3510. It shall be unlawful for any director, officer, agent, or employee of any corporation to use or to conspire to use the credit, the funds, or the power of the corporation to fix or control the price of any commodities, and any such person violating this section shall be liable to a fine of not less than one thousand dollars ($1,000) and not exceeding five thousand dollars ($5,000) or imprisonment not less than one year and not exceeding five years, or both, in the discretion of the court.

Capital stock

3511. No corporation shall be organized with a capital stock of less than two million dollars ($2,000,000), one-quarter of which must be paid in before the corporation may be authorized to begin business, and the remainder of the capital stock of the corporation shall be paid in installments of at least 10 per centum of the whole amount to which the corporation shall be limited as frequently as one installment at the end of each succeeding two months from the time of the commencement of its business operations until the whole of the capital stock shall be paid in.

Charter amendments, etc

3512. The right of every corporation to increase or decrease its capital stock, to change the number of its directors, to amend its articles of incorporation, to change its principal place of business, or its name, to extend its corporate existence, or to effect any other organic change shall be governed by the general corporation law of this State and this code, and the procedure to effect any such change shall be that defined by the general corporation law and this code.

Investments

3513. Any bank may invest in the stock of any corporation organized under the provisions of this chapter, but the aggregate amount of stock held in all corporations engaged in

business of the kind described in this chapter and Article 2 of Chapter 5 of this division shall not exceed 10 per centum of the subscribing bank's capital and surplus.

Stock ownership

3514. A majority of the shares of the capital stock of any corporation shall at all times be held and owned by citizens of the United States, by corporations the controlling interest in which is owned by citizens of the United States, chartered under the laws of the United States or of a state of the United States, or by firms or companies, the controlling interest in which is owned by citizens of the United States.

Power of superintendent

3515. Whenever it shall appear to the superintendent that any corporation has violated the provisions of its articles of incorporation or any law of this State, or is conducting its business in an unsafe or unauthorized manner, or if the capital of any such corporation is impaired, or if the corporation shall refuse to submit its books, papers and concerns to the inspection of any examiner of the department or if any officer thereof shall refuse to be examined upon oath touching the concerns of the corporation or if the corporation shall suspend payment of its obligations, or if from any examination or report provided for by this chapter the superintendent shall have reason to conclude that the corporation is in an unsound or unsafe condition to transact the business for which it is organized, or that it is unsafe and inexpedient for it to continue business, or if any corporation shall neglect or refuse to observe any order of the superintendent specified in Sections 661, 1912, or 1913, the superintendent may forthwith take possession of the property and business of such corporation and retain such possession until such corporation shall resume business, or its affairs be finally liquidated as provided by this code for the liquidation of banks.

(Amended by Stats. 1951, Ch. 381.)

[ORIGINAL SECTION]

3515. Whenever it shall appear to the superintendent that any corporation has violated the provisions of its articles of incorporation or any law of this State, or is conducting its business in an unsafe or unauthorized manner, or if the capital of any such corporation is impaired, or if the corporation shall refuse to submit its books, papers and concerns to the inspection of any examiner of the department or if any officer thereof shall refuse to be examined upon oath touching the concerns of the corporation or if the corporation shall suspend payment of its obligations, or if from any examination or report provided for by this chapter the superintendent shall have reason to conclude that the corporation is in an unsound or unsafe condition to transact the business for which it is organized, or that it is unsafe and inexpedient for it to continue business, or if any corporation shall neglect or refuse to observe any order of the superintendent specified in Sections 661, 1912, or 1913, the superintendent may forthwith take possession of the property and business of such corporation and retain such possession until such corporation shall resume business, or its affairs be finally liquidated as provided by this code for the liquidation of banks.

Depositing of funds

3516. No corporation shall deposit any of its funds with any other moneyed corporation unless such other corporation has been nominated and designated as such depositary as provided by Sections 763 and 1255. This limitation shall not apply to the deposit of funds by such corporation with another

moneyed corporation, which owns all or a majority of the capital stock of such corporation.

Holding own shares

3517. No corporation shall be the holder of any shares of its own capital stock unless such stock shall have been taken to prevent loss upon a debt previously contracted in good faith, and stock so acquired shall, within six months from the time of its acquisition, be sold or disposed of at public or private sale.

Discounts

3518. No corporation shall, either directly or indirectly, make any discount to any person for the purpose of enabling him to pay for or hold shares of its stock either subscribed for or purchased by him. Any corporation making any such discount shall forfeit to the people of the State twice the amount of such discount.

Entry of assets

3519. No corporation shall by any system of accounting or any device of bookkeeping, directly or indirectly enter any of its assets upon its books in the name of any other person, or under any title or designation that is not truly descriptive thereof.

Keeping of books

3520. Every corporation shall conform its methods of keeping its books and records to such orders in respect thereto as have been made and promulgated by the superintendent. Any corporation that refuses or neglects to obey such order shall be subject to a penalty of one hundred dollars ($100) for each day it so refuses or neglects.

Official communications

3521. Each official communication directed by the superintendent to a corporation or to any officer thereof, relating to an examination or investigation conducted by the department or containing suggestions or recommendations as to the conduct of the business of such corporation, shall be submitted, by the officer receiving it, to the board of directors at the next meeting of such board, and duly noted in the minutes of the meetings of such board.

Annual report

3522. On or before the first day of February in each year, each corporation and every foreign corporation licensed by the superintendent to transact the business of such a corporation in this State, shall make a written report to the superintendent which shall contain a statement of its condition on the morning of the first day of January in that year and shall be in the form and contain the matters prescribed by the superintendent. The superintendent may, however, in his discretion, accept from a corporation, which has branches in a foreign country or countries, a report containing a statement of its condition as of a date not later than the first day of January and not earlier than the first day of November in the preceding year. Every such report shall be verified by the oaths of the two principal officers in charge of the affairs of the corporation or foreign corporation at the time of such verification, which shall state that the report is true and correct in all respects to the best of the knowledge and belief of the persons verifying it, and that the usual business of such corporation or foreign corporation has been transacted at the location required by this chapter and not elsewhere.

Special reports

3523 Every corporation and foreign corporation shall also make such other special reports to the superintendent as he may from time to time require, which shall be in such form and filed at such date as may be prescribed by the superintendent and shall, if required by him, be verified in such manner as he may prescribe.

Failure to report

3524. If any corporation or foreign corporation shall fail to make any report required by this chapter on or before the day designated for the making thereof, or shall fail to include therein any matter required by the superintendent, it shall forfeit to the people of the State the sum of one hundred dollars ($100) for every day that such report shall be delayed or withheld, and for every day that it shall fail to report any such omitted matter, unless the time therefor shall have been extended by the superintendent.

Meetings

3525. Every corporation shall hold a meeting of its stockholders annually upon a date fixed in its by-laws at its main office in this State.

Records

3526. Every corporation shall keep at its main office books containing the names of all stockholders thereof, and the names and addresses of the members of its board of directors, together with copies of all reports made by it to the superintendent.

Examinations

3527. Every corporation shall make reports to the superintendent at such times and in such form as he may require and is subject to examination by examiners appointed by the commissioner, once a year and at such other times as may be deemed necessary by the superintendent. The cost of such examinations shall be fixed by the superintendent and be paid by the corporation examined.

Dividends

3528. The directors of any corporation may, semiannually, declare a dividend of so much of the net profits of the corporation as they shall judge expedient, but each corporation shall, before the declaration of a dividend, carry one-tenth of its net profits of the preceding half year to its surplus fund until the surplus shall amount to 20 per centum of its capital stock.

Discounting of loans

3529. No officer, director, clerk or other employee of any corporation, and no person in any way interested or concerned in the management of its affairs, shall as individuals discount, or directly or indirectly, make any loan upon any note or other evidence of debt, which he shall know to have been offered for discount to such corporation, and to have been refused. Every person violating the provisions of this section, shall, for each offense, forfeit to the people of the State twice the amount of the loan which he shall have made.

Borrowing

3530. No officer, director, clerk or other employee of any corporation shall borrow, directly or indirectly, from such corporation any sum of money without the written approval of a majority of the board of directors thereof filed in the office of such corporation or embodied in a resolution adopted by a majority vote of such board exclusive of the director to whom the loan is made. If an officer, director, clerk or other employee

of any such corporation shall own or control a majority of the stock of any other corporation a loan to that corporation shall be considered as a loan to such officer, director, clerk or other employee. Every person violating this section shall, for each offense, forfeit to the people of the State twice the amount which he shall have borrowed.

Offenses

3531. Every officer, director, clerk, employee, or agent of any corporation who embezzles, abstracts, or wilfully misapplies any of the moneys, funds, credits, securities, evidence of indebtedness or assets of any character of such corporation, or who, without authority from the directors, issues or puts forth any certificate of deposit, draws any order or bill of exchange, makes any acceptance, assigns any note, bond, debenture, draft, bill of exchange, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such corporation with intent, in either case, to injure or defraud such corporation or any other company, body politic or corporate, or any individual person, or to deceive any officer of such corporation, the superintendent, or any agent or examiner appointed to examine the affairs of any such corporation; and every receiver of any corporation and every clerk or employee of such receiver who shall embezzle, abstract, or wilfully misapply or wrongfully convert to his own use any moneys, funds, credits, or assets of any character which may come into his possession or under his control in the execution of his trust or the performance of the duties of his employment; and every such receiver or clerk or employee of such receiver who shall, with intent to injure or defraud any person, body politic or corporate, or to deceive or mislead the superintendent or any agent or examiner appointed to examine the affairs of such receiver, shall make any false entry in any book, report, or record of any matter connected with the duties of such receiver; and every person who with like intent aids or abets any officer, director, clerk, employee, or agent of any corporation, or receiver or clerk or employee of such receiver as aforesaid in any violation of this chapter, shall upon conviction thereof be imprisoned for not less than two years nor more than 10 years, and may also be fined not more than five thousand dollars ($5,000), in the discretion of the court.

Same

3532. Whoever being connected in any capacity with any corporation represents in any way that the State of California is liable for the payment of any bond or other obligation, or the interest thereon, issued or incurred by any corporation, or that the State of California incurs any liability in respect of any act or omission of the corporation, shall be punished by a fine of not more than ten thousand dollars ($10,000) and by imprisonment for not more than five years.

Foreign corporations

3533. No person shall act in this State as the representative of any foreign corporation in transacting the business described in this chapter as the business of a corporation unless such corporation shall have complied with the provisions of this chapter relating to such corporations.

Application

3534. Every foreign corporation before being licensed by the superintendent to transact in this State the business of a corporation, or any part thereof, shall subscribe and acknowledge and submit to the superintendent at his office, an application certificate in duplicate, which shall specifically state:

(a) The name of such foreign corporation.

(b) The place where its business is to be transacted in this State.

(c) The amount of its capital stock actually paid in cash and the amount subscribed for and unpaid.

(d) A complete and detailed statement of its financial condition as of a date within 60 days prior to the date of such application certificate.

Copy of charter

3535. At the time the application certificate is first submitted to the superintendent, such corporation shall also submit a duly authenticated copy of its charter, or articles of incorporation, and its by-laws.

Requirements

3536. No foreign corporation shall transact in this State the business defined in this chapter or any part thereof, unless such corporation shall have:

(a) Been authorized by its charter to carry on such business and shall have complied with the laws of the state or country under which it is incorporated.

(b) Made the deposit with the State Treasurer required by this chapter.

(c) Designated the superintendent, by an instrument in writing duly executed, its true and lawful attorney upon whom all process in any action or proceeding by any resident of the State against it may be served with the same effect as if it were a domestic corporation and had been lawfully served with process within the State.

(d) Received a license duly issued to it by the superintendent.

Authority to operate

3537. When the superintendent shall have issued a license to any foreign corporation, it may engage in the business of a corporation of the kind authorized by this chapter at the location specified in the license.

Deposit of security

3538. Every foreign corporation, before receiving a license to transact business in this State, shall deposit with the State Treasurer of the State of California upon authorization of the superintendent, in trust as security for the depositors with and creditors of such corporation in this State, lawful money of the United States or securities of the kind and character described in Article 3 of Chapter 12 of this division, of the value of one hundred thousand dollars ($100,000). Such foreign corporation so long as it shall continue solvent and comply with the laws of this State, may be permitted by the superintendent to collect the interest on the securities so deposited and from time to time to exchange such securities for others, and examine and compare such securities, as provided by Article 3 of Chapter 12 of this division.

License fee

3539. The foreign corporation shall pay a license fee of two hundred fifty dollars ($250).

Statement

3540. Every foreign corporation, duly licensed by the superintendent to transact in this State the business defined and authorized in this chapter, or any part thereof, shall within 30 days after the date of such license, submit to the superintendent a statement verified by two of its principal officers, which shall contain the full name and business address of every individual, partnership or unincorporated association, who is acting or whom it proposes to have act as its agent or representative in this State. Whenever any such corporation shall engage any person to act for it in this State and the name and address of such person is not contained in such verified statement submitted to the superintendent, such foreign corporation shall forthwith submit to the superintendent an amended statement verified in the same manner as the original. A violation of this provision shall subject such foreign corporation to a forfeiture of one thousand dollars ($1,000) for each offense.

Revocation of license

3541. Whenever the superintendent shall have revoked the license of any such foreign corporation and shall have taken the action to make such revocation effective, all the rights and privileges of the foreign corporation to transact business in this State shall forthwith cease and determine.

DIVISION 2. BUILDING, SAVINGS AND LOAN ASSOCIATIONS

PART 1. BUILDING AND LOAN ASSOCIATIONS

CHAPTER 1. DEFINITIONS AND GENERAL PROVISIONS

Article 1. General Provisions

Short title

5000. This division is known and may be cited as the "Building and Loan Association Law."

Prohibition

5001. No person, except a corporation, shall conduct or carry on in this State the business of accumulating the savings of its shareholders, stockholders, members, or investors, and of loaning such accumulations in the manner of building and loan associations. No corporation shall conduct or carry on such business except in accordance with the provisions of this division.

Investment companies, exception

5002. This division does not apply to investment companies except in the case of investment companies which are also building and loan associations as defined in this part.

Building and loan associations. Restrictions

5003. No association shall have or carry upon its books for any investor or other person any demand, commercial or checking account, or any credit to be withdrawn upon the presentation of any negotiable check or draft. No association shall advertise or hold itself out to the public as a bank, whether commercial or savings, or as a trust company. No association shall do a trust business. Nothing in this section prevents any association from acting as trustee under deeds of trust given

solely for the purpose of securing obligations for the repayment of money, other than corporation bonds.

Use of name, etc

5004. No person shall transact business in this State under any name or title which contains the term "building and loan," "building-loan," or "savings and loan," nor use any sign or circulate or use any letterhead, billhead, circular, or paper, or cause to be published any advertisement which indicates that his business is the character or kind of business carried on or transacted by an association, or which is calculated to lead the public to believe that his business is that of an association, unless he holds a valid, unrevoked license issued by the commissioner to transact business in this State, and is actually engaged in carrying on a building or savings and loan business in this State.

Violations

5005. The violation of any provision of Section 5004 is a misdemeanor punishable by a fine of not exceeding five hundred dollars ($500) or by imprisonment in the county jail for not exceeding 90 days or by both such fine and imprisonment.

Injunctions

5006. Upon action brought by the commissioner any court of competent jurisdiction may issue an injunction restraining any person from continuing to violate any provision of Section 5004.

Notices

5007. Any notice which the commissioner is required or desires to give to any person, may be given either by personal service or by mailing the notice, postage prepaid, addressed to such person at his last post-office address known to the commissioner. If no address is known notice to an association or to any of its investors, shall be mailed to such association or investor at the city or town in this State where the principal office of the association is located, and notice to other persons shall be mailed to such persons at San Francisco, California.

By mail

5008. Any notice given by mail pursuant to this division. is given upon deposit of the notice in the mails.

To corporation

5009. Service of a notice upon an officer or director of a corporation pursuant to this division, is service upon the corporation itself.

Filing of forms

5010. At least 10 days before issuing any stock, shares, investment certificates, or borrowers' membership certificates, and at least 10 days before making any loans evidenced or secured by notes, trust deeds, or mortgages, each association shall file in the office of the commissioner copies of the forms of such instruments which have not been previously approved by the commissioner. If the commissioner within such period of 10 days notifies the association in writing that any form is unauthorized and states the reason therefor, the association shall not thereafter use such form. Any form of stock, shares, investment certificates, membership certificate, note, trust deed, or mortgage may be used without delay if such form has been approved by the commissioner.

Validity of instruments

5011. The violation of any provision of Section 5010 does not render invalid any stock, shares, investment certificate, membership certificate, note, trust deed, or mortgage.

Advertising Misrepresentation

5012. No association shall issue, publish or cause or permit to be issued or published, any advertisement that it is doing or is permitted to do any business which is prohibited by law to an association, or which misrepresents the nature of its shares, stock, investment certificates, or the rights of investors in respect thereto.

Same Corporate name

5013. Any association whose corporate name does not include the words "building and loan," "building-loan," or "savings and loan" shall in all advertisements state "This is a building and loan association," or "This is a savings and loan association," or words to that effect.

Same Purposes

5014. An association may set forth in any of its advertisements any of the purposes for which it is organized under the authority of this division.

Same Filing of copy

5015. The commissioner may require any or all associations to file a true copy of the text of any advertisement in the office of the commissioner at least five days prior to the issuance, circulation, or publication of such advertisement.

Same Unauthorized

5016. Associations shall not issue, circulate, or publish any advertisement after notice in writing from the commissioner that in his opinion the advertisement is unauthorized, false, misleading, or likely to deceive the public. An association may issue, circulate, and publish without delay any advertisement expressly approved by the commissioner.

Same Prohibitions

5017. An association shall not:

(a) State in any advertisement that it is under state supervision or control.

(b) Include in any advertisement or in any instrument used by it, a replica of the Great Seal of the State of California.

(c) State or imply in any advertisement that funds may be invested with such association at any place other than the principal office or a branch of such association.

Violations

5018. Every person who wilfully violates or wilfully fails to comply with any of the provisions of this division is guilty of a public offense. Except where such offense is declared to be a felony or a misdemeanor or a different punishment is prescribed, such person shall be punished by imprisonment in the state prison not exceeding five years, or in a county jail not exceeding one year, or by a fine not exceeding five thousand dollars ($5,000), or by both such fine and imprisonment.

Same Conditions of permit

5019. Any person who wilfully violates any lawful condition of a permit authorizing an association to issue its stock, or who with knowledge of any lawful order of the commissioner addressed to an association directing a discontinuance of any unsafe or injurious practice of such association, wilfully violates such order, is guilty of a public offense punishable by imprisonment in the state prison not exceeding two years, or in a county jail not exceeding one year, or by a fine not exceeding two thousand dollars ($2,000), or by both such fine and imprisonment.

Same False statements

5020. Any person who wilfully and knowingly makes, circulates, or transmits to another or others any statement or rumor, written, printed, or by word of mouth, which is untrue in facts and is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of any association doing business in this State, or who knowingly counsels, aids, procures, or induces another to start, transmit, or circulate any such statement or rumor, is guilty of a misdemeanor punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than one year, or both.

Void provisions

5021. Wherever it is stated in this division that an agreement or contract contrary to any of its provisions is void, such statement is limited to the particular portion of the agreement or contract which is contrary to such provision, and the entire agreement or contract is not void unless the particular part thereof is not a separable portion.

Unless expressly so provided, the violation of any provision of this division does not render invalid any agreement, contract, stock, share, investment certificate, note, trust deed, mortgage, or other instrument.

Acts with approval of commissioner, etc

5022. No provision of this division imposing any liability, either civil or criminal, applies to any act done or omitted in good faith in conformity with any rule, regulation, approval, consent, order, direction, or other act of the commissioner, even if such rule, regulation, approval, consent, order, direction, or other act of the commissioner is amended, rescinded, or determined invalid by judicial or other authority, after such act or omission.

Commission records

5023. Except as otherwise expressly provided in this division, the records of the commissioner are not public documents and are not open to the inspection of the public.

Operative date

5024. This division shall become operative on the ninety-first day after final adjournment of the 1953 Regular Session of the Legislature and at that time the following acts and parts of acts are repealed:

Penal Code Section 563c

General Laws

Year	Chapter	Page
1931	269	483
1931	763	1603
1935	564	1657
1939	525	1910
1941	398	1684

Article 2. Definitions

Definitions

5050. Unless the context otherwise requires, the definitions set forth in this article govern the construction of this division.

"Advertisement"

5051. "Advertisement" includes advertisement, circular, pamphlet, prospectus, letterhead, circular letter, newspaper, billboard, sign, and statements broadcast by radio or television.

(Amended by Stats. 1951, Ch. 451.)

[ORIGINAL SECTION]

5051 "Advertisement" includes advertisement, circular, pamphlet, prospectus, circular letter, newspaper, and oral statements broadcast by radio

"Agency" 5052. "Agency" means an office owned and operated by an agent.

"Agent" 5053. "Agent" means any person doing any of the following:

(a) Soliciting or receiving applications for loans to be made by an association.

(b) Disbursing funds on behalf of an association on loans, where such services are rendered for compensation and as a whole or partial vocation and not casually or intermittently in connection with a general loan brokerage business.

(c) Representing himself as authorized by an association to solicit or receive applications for loans.

Definitions 5054. "Agent," "collector," and "salesman" do not include an officer, director, or employee of an association, unless he receives special compensation for services rendered as an agent, collector or salesman.

"Association" 5055. "Association" means a building and loan association, as defined in this article, and except where otherwise indicated includes both domestic and foreign associations. "Domestic association" means a building and loan association incorporated under the laws of this State, and "foreign association" means any other building and loan association.

"Foreign association"

"Branch" 5056. "Branch" means any office or other place of business in this State owned and operated by an association, other than its principal office in this State, where subscriptions are sold, taken, or solicited for shares, stock, or investment certificates of such association or where such shares, stock, or investment certificates are sold or issued, otherwise than as security for or in connection with a loan by such association.

"Building and loan association" 5057. "Building and loan association" means any institution incorporated to conduct, or conducting, the business of receiving and lending money in accordance with the provisions of this part, except federal savings and loan associations.

"Certificate holder" 5058. "Certificate holder" means the holder of one or more investment certificates.

"Collector" 5059. "Collector" means a person authorized in writing by an association to receive or collect, other than in connection with an escrow, funds or money paid or to be paid to an association in connection with that association's loans, shares, stock, or investment certificates in force at the time of the receipt or collection of such funds.

"Commissioner" 5060. "Commissioner" means the Building and Loan Commissioner.

"Investment certificates" 5061. "Investment certificates" mean instruments issued by an association pursuant to Article 4 of Chapter 7 of this part, which expressly state that the right of the holder to withdraw funds evidenced thereby is subject to the provisions of Chapter

14 of this part, and which otherwise conform to the provisions of this part. "Investment certificates" include all unsecured notes issued before September 15, 1935, by an association to savers or members of the public generally.

"Investor" 5062. "Investor" includes shareholder, stockholder, and certificate holder.

"Issuing" 5063. "Issuing" where used with reference to an association issuing or not issuing shares, stock, or investment certificates is not limited to issuance at the particular time, but includes prior issuance if such stock, shares, or investment certificates are still outstanding.

"Member" "shareholder" 5064. "Member" and "shareholder" are synonymous and include every person holding a certificate of membership as a borrower.

"Salesman" 5065. "Salesman" means any person, other than an agent, officer, director, or employee of an agent, who solicits or receives on behalf of an association, applications, subscriptions, or offers, for shares, stock, or investment certificates issued or to be issued by such association, or who represents himself as being so authorized.

"Shareholder" 5066. "Shareholder" means the holder of one or more shares or of a fraction of a share in an association.

"Shares," etc 5067. "Shares" means withdrawable shares of an association. Shares constitute and may be designated "membership shares." "Pledged shares" means shares pledged as security for the payment of a loan from the association issuing such shares. "Free shares" means all shares which are not pledged.

"Stock" 5068. "Stock" means guarantee stock of an association.

"Stockholder" 5069. "Stockholder" means the holder of stock.

Value of shares 5070. The value of shares or investment certificates means the amount paid in upon such shares or investment certificates, plus the accumulated earnings or interest accrued thereon, less any withdrawals and charges against such shares or certificates.

Matured value 5071. The matured value of a share is equal to the par value of the share.

Chapter 2. Division of Building and Loan

Article 1. Office of the Commissioner

Building and Loan Commissioner 5200. There is in the State Government a Division of Building and Loan. The chief officer of the Division of Building and Loan is the Building and Loan Commissioner.

Appointment 5201. The Building and Loan Commissioner shall be appointed by the Governor, with the consent of the Senate, and holds office at the pleasure of the Governor. The commissioner shall receive an annual salary as provided for by Chapter 6 of Part 1 of Division 3 of Title 2 of the Government Code, payable monthly out of the Building and Loan Inspection Fund in the State Treasury, upon a warrant of the Controller.

(Amended by Stats. 1951, Ch 1613.)

[ORIGINAL SECTION]

5201. The Building and Loan Commissioner shall be appointed by the Governor, with the consent of the Senate, and holds office at the pleasure of the Governor. The commissioner shall receive an annual salary of ten thousand dollars ($10,000), payable monthly out of the Building and Loan Inspection Fund in the State Treasury, upon a warrant of the Controller.

Oath and bond

5202. Before entering upon the duties of his office, the commissioner shall take and subscribe an oath of office and execute an official bond in the penal sum of fifty thousand dollars ($50,000), with sufficient sureties as provided by law.

Assistants

5203. The commissioner may appoint an attorney subject to the provisions of the Constitution, and such deputies, examiners, accountants, appraisers, and other assistants as he requires to properly discharge the duties imposed upon him by law. The commissioner may fix the powers and duties of such persons.

Confidential employee

5204. One employee, holding a confidential position to the commissioner, is not subject to any civil service law of this State.

Compensation of assistants

5205. The commissioner's attorney, deputies, examiners, accountants, appraisers, and other assistants shall receive such compensation as is fixed by the commissioner, with the approval of the Department of Finance, payable out of the Building and Loan Inspection Fund in the State Treasury.

Traveling expenses

5206. The commissioner and his employees shall be paid their necessary traveling expenses incurred while traveling in the line of their duties from the Building and Loan Inspection Fund in the State Treasury.

Bonds

5207. The commissioner, at any time, may require any deputy, examiner, or other assistant appointed or employed by him to post a bond in such amount as the commissioner deems necessary or expedient, with sufficient sureties approved by him, and in such form and upon such conditions as are approved by him and the Attorney General. The premium or charge for any bond given by a surety company pursuant to this section shall be paid out of the Building and Loan Inspection Fund except where such expense is made a charge against an association in liquidation. No premium or charge for any such bond shall exceed one-half of 1 percent per annum on the amount of the bond.

Offices

5208. The commissioner shall procure and have offices in the City and County of San Francisco and in the City of Los Angeles. The commissioner shall provide for such stationery, printing, postage, and all other necessary expenditures as are necessary for the proper conduct of his offices. All expenses for conducting the commissioner's offices shall be paid from the Building and Loan Inspection Fund except where such expenses are made a charge against an association in liquidation.

Restrictions on interests

5209. Neither the commissioner nor any deputy, attorney, examiner, accountant, or appraiser appointed or employed by the commissioner shall be interested directly or indirectly in any association.

Same: Indebtedness

5210. Neither the commissioner nor any deputy, attorney, examiner, accountant, or appraiser shall be or become indebted directly or indirectly, as borrower, endorser, surety or guarantor, or sell, or otherwise dispose of any loan or investment to any association under the commissioner's supervision or subject to the commissioner's examination.

Article 2. General Powers and Duties

Powers of commissioner

5250. The commissioner is charged with the administration and enforcement of this division, and of all other laws relating to or affecting the incorporation, organization, business, operation, merger, consolidation, dissolution, or liquidation of associations subject to the provisions of this division. The commissioner has and may exercise all of the powers necessary or convenient for such purposes.

Same

5251. The commissioner shall:

(a) Furnish all associations that have otherwise complied with the requirements of law, licenses authorizing them to transact business for the fiscal year established by the commissioner or for the remainder of such fiscal year.

(b) Receive and place on file in his office the annual and other reports required by law to be made by associations.

(c) Supply each association with blank forms for such reports.

(d) Make a tabulated report to the Governor on or before the first day of May in each year, showing the condition of all associations reporting to him. The report shall contain such recommendations as he deems proper, and shall be accompanied by a detailed statement of all money received by him since his last report and the disposition of such money.

Action on applications

5252. The commissioner shall grant or deny each application filed with him pursuant to this division not later than 30 days after the date of filing, unless the applicant requests, or the commissioner requires, an additional period of not to exceed 30 days, in which case the commissioner shall grant or deny such application not later than the end of such additional period.

Subpenas, etc

5253. The commissioner may issue subpenas and require the attendance of any officer, director, agent, salesman, collector, or employee of any association, and such other witnesses, including former officers, directors, agents, salesmen, collectors, or employees of any association as he deems necessary, in relation to the association's affairs, transactions, and condition The commissioner may require such witnesses to appear and answer such pertinent questions as he directs, and may require such witnesses to produce any books, documents or other things under their control as are required by him.

Court orders

5254. The commissioner may apply to the superior court of the county where the association has its principal office, and such court may issue an order requiring any person served with a subpena issued by the commissioner, to appear and answer such pertinent questions as are asked by the commissioner and

to produce any books, documents, or other things under his control as are required by the commissioner.

Rules and regulations

5255. The commissioner may promulgate, amend, supplement, and revoke in whole or in part, rules and regulations not inconsistent with the provisions of this division or other laws of this State, governing procedure before the commissioner and the exercise by the commissioner of the powers, discretions, rights, and privileges vested in him under this division.

Prosecuting actions, etc

5256. The commissioner may commence and prosecute actions and proceedings to enjoin violations of the provisions of this division or violations of orders or decisions of the commissioner rendered pursuant to such provisions, and for the enforcement of any and all civil penalties provided for by this division.

Actions

5257. The commissioner may bring an action in any court of competent jurisdiction to enforce the collection of:

(a) Money assessed for the payment of salaries and expenses.

(b) Forfeitures or fines for failure to pay assessments, procure licenses, or make or file reports.

(c) Penalties imposed for the violation of any order or summons.

Judicial review

5258. Every order, decision, approval, certificate, license, permit, or the denial of any approval, certificate, license or permit, or other official act of the commissioner provided for in Articles 2 and 4 of Chapter 3, Chapter 5, Sections 6450 to 6455, inclusive, and Article 1, Chapter 18, of this division is subject to judicial review in accordance with law. Except for review of proceedings conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, an action or proceeding for judicial review pursuant to this section must be commenced within 60 days after the issuance of such order, decision, approval certificate, license or permit, or within 60 days after such denial, or other official act, or within 60 days after the effective date of this section, whichever is the later date.

(Added by Stats. 1951, Ch. 451.)

Article 3. Assessment for Support of Division

Assessments for support

5300. To meet the salaries and expenses provided for in this division, for the payment of which no provision is otherwise made, the commissioner shall require every association licensed by him or coming under his supervision to pay in advance to him, prior to the issuance of any license, its pro rata share of all such salaries and expenses as estimated by the commissioner for the ensuing year.

Proportion

5301. The proportion of salaries and expenses to be assessed to each association shall be the proportion which its assets bear to the aggregate assets of all associations receiving licenses as shown by the latest reports of associations to the commissioner.

Notification

5302. On or before the thirtieth day of December in each year, the commissioner shall notify each association by mail of

the amount assessed and levied against it. The association shall pay the amount assessed within 20 days after such notice. If payment is not made to the commissioner within such time, the commissioner shall assess and collect in addition to the annual assessment, a penalty of 5 percent of the assessment for each month or part of a month that the payment is delayed or withheld.

Amounts

5303. In the levy and collection of an assessment under this article, no association shall be assessed for, nor be permitted to pay less than one hundred dollars ($100) for any year or less than one hundred dollars ($100) for the unexpired portion of the calendar year in which such domestic association is formed.

Acquired assets

5304. If any domestic association formed after October 1, 1949, proposes to acquire the assets of any federal savings and loan association by transfer, conversion, or otherwise, the initial assessment provided for by this article shall be computed on the same basis as if such federal savings and loan association had been a state association and assessed on or before the thirtieth day of December in the calendar year preceding the initial assessment, except that the initial assessment shall be based on the assets of the federal savings and loan association as shown by its report to the Federal Home Loan Bank next preceding the thirtieth day of December in the calendar year preceding the initial assessment and the assessment shall be reduced, if the license is not issued in January, by one-twelfth for each month of the year which has expired at the time of the issuance of the license.

Article 4. Inspection Fund

"Building and Loan Inspection Fund"

5350. The "Building and Loan Inspection Fund" is continued in existence in the State Treasury and all money collected or received by the commissioner under this division except money belonging to associations whose business, property, and assets are in the possession of the commissioner, shall be deposited with the State Treasurer to the credit of such fund.

Same Use

5351. The "Building and Loan Inspection Fund" shall only be used to defray the salaries and expenses provided for in this division.

General Fund

5352. The commissioner shall pay to the General Fund in the State Treasury from the money received under the provisions of this division a sum equal to all money which has been, or may be appropriated or advanced out of the General Fund to the use of the Building and Loan Inspection Fund on the condition or with the intention that the amount so appropriated or advanced should be returned.

Deposit of money

5353. All money belonging to associations whose business, property, and assets are in the possession of the commissioner shall be deposited by the commissioner in state or national banks which are approved for such deposit by the Superintendent of Banks.

CHAPTER 3. FORMATION AND ORGANIZATION

Article 1. Articles of Incorporation

Incorporation

5500. Domestic associations may be incorporated with shares or stock or both and with all the rights, powers and privileges and subject to all the restrictions and liabilities set forth in this division. Domestic associations shall also have all the powers and privileges provided by the General Corporation Law of this State, except as expressly provided to the contrary in this division. If any provision of the General Corporation Law is inconsistent with any provision of this division, the provision of this division prevails.

Name

5501. The name of each domestic association incorporated after August 14, 1931, shall include the words "building and loan association," "building-loan association," or "savings and loan association."

"Mutual," "guarantee"

5502. No domestic association incorporated after August 14, 1931, shall include the word "mutual" in its name unless it is organized without stock, nor shall it include the word "guaranty" or "guarantee" in its name unless it is organized to issue stock.

Articles of incorporation

5503. The articles of incorporation of each domestic association incorporated after August 14, 1931, shall include a statement that it is formed for each of the following purposes:

(a) To encourage industry, frugality, home building, and the accumulation of savings. Such statement shall add either "among its members," "among its certificate holders," or "among its members and certificate holders," and may also add "and among others."

(b) For the accumulation of savings.

(c) For the loaning of the money accumulated, with the profits and earnings thereon. Such statement shall add either "to its members," "to its certificate holders," or "to its members and certificate holders," and such statement may also add "and to others."

(d) For the repayment subject to the provisions of this division, of the savings and profits of each member or investor whenever they have accumulated to the par value, or at any time the member or investor desires to withdraw the same, or when the association desires to repay the same. Such statement shall provide that repayment is made either "to each member," "to each certificate holder," or "to each member or certificate holder." Such statement shall also provide that repayment is of the par value "of his shares," "of his investment certificates," or "of his shares or investment certificates."

Purposes

5504. An association may state in its articles of incorporation that it is formed for any or all of the purposes specified in this division.

Same Statement of

5505. The articles of incorporation of each domestic association incorporated after August 14, 1931, shall state whether the association is formed for the purpose of issuing shares, or

stock, or both shares and stock. The articles of incorporation of such associations shall state whether or not the association is formed for the purpose of issuing investment certificates.

Filing

5506. The articles of incorporation of a proposed domestic association shall not be filed in the office of the Secretary of State unless there is attached thereto a certificate of the commissioner approving the articles.

Contents

5507. The articles of incorporation of a proposed domestic association shall be submitted to the commissioner together with a copy of the proposed by-laws and an application, signed by a majority and verified by one of the directors, requesting approval. The application shall set forth:

(a) The names and addresses of the incorporators, directors, and officers, with a statement of their character, experience, and general fitness to engage in the building and loan business.

(b) An itemized statement of the estimated receipts and expenditures of the proposed association for the first year or such longer period as the commissioner in his discretion may require.

(c) A showing that the public convenience and advantage will be promoted by the formation of the proposed association.

(d) Any other matters the commissioner may require.

Filing fee

5508. A filing fee of one hundred dollars ($100) shall be paid to the commissioner with each application for approval of proposed articles of incorporation.

Investigation

5509. Upon receipt of the articles of incorporation, by-laws, application, and filing fee, the commissioner shall immediately examine and investigate all facts connected with the formation of the proposed association, including its incorporators, directors, officers, proposed location, estimated receipts and expenditures, and whether the public convenience and advantage will be promoted by the formation of such association.

Notice to existing associations

5510. Upon the receipt of an application for a certificate to form a proposed association the commissioner shall give written notice to each association existing in this State that an application for the issuance of a certificate has been made. The notice shall state the name of the proposed association, and the time and place that a hearing will be held. The hearing shall not be held less than 10 days after the mailing of the notice.

Hearing

5511. Before issuing a certificate to a proposed association, the commissioner shall hold a hearing at the time and place specified in the notice required by Section 5510. Any person, may appear at such hearing in person or by agent or attorney, and orally or in writing show cause why such certificate should not be issued upon any relevant ground, including among others the ground that the name of the proposed association is the same as one already adopted or appropriated by any association then existing in this State, or so similar thereto as to be likely to mislead the public.

Use of names

5512. If the commissioner finds that the name of the association is the same as one already adopted or appropriated by any association then existing in this State, or so similar

thereto as to be likely to mislead the public, he shall refuse to issue the certificate. The commissioner shall conclusively presume that the use of any word or words in the name of the association the same as or similar in spelling or sound to any word or words already adopted, appropriated, or used in its corporate name by any association then existing in this State, except the words: "the," "and," "mutual," "guaranty," "guarantee," "building," "loan," "savings," or "association," constitutes such similarity of names as to be likely to mislead the public. If each association then existing in this State causing such presumption files a written consent with the commissioner, the commissioner may issue the certificate even though the names are similar.

Denial of certificate

5513. The commissioner may refuse to execute his certificate of approval, if upon his examination and investigation, he finds any of the following:

(a) That the corporation is to be formed for any business other than legitimate building and loan business.

(b) That the incorporators, directors or officers lack the character, experience, or general fitness to engage in such business.

(c) That the association's financial program is unsound.

(d) That the area where the association is to be located is adequately served by one or more existing associations or federal savings and loan associations.

(e) That the public convenience and advantage will not be promoted by the formation of such association.

"Mutual"

5514 No domestic association incorporated after August 14, 1931, which includes the word "mutual" in its name, shall be permitted to issue stock without first eliminating from its name the word "mutual."

Proposed by-laws, etc

5515. Whenever in this article reference is made to the by-laws, incorporators, directors, and officers, such reference in the case of a proposed domestic association shall refer to the proposed by-laws, incorporators, directors, and officers thereof.

Article 2. Licenses

Annual licenses

5550. Each domestic association, prior to transacting any business, and each foreign association prior to transacting any business in this State, shall procure an annual license from the commissioner.

Requirements

5551. To procure a license to transact business there shall be filed with and approved by the commissioner the following:

(a) Certified copies of the applicant's articles of incorporation.

(b) The certificate of incorporation, charter, or other similar document with all subsequent amendments.

(c) The by-laws with all subsequent amendments.

Renewals

5552. No association shall continue to transact business in this State after the expiration of its license without procuring a renewal of the license.

Fees 5553. The commissioner shall not issue a license to any association until it pays the license fee computed as an annual assessment as provided in Article 3 of Chapter 2 of this part.

Suspension and revocation 5554. The commissioner may after due notice and hearing revoke, or suspend for such period as he determines, the license of any association the solvency of which is imperiled by losses or irregularities or of any association which wilfully violates any provision of this division.

Article 3. Directors, Officers, and Employees

Directors' Ownership of stock 5600. No person shall be eligible as director of an association unless he is a stockholder or shareholder of such association, owning, in his own right or in a representative capacity as an executor, administrator, guardian or trustee, stock in the association of the par value of at least five hundred dollars ($500) or shares in the association of the value of at least one thousand dollars ($1,000).

For the purpose of this section a person who owns stock or shares as a joint tenant with one other person shall be deemed to own, in his own right, one-half of such stock or shares.

Sale of stock 5601. Every director who sells or hypothecates all the stock or shares owned by him, or so much thereof that he ceases to be the owner, free from encumbrances, of the amount of stock or shares required by Section 5600, shall immediately notify the commissioner in writing of such sale or hypothecation and that director may be removed from the office of director by the commissioner.

Eligibility 5602. Neither the commissioner, nor any person employed by the commissioner nor any conservator, receiver, or liquidator who has participated in the reorganization, merger or rehabilitation of an association under this division, shall become for a period of two years from and after the effective date of such reorganization, merger, or rehabilitation, an officer or director of, or serve as an officer or director of, or serve in any position of gain or profit in any company or association formed in whole or in part of the assets or funds of the reorganized, merged, or rehabilitated association.

Offenses 5603. Any person violating Section 5602 is guilty of a public offense and shall be punished by imprisonment in the state prison not exceeding five years, or in the county jail not exceeding one year, or by a fine not exceeding five thousand dollars ($5,000), or by both such fine and imprisonment.

Acquisition of certificates 5604. No officer, director, or employee of any association shall acquire any certificates or shares issued by the association with which he is connected by any method other than by investing his funds directly with the association, or by gift, bequest, or descent, unless such other method of acquisition has the prior approval of the commissioner.

Offenses, procuring loan 5605. Any officer, director or employee of an association who asks, receives, consents, or agrees to receive any commission, emolument, gratuity, or reward or any money, property,

or thing of value for his own personal benefit or of personal advantage for procuring or endeavoring to procure for any person a loan from such association is guilty of a felony.

Same
Purchasing loans

5606. No association shall make or purchase any loan or investment not authorized or permitted by this division and any officer or director who on behalf of any such association knowingly makes or purchases any loan or investment not authorized by this division or who knowingly consents thereto is personally liable to such association for the full amount of any such loan or investment. Any officer or director violating this section is guilty of a public offense and shall be punished by imprisonment in the state prison not exceeding five years, or in a county jail not exceeding one year, or by a fine not exceeding five thousand dollars ($5,000), or by both such fine and imprisonment.

Permissible conduct

5607. No officer, director, or employee of an association shall receive from such association, and no association shall pay to any officer, director, or employee of such association, any commission, emolument, gratuity or reward based on the volume or number of loans made, or based on the interest or fees collected thereon. Nothing in this section prohibits or limits any of the following:

(a) The receipt or payment of salaries of officers, directors, and employees.

(b) The receipt or payment of commissions to agents whether or not based on the volume or number of loans or on the interest or fees collected thereon.

(c) The receipt or payment of bonuses to officers or employees if such bonuses are not based on the volume or number of loans made or on the interest or fees collected thereon. If such bonuses are based on the profits of the association for any period, payment thereof shall not be made earlier than 10 days before the expiration of such period and shall be based on the profits of such period or on an estimate thereof made in good faith.

Construction

5608. Section 5607 shall not be construed to interfere with any contract existing as of October 1, 1949.

Offenses

5609. Any officer or director who knowingly violates Section 5607 is guilty of a felony.

Bond

5610. All officers and employees of an association, who have access to money or negotiable securities of the association or who issue stock, shares, or investment certificates of the association in the regular discharge of their duties, before entering upon their duties, shall furnish to the employing association a good and sufficient bond indemnifying the association against loss of money or securities by reason of their dishonesty and against any loss arising from their dishonest issue of stock, shares, or investment certificates.

Same
Amount

5611. The commissioner shall prescribe the amount and form of the bond required by Section 5610 and the term during which it shall run. The sufficiency of the sureties on such bond is at all times subject to the approval of the commissioner. Each

officer and employee shall renew his bond upon the expiration of its term. The commissioner may at any time require an additional bond or surety when in his opinion any bond then in force is insufficient. All bonds shall be filed in the commissioner's office.

Offenses

5612. A director, officer, agent or employee of an association is guilty of a felony who:

(a) Knowingly receives or possesses himself of any property of the association otherwise than in payment for a just demand, and with intent to defraud, omits to make or to cause or direct to be made a full and true entry thereof in its books and accounts.

(b) Knowingly concurs in omitting to make any material entry thereof.

(c) Knowingly concurs in making or publishing any written report, exhibit or statement of the affairs or pecuniary condition of the association containing any material statement which he knows to be false.

(d) Having the custody or control of its books, wilfully refuses or neglects to make any proper entry in the books of such association as required by law, or to exhibit or allow the books to be inspected and extracts to be taken from the books by the commissioner, or any of his deputies or examiners.

Article 4. Corporate Changes

Corporate changes
Articles of incorporation, etc

5650. No certificate or other document effecting or setting forth any amendment to the articles of incorporation of any domestic association, or to the articles of incorporation, certificate of incorporation, charter, or any similar document relating to any foreign association, shall be filed in the office of the Secretary of State unless there is attached thereto a certificate of the commissioner approving the same.

Same
Change of name

5651. No document changing the name of an association, or setting forth the new name of an association, shall be filed in the Office of the Secretary of State unless there is attached to such document a certificate of the commissioner approving the new name proposed for the association. Such certificate shall only be issued by the commissioner, after and upon the same notice, proceedings, upon the same grounds, and subject to the same rules, presumptions and restrictions as are set forth in Article 1 of this chapter in relation to the matters of the name of an association. Notice and hearing shall not be required, however, if the change in name consists only in omitting, including or substituting one or more of the following words: "the," "and," "building," "loan," "savings," and "association."

(Amended by Stats. 1951, Ch. 451.)

[ORIGINAL SECTION]

5651. No document changing the name of an association, or setting forth the new name of an association, shall be filed in the office of the Secretary of State unless there is attached to such document a certificate of the commissioner approving the new name proposed for the association. Such certificate shall only be issued by the commissioner, after and upon the same

notice, proceedings, upon the same grounds, and subject to the same rules, presumptions and restrictions as are set forth in Article 1 of this chapter in relation to the matters of the name of an association

Same By-laws

5652. Upon the adoption of any amendment to the by-laws of an association, a copy of such amendment, certified by the secretary or assistant secretary of the association, shall be delivered or mailed to the commissioner immediately.

Approval by shareholders

5653. Any amendment to the articles of incorporation or by-laws of an association which makes any change in the rights, preferences, or privileges of any outstanding stock or shares of such association which are adverse to the holders of such stock or shares is not valid, unless such amendment is approved by the vote or written assent of the holders of two-thirds in par value of such outstanding stock or two-thirds in value of such outstanding shares, or of the class or classes of such outstanding shares which are adversely affected by such amendment.

Article 5. Change of Location of Offices
(Article 5 added by Stats. 1951, Ch. 451.)

Location of office

5700. An association shall not change the location of its principal office or of any branch office except with the approval of the commissioner. If the proposed change is from one city to another the commissioner shall, and in any other case the commissioner may, hold a hearing upon the proposed change. If a hearing is held the commissioner shall mail notice of such hearing to each association in this State at least 10 days before such hearing, and the association requesting the commissioner's approval shall pay him a fee of one hundred dollars ($100) before such notices are mailed.

(Added by Stats. 1951, Ch. 451.)

Chapter 4. Foreign Associations

Foreign associations Sale of shares

5800. No foreign association shall sell any of its shares, stock, or investment certificates, or otherwise transact any business of a character similar to that authorized by this division unless it shall have first:

(a) Complied with all the requirements of the laws of this State relative to associations.

(b) Applied for and received from the commissioner a license to transact business in this State.

(c) Deposited with the State Treasurer the money or securities required by this article for the transaction of business within this State.

Conduct of business

5801. Every foreign association transacting business in this State of a character similar to that authorized by this division or in such manner as might lead the public to believe that its business is that of an association is subject to the supervision of the commissioner and shall conduct all its business in accordance with the statutes governing domestic associations.

Deposit of securities

5802. Every foreign association transacting business of a character similar to that authorized by this division in this State

must maintain on deposit with the State Treasurer not less than one hundred thousand dollars ($100,000) in lawful money, or bonds, or other securities referred to in subdivisions (c), (d), (e), and (f) of Section 6702 of this code, or in lieu thereof promissory notes in such amount secured by first mortgages or first deeds of trust upon improved real property located in this State which are satisfactory to the commissioner. The securities deposited shall be assigned or endorsed in blank and held by the State Treasurer as a guarantee fund for the protection and indemnity of residents of this State who invest in any of the association's shares, stock, or investment certificates, or with whom the association does business.

Same

5803. Whenever any foreign association has outstanding shares and investment certificates issued to residents of this State of an aggregate value in excess of two million dollars ($2,000,000), the deposit required by Section 5802, shall be increased and at all times maintained in a sum equal to at least 5 percent of such aggregate value.

Preservation of security

5804. Where the deposit maintained by a foreign association consists of mortgages or deeds of trust, the association shall make all collections thereon, and do such acts as are necessary or proper to protect and preserve the security, and shall make monthly reports to the commissioner of the status of the security.

Substitution of securities

5805. With the consent of the commissioner, any of the securities deposited as required by this chapter, may be withdrawn at any time upon the substitution and deposit of others of the form and character authorized by this chapter and of like or greater net value, as long as the aggregate net value of all equals or exceeds the amount required.

Foreclosure on fund

5806. The fund created by this chapter is not to be foreclosed or realized upon when the association is not in the hands of the commissioner, except for the liquidation of a final judgment in favor of residents of California who were investors in the association against which judgment has been given or with whom such association has done business, and then only after certified proof that the judgment is in favor of such person has been filed with the State Treasurer. When an association is in the hands of the commissioner for the purpose of liquidation the fund may be withdrawn by the commissioner at any time for distribution by him in favor of residents of California who were investors of such association or with whom the association has done business.

Participation in fund

5807. Only those persons who have resided in the State continuously from the time of investing in or doing business with an association to the time of securing a final judgment against such association or to the time the commissioner determines to liquidate such association, are entitled to participate in the fund provided for by this chapter.

Withdrawal of securities

5808. Securities deposited under this chapter may be withdrawn upon proof, satisfactory to the commissioner and filed with the State Treasurer, that the association desiring to

withdraw its securities has liquidated all liabilities to residents of this State.

Offenses

5809. Any person who, as principal, agent, salesman, solicitor, or in any other capacity, solicits or conducts in this State the business of selling, disposing of, taking, or soliciting subscriptions for the sale of any of the shares, stock, or investment certificates of any foreign association which has not complied with all the requirements of this chapter, is guilty of a public offense punishable by imprisonment in the state prison not exceeding five years, or in a county jail not exceeding one year, or by a fine not exceeding five thousand dollars ($5,000), or by both such fine and imprisonment.

Issuance of securities

5810. No foreign association issuing any securities other than shares, stock, and investment certificates is entitled to a license to transact business in this State and no foreign association transacting business in this State shall issue any securities except shares, stock, and investment certificates. The term "Securities" "securities," as used in this section does not include borrowings permitted by Chapter 8 of this part or instruments executed in connection therewith.

Separate accounts, etc

5811. The capital of any foreign association assigned to its business in this State, and all funds and investments of money received by any foreign association in this State or in connection with its business in this State, and all accounts and transactions of the business transacted by any foreign association in this State, shall be kept separate and apart from the general business, assets, and accounts of the foreign association in the same manner as if the business of the foreign association conducted within this State were that of a separate and independent domestic association.

Applicable provisions

5812. The provisions of this division affecting investments, loans of money, issuance of certificates, and conducting business in any respect apply to a foreign association as if the business conducted in this State was that of a separate and independent association.

Books records, etc

5813. All books, records, and papers of a foreign association pertaining to the assets and liabilities situate in this State and the business transacted in this State shall be kept in an office or offices of the association in this State.

Prohibition

5814. No foreign association shall conduct a building and loan business in this State, unless it is an association licensed to transact such business as of September 15, 1935, or an association arising out of the rehabilitation, readjustment, consolidation, merger, or reorganization of any such association.

Chapter 5. Branches

Branches License

6000. No association shall open, maintain, or conduct a branch without first applying for and obtaining from the commissioner a license for such branch.

Filing fee

6001. The application for a branch license shall be accompanied by a filing fee of one hundred dollars ($100), shall be

in such form as the commissioner requires, and shall include an itemized statement of the estimated receipts and expenditures of the association in connection with such branch for the first year or such longer period as the commissioner requires, and a showing that the public convenience and advantage will be promoted by the operation of such branch.

(Amended by Stats. 1951, Ch. 451.)

[ORIGINAL SECTION]

6001. The application for a branch license shall be in such form as the commissioner requires, and shall include an itemized statement of the estimated receipts and expenditures of the association in connection with such branch for the first year or such longer period as the commissioner requires, and a showing that the public convenience and advantage will be promoted by the operation of such branch.

Issuance of license

6002. If the commissioner is satisfied that the operation of the proposed branch is in the interest of such association, that the area where the proposed branch is to be located is not adequately served by one or more existing associations or federal savings and loan associations, and that the public convenience and advantage will be promoted by the operation of such branch, he shall issue a license for the proposed branch.

Refusal of license

6003. If the commissioner does not find that the proposed branch fulfills the requirements of Section 6002 the license shall be refused.

Notice to existing associations

6004. Upon receipt of an application for a branch license, the commissioner shall give written notice to each association existing in this State that an application for the issuance of a branch license has been made The notice shall state the name of the association, the name of the city or area in which such branch is proposed, and the time and place that a hearing will be held. The hearing shall not be held less than 10 days after the mailing of the notice.

Hearing

6005. Before issuing a branch license, the commissioner shall hold a hearing at the time and place specified in the notice required by Section 6004. Any person may appear at such hearing in person or by agent or attorney, and orally or in writing show cause why the branch license should not be issued upon any relevant ground.

Fee

6006. . The applicant for a branch license shall pay a license fee of fifty dollars ($50). Branch licenses continue in force and effect until canceled by the commissioner for cause.

Minimum reserve

6007. No association issuing either stock or investment certificates or both stock and investment certificates shall open any branch if its investment certificate and withdrawable share reserve is less than the amount specified for such association by Article 1 of Chapter 9 of this part.

Same

6008. Associations issuing neither stock nor investment certificates shall not open, maintain, or conduct any branch unless such association shall, while maintaining such branch, at each apportionment of profits set aside to its loan reserve 1 percent of its net profits since the last prior apportionment in addition to the amount required by Article 2 of Chapter 9 of this

part, until the loan reserve exceeds by the amount of fifty thousand dollars ($50,000), the maximum amount required for such association by that article for each branch maintained or conducted.

Transaction of business

6009. All business which may be transacted at the principal office of a licensed association may be transacted at any licensed branch of the association.

Designation of branch

6010. An association which maintains one or more branch offices shall give to each branch office a specific designation by name and include in the designation the word "branch" and shall prominently display the designation at the place of business of the branch.

(Added by Stats 1951, Ch. 451.)

CHAPTER 6. SALESMEN AND AGENTS

Salesmen and agents. Licenses

6200. No person shall act as an agent or salesman of an association or operate an agency without obtaining a license from the commissioner. No license is required for a collector of an association but no person shall hold himself out or act as a collector unless he is authorized as a collector in writing by such association. This section does not apply to brokers, dealers, or investment advisers registered with the Securities and Exchange Commission of the United States.

Violations

6201. Any person violating any provision of Section 6200 is guilty of a misdemeanor.

Written appointment

6202. Each agent and each salesman shall be appointed in writing by the association for which such agent or salesman is to act and a copy or duplicate of the written appointment shall be filed in the office of the commissioner. The filing of the copy shall be notice to all persons of its contents. A copy or duplicate of the appointment shall be retained in the principal office of the association. The copies or duplicates, together with the original delivered to the agent or salesman, are subject to public inspection upon reasonable demand during regular business hours.

Same As power of attorney

6203. The written appointment as a salesman or as an agent shall be considered as a power of attorney if it expressly so provides, and the person appointed has no greater authority, ostensible, actual, or otherwise, to bind the association than is set forth in the power of attorney or otherwise conferred in writing by the association. Any appointment in writing may from time to time be amended or superseded by a written instrument and copies or duplicates similarly executed, filed and retained. Any appointment or amendment or superseding instrument may at any time be revoked by written revocation filed with the commissioner by the association which executed it.

Representations of agent

6203.5. An agent, salesman or collector shall not represent that his office is the office or branch of an association.

(Added by Stats. 1951, Ch. 451.)

Bond

6204. Each applicant for a license as agent or salesman shall file with the commissioner a bond in the amount of one

thousand dollars ($1,000), or more in the discretion of the commissioner, in favor of the commissioner for the benefit of any person sustaining injury. The bond shall be executed by the applicant as principal and by sufficient sureties approved by the commissioner.

Same Conditions

6205. The bond of a salesman or agent shall be conditioned upon the payment of all loss or damage suffered by any person by reason of the violation by the salesman or agent of any provision of this division or by reason of any fraud of the salesman or agent connected with or growing out of any transaction in which the salesman or agent acted as agent or salesman. The bond shall be conditioned upon the payment to the association of any loss of money or property by reason of any dishonesty on the part of the salesman or agent and his employees, officers, or directors, while licensed under this division.

Same Action on

6206. Any person, who sustains an injury covered by the bond of a salesman or agent or by the failure of such salesman or agent or his employees, officers, or directors to perform their duties or to comply with the provisions of this division, has the right in his own name to commence an action against the salesman or agent and the sureties on such bond for the recovery of damages resulting from such injuries.

Collector's bond

6207. If a collector is not otherwise bonded under the provisions of this part, and if the commissioner shall in his case require a bond, the collector shall furnish a bond in the sum of one thousand dollars ($1,000), or more in the discretion of the commissioner, similar in form to bonds for agents and salesmen, except that such bond shall be in favor, and shall inure solely to the benefit of the association.

Applications

6208. Application for the issuance of an agent's or salesman's license shall be made by paying the commissioner the fee for such license and by filing with the commissioner:

(a) A verified application in such form as the commissioner requires, giving references at least five in number, and information as to the honesty, integrity, experience, and ability of the applicant if a natural person, or of the copartners if a copartnership, or of the officers and directors and employees to be directly in charge of the business involved if a corporation.

(b) A request from an association licensed by the commissioner for the issuance of the agent's license or salesman's license.

(c) A copy or duplicate of a written appointment by such association of the applicant as the agent or salesman of the association.

(d) The bond required by this chapter.

Issuance

6209. Upon receipt of the application for an agent's or salesman's license, the commissioner shall issue the license, if satisfied as to the honesty, integrity, and qualifications of the applicant.

Refusal

6210. If the commissioner is not satisfied as to the honesty, integrity, and qualifications of the applicant, he shall refuse to

issue the agent's or salesman's license. No such license shall be refused until the applicant and the association involved have each been given an opportunity to be heard in support of the application. The hearing shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner has all the powers granted therein.

Form, contents

6211. Licenses of agents and salesmen shall be in such form as the commissioner prescribes and each license may be limited to such territory as the association requests and each license shall state that the authority of the licensee is derived from and limited by this part and documents on file in the commissioner's office and that it is not a license for a branch of an association. The license shall state the full and correct corporate name and principal office of the association involved.

For each agency

6212. An agent's license shall be obtained for each agency and may be issued on request of an association for which the agent holds another agent's license and payment of the regular fee, unless the commissioner requires an additional application or an additional bond or both.

Fees

6213. The fee for licenses required by this chapter is five dollars ($5) for each year or fraction thereof, and the fee for renewals is two dollars ($2) for each year or fraction thereof. The commissioner may issue licenses and renewals in the month of June preceding the year for which they are effective and in such case he shall account for and deposit the fees with the State Treasurer, and the fees shall be considered received by the commissioner on or after July 1st following the date of issuance.

Expiration

6214. Licenses of agents and salesmen expire June 30th of each year, unless sooner revoked by the commissioner for cause or canceled by him at the written request of the association involved. In case of revocation or cancellation, the license shall be surrendered immediately to the commissioner.

Revocation

6215. The commissioner shall revoke, or suspend for a period to be fixed by him, the license of an agent or salesman, and notify the agent or salesman and the association employing such agent or salesman of the revocation or suspension if he finds the agent or salesman has done any of the following:

(a) Wilfully misstated any material fact in his application.

(b) Obtained his license in an unfair manner or by misrepresentation or concealment.

(c) Conducted his business in a dishonest manner or in such manner as to cause injury to the public or those dealing with him, or to any association formerly his principal or employer.

(d) Wilfully violated any provision of this division.

(e) Wilfully violated his authority.

Same Proceedings

6216. The proceedings for revoking or suspending a salesman's or agent's license shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner has all the powers granted therein.

6217. All licenses required by this chapter shall be renewed upon request of the association involved and payment of the annual license fee without a new application unless the commissioner demands a new application by written notice to both the licensee and the association involved at least 10 days before the expiration of the license to be renewed. Renewal

CHAPTER 7. STOCK, SHARES, AND CERTIFICATES

Article 1. General

6400. An association pursuant to its articles of incorporation or by-laws and this part, may issue shares, which constitute the holders members of the association, or stock, or both shares and stock. Shares, stock

6401. Certificates evidencing shares or investment certificates shall be manually signed by one or more officers or employees who are authorized to execute such certificates by the by-laws of the association or by its board of directors. Certificates, evidencing shares or investment

6402. After September 15, 1935, no association shall issue shares or investment certificates with provision for a definite rate of return thereon. Nothing in this section prohibits an association from: Issuing, prohibition

(a) Issuing shares or investment certificates with provision for a definite rate of return thereon in lieu of shares or certificates outstanding as of September 15, 1935, and providing for a definite rate of return.

(b) Receiving additional funds upon installment shares, accumulative shares, installment investment certificates, or accumulative investment certificates, outstanding as of September 15, 1935, or upon shares or certificates issued in lieu thereof.

(c) Issuing shares or certificates providing that the return thereon shall not exceed a maximum figure specified therein.

(d) Issuing installment shares or installment certificates providing for an additional rate of return for the investor in excess of the rate of return paid by such association to its shareholders or certificate holders generally, and conditioned upon the faithful performance of such installment contract by the shareholder or certificate holder.

6403. The rate of return on shares or investment certificates issued without a definite rate of return shall be fixed and determined as provided in Chapter 11 of this part. Rate of return

6404. No association shall acquire in any manner, directly or indirectly, any investment certificates or shares issued by it except: Acquisition of own

(a) By payment of the full withdrawal value or redemption price in the manner provided in this part.

(b) By offset of certificates or shares pledged as security for the payment of loans.

(c) In any conversion of a state to a federal savings and loan association authorized by this part.

(d) In any plan of reorganization authorized by this part.

(e) In any other manner with the prior approval of the commissioner.

Entrance fee

6405. Any domestic association incorporated after August 14, 1931, which does not propose to issue either stock or investment certificates may charge an entrance fee for each share for the purpose of accumulating an organization fund. The amount, period, and other conditions of the entrance fees shall be first approved by the commissioner and shall not exceed one dollar ($1) on each one hundred dollars ($100) of the par value of such shares. No part of the sums paid for entrance fees shall be used directly or indirectly to pay commissions or compensation on account of the subscription to or sale of such shares, or for the collection of such entrance fees.

Fees, charges, etc

6406. Except as permitted by this article and by Section 7702, no fee, charge, or deduction of principal shall be made against any shareholder or certificate holder or against any of his shares or certificates issued after August 14, 1931, or the dues paid in on such shares, for the purpose of creating a fund to be used in the payment of current or running expenses.

Legal investments

12 U S C, § 1701

6407. Shares issued by any association issuing no investment certificates and which is an insured institution as defined by Title IV of the National Housing Act, are legal investments for the funds of executors, administrators, guardians, receivers, and trustees of every kind and nature, and for the funds of all insurance companies.

When, by law, it is provided that the money of any pension fund, retirement plan, trust fund, or the money of any fund whose investment is governed by law may or shall be invested in securities which are legal investment for savings banks, then such law shall be deemed to authorize the investment of such money in such shares.

Investment certificates, legal investments

6408. Investment certificates issued by any association are legal investments for the funds of executors, administrators, guardians, receivers, and trustees of every kind and nature, and for the funds of all insurance companies.

When, by law, it is provided that the money of any pension fund, retirement plan, trust fund, or the money of any fund whose investment is governed by law may or shall be invested in securities which are legal investment for savings banks, then such law shall be deemed to authorize the investment of such money in such investment certificates.

Same Security deposits

6409. Investment certificates issued by associations which are insured institutions as defined by Title IV of the National Housing Act, and shares issued by an association issuing no investment certificates and which is an insured institution as defined by Title IV of the National Housing Act, are acceptable and may be used as security for the faithful performance of any public or private trust or obligation.

Trust provisions

6410. The provisions of Sections 6407 and 6408 are supplemental to any and all other acts regulating, relating to, or declaring what shall be legal investments for the funds of executors, administrators, guardians, receivers, trustees, or insur-

ance companies, or for any of the other funds referred to therein.

Limitation

6411. An association shall not issue shares or investment certificates, or pay withdrawals, elsewhere than at the principal office or a branch of such association.

(Added by Stats. 1951, Ch. 451.)

Article 2. Guarantee Stock

Guarantee stock Corp C. §100, ff

6450. No association shall sell, except upon a sale for a delinquent assessment made in accordance with the provisions of this part or The General Corporation Law, or offer for sale, negotiate for the sale of, or take subscriptions for, or issue any of its stock, until the association applies for and secures from the commissioner a permit authorizing it to sell guarantee stock.

Application

6451. An application for a permit to sell guarantee stock shall be in writing, verified as provided in the Code of Civil Procedure for the verification of pleadings, and shall be filed in the office of the commissioner. In such application the association shall include the following:

(a) The names and addresses of its officers.

(b) The location of its office.

(c) An itemized account of its financial condition.

(d) The amount and character of its assets and liabilities.

(e) A copy of any contract it proposes to make concerning the sale of its stock.

(f) A copy of any prospectus or advertisement or other description of its stock then prepared by or for it for distribution or publication.

(g) A copy of all minutes of any proceedings of its directors, shareholders, or stockholders relating to or affecting the issue of such stock.

(h) Such additional information concerning the association, its condition and affairs as the commissioner requires.

Examination of application

6452. Upon the filing of the application for a permit to sell guarantee stock, the commissioner shall examine the application and other papers and documents filed therewith, and he may make a detailed examination, audit, and investigation of the association and its affairs. If the commissioner finds that the proposed plan for the issue and sale of such stock is not such as, in his opinion, will work a fraud upon the purchaser thereof, the commissioner shall issue to the association a permit authorizing it to issue and dispose of its stock in such amounts and for such considerations and upon such terms and conditions as the commissioner may provide in the permit. If the commissioner does not so find, he shall deny the application and notify the association in writing of his decision.

Permit

6453. Every permit to sell guarantee stock shall recite in bold type that the issuance thereof is permissive only and does not constitute a recommendation or endorsement of the stock permitted to be issued.

Conditions

6454. The commissioner may impose conditions requiring the impoundment of the proceeds from the sale of guarantee stock, limiting the expense in connection with the sale of such stock, and other conditions as he deems reasonable and necessary or advisable to insure the disposition of the proceeds from the sale of such stock in the manner and for the purposes provided in the permit.

Amending permit, etc

6455. The commissioner may amend, alter, or revoke any permit issued by him, or temporarily suspend the rights of the association under such permit.

Par value

6456. Guarantee stock shall be of one class. Guarantee stock shall have a par value of not less than ten dollars ($10) per share. The proceeds from the sale of the guarantee stock shall be set apart to the extent of the par value and, except as that stock is reduced as provided in this chapter, shall be maintained as a fixed and permanent capital of the association.

Consideration

6457. No stock shall be issued for a consideration other than cash or for a price less than the par value except that an association with the consent of the commissioner may declare and distribute a stock dividend, and may issue stock for a consideration other than cash in connection with mergers, consolidation, or transfers pursuant to this part.

Reduction of stock

6458. With the prior consent of the commissioner the guarantee stock of an association may be reduced by resolution of the board of directors approved by the vote or written consent of the holders of a majority in amount of the outstanding stock of such association to such amount as the commissioner approves.

Surplus from reduction

6459. Surplus resulting from reduction of stock shall not be available for dividends or other distribution to stockholders or shareholders except upon liquidation.

Same Use of

6460. An association may, by action of its board of directors, with the prior approval of the commissioner, apply any part or all of any paid-in or contributed surplus, or any surplus created by reduction of stock to the reduction or writing off of any deficit arising from losses or diminution in value of its assets.

Paid-in surplus

6461. The commissioner may require that the consideration for the issuance of guarantee stock be sufficient to create a paid-in surplus in an amount satisfactory to the commissioner.

Commissions

6462. No association shall pay any commissions or other compensation for the subscription to or sale of its stock.

Article 3. Withdrawable Shares

Withdrawable shares

6500. Withdrawable shares shall be of the par value of one hundred dollars ($100) or two hundred dollars ($200) each, as provided in the articles of incorporation or by-laws, and shall be paid for by the subscribers or shareholders as provided in the by-laws. Such payments are denominated dues.

Certificates evidencing

6501. Certificates evidencing shares, with or without passbooks, shall be issued to each shareholder on the first payment

of dues by him. When the dues paid on any share, together with the dividends or profits apportioned thereto, equals the par value thereof, such share shall have reached its matured value.

Matured value

6502. When any share has reached its matured value, the payment of dues thereon shall cease.

Reissue

6503. All matured shares on which repayment is made by the association to the shareholder, and all shares surrendered or canceled, may be reissued.

Consideration

6504. Except in connection with mergers, consolidations or transfers pursuant to this part, no shares shall be issued for any consideration other than cash or cancellation of outstanding shares of the same association of equal value or, with the approval of the commissioner, of different values.

Accumulative shares

6505. Accumulative shares may be issued with the provision that at all times the holder or holders are the owners of the number of shares determined by dividing the value of such shares as defined in Chapter 1 of this part by the par value of the shares.

Types of shares

6506. Shares may be issued as full paid shares, installment shares, accumulative shares, or prepaid shares. Differences between the rates of return or the bases of participation for two or more of such classes of shares may be prescribed in the by-laws.

Full paid shares

6507. Full paid shares are shares upon which a single payment of dues amounting to the par value of the shares is paid at the time of subscription and upon which the holder is entitled to such participation in the net profits, not exceeding the rate apportioned to installment shares, as the board of directors determines. All such shares may be issued in one or more classes as to participation, under regulations prescribed in the by-laws and which shall be fully set forth in or upon each certificate issued.

"Serial," "nonserial"

6508. Installment shares shall be either "serial" or "nonserial" in form. When issued in "serial" form the periodical dues on shares in each series shall commence with the date of the issue of that series and the holder must pay such dues per share at such times as the by-laws provide, and such payments shall continue on each share until, with the dividends or profits apportioned thereto, it reaches its matured value or is withdrawn or canceled. On all serial issues of shares the dividends or profits shall be apportioned and credited equally to each share in the same series No share of a prior series shall be issued after the issue of shares in a new series, except by way of transfer. Installment shares issued in "nonserial" form may be issued at any time and the dividends thereon shall be credited to such shares. Shares of either form may be issued in "classes" with a different periodical payment for each class, to be specified in the by-laws. Installment shares shall be issued with full participation in the profits subject to apportionment as dividends, except that associations issuing stock may, if their by-laws so provide, issue installment shares limited to a maximum rate of dividend.

Accumulative shares

6509. Accumulative shares are shares which participate in the apportionment of net profits and are credited therewith at a rate not exceeding the rate apportioned to installment shares, as the board of directors determines, and upon which the dues may be paid in at such times and in such amounts as the holder elects and as the association permits until the shares reach their matured value or are canceled or withdrawn.

Prepaid shares

6510. Prepaid shares are shares not full paid, upon which a single payment is made, and which are to reach their matured value through crediting on such shares, dividends, or earnings thereon. The holders of prepaid shares are entitled to such participation in the net profits, not exceeding the rate apportioned to installment shares, as the board of directors determines.

Retiring free shares

6511. The directors may, under the regulations prescribed by the by-laws, retire any free shares by enforcing the withdrawal of the shares. If the withdrawal of any shares is to be enforced, the holders of such shares shall be given 30 days' notice and be paid the amount actually paid in plus the full amount of profits or dividends applicable thereto to the date of retirement. The notice shall expressly state that dividends cease on the date fixed for retirement. The aggregate amount required to be paid by this section is denominated the retirement price.

Same Profits or dividends

6512. If the date fixed for the retirement of free shares is not a date on which dividends are to be paid or credited, the amount of profits or dividends applicable thereto from the last date of apportionment shall be prorated and shall be based on the rate of return for the current period if such rate has been determined. If the rate has not been determined for the current period, the amount shall be based on the rate of return determined for the latest previous period for which such rate was determined.

Surrender of shares

6513. On or after the date fixed for retirement of free shares as stated in the notice of retirement, each holder of shares to be retired shall surrender to the association, properly endorsed, his certificate evidencing such shares and shall then be entitled to receive payment of the retirement price of such shares, and if a certificate is retired in part, to receive a new certificate representing the unretired part thereof.

Cession of rights

6514. Dividends, and all other rights of a holder of shares called for retirement, except the right to receive the retirement price, cease after the date fixed for retirement if the notice of intended retirement is given as required by this article and if funds are available for the retirement on and after such date.

Arrears

6515. If any shareholder is six months in arrears in the payment of any installment of his dues upon free shares, the secretary of the association may give him notice of the arrearage in writing. If the shareholder does not pay all arrearages within two months after such notice the association may declare his shares forfeited, and at the time of such forfeiture, the withdrawal value of the shares shall be determined and stated, and the defaulting shareholder is entitled to withdraw that amount

without interest, upon the same notice and subject to the same conditions as a withdrawing shareholder.

Cancellation

6516. Holders of free shares upon the presentation of such shares for cancellation and upon giving a receipt for payment, are entitled to the payment of the matured value of such shares with interest or earnings thereon at the rate last paid or apportioned upon the same class of shares from the time the board of directors declared such shares to have matured until paid. Such payment is subject to the provisions of Chapter 14 of this part.

Article 4. Investment Certificates

Investment certificates Issue

6550. An association may issue investment certificates, with or without passbooks. The holders of investment certificates are not liable for debts or assessments, and are entitled upon liquidation of an association to receive payment in full before any payment or distribution is made to shareholders or stockholders. The holders of investment certificates have no right to participate in the profits or dividends.

Consideration

6551. Except in connection with mergers, consolidations or transfers pursuant to this part, no investment certificate shall be issued for a consideration other than cash or cancellation of outstanding investment certificates of the same association of equal value or, with the approval of the commissioner, of different values.

Interest

6552. Subject to the provisions of this part and of the respective investment certificates, certificate holders are entitled to have interest paid or credited at the rate determined pursuant to Chapter 11 of this part and to the return of their principal with accrued interest upon withdrawal, redemption, or maturity.

Types

6553. Investment certificates may be issued as full paid investment certificates, installment investment certificates, accumulative investment certificates, minimum term investment certificates, or prepaid investment certificates.

Rate

6554. Any investment certificate may provide that interest thereon shall not exceed a specified rate. Subject to the provisions of this article regarding redemption of investment certificates, interest on installment investment certificates and prepaid investment certificates issued after August 14, 1931, shall continue to accrue after the maturity of such certificates until such certificates are withdrawn.

Full paid certificate

6555. A full paid investment certificate is an investment certificate, without an expressed date of maturity, for which the association has received the principal amount thereof at or prior to the time of the issuance of the certificate.

Installment certificate

6556. An installment investment certificate is an investment certificate not full paid, upon which the holder is obligated to make payments at the times and in the amounts specified in the certificate.

Accumulative certificate

6557. An accumulative investment certificate is an investment certificate, not full paid and without an expressed date of

maturity, upon which the holder has the option of making payments at such times and in such amounts as the holder elects and as the association permits.

Minimum term certificate

6558. A minimum term investment certificate is an investment certificate, for which the association has received a single payment equal to the principal amount thereof and which has a date expressed therein before which notice of intention to withdraw cannot be given, or which requires written notice from the holder to the association for a period specified therein before the expiration of which period notice of intention to withdraw cannot be given. On and after such date, or upon and after the expiration of the specified period following such written notice, each such certificate ceases to be a minimum term investment certificate and becomes a full paid investment certificate, subject to the same withdrawal rights and restrictions as a full paid investment certificate.

Prepaid investment certificate

6559. A prepaid investment certificate is an investment certificate not full paid, upon which the holder has made a single payment and which is to reach its principal amount through crediting on such certificate interest thereon not withdrawn.

Withdrawals

6560. Upon the withdrawal of any sum evidenced by any investment certificate issued after August 14, 1931, other than an investment certificate issued to a bank, no interest shall be paid upon any sum which is received by the association on account of such certificate within six months prior to such withdrawal, except that interest may be paid in respect of sums received on installment investment certificates within six months prior to the date of the final payment which the holder is obligated to make thereon. All investment certificates issued after August 14, 1931, shall expressly state the limitation upon the holder's right to interest, as provided by this section.

Partial withdrawal

6561. If only a part of the sum evidenced by an investment certificate is withdrawn, the sum withdrawn is deemed to be that first received by the association unless otherwise agreed. Sums received by an association within the first 10 days of any calendar month may, at the option of the association, be deemed for the purpose of Section 6560 to have been received by such association on the first day of such month.

Waiver contracts

6562. No association shall make any contract with any of its certificate holders waiving in any manner the provisions of Section 6560, and any such contract so made is void.

Redemption

6563. All investment certificates issued after August 14, 1933, are subject to redemption, in whole or in part at the option of the association, by giving the holder at least 30 days' notice of such intended redemption. The notice of redemption shall expressly state that interest on such investment certificates ceases on the date fixed for redemption.

Same

6564. An association may provide that investment certificates are not subject to redemption for an initial period after the issuance thereof, which initial period shall not exceed one year.

Same. Notice

6565. All investment certificates issued after August 14, 1931, shall expressly state that such certificates are subject to redemption, and shall state the period of notice which is required for redemption. If there is an initial period in which the certificate may not be redeemed, the investment certificate shall also state that fact and the length of such initial period.

Redemption price

6566. The redemption price of all investment certificates is the value of the certificate at the date fixed for redemption. If the date fixed for redemption of investment certificates is not a date on which interest is to be paid or credited, interest accrued from the last date interest was paid or credited shall be prorated and shall be based on the rate of return for the current period if such rate has been determined. If the rate has not been determined for the current period, the amount shall be based on the rate of return determined for the latest previous period for which such rate was determined.

Surrender of certificate

6567. On or after the date fixed for redemption as stated in the notice of redemption, each holder of an investment certificate called for redemption shall surrender his certificate properly endorsed to the association and shall then be entitled to receive payment of the redemption price of such certificate, or of the portion thereof to be redeemed, and if a certificate is redeemed in part, the holders shall receive a new certificate representing the unredeemed part thereof.

Holder's rights

6568. Interest, and all rights of the holder of investment certificates with respect to the amount called for redemption, except the right to receive the redemption price, cease after the date fixed for redemption if the notice of intended redemption is given as required by this article and if funds are available for the redemption on or after such date.

Chapter 8. Investments and Borrowings

Investments or loans.

6700. No association shall make or purchase any investments or loans except investments or loans authorized by this division.

Existing loans

6701. Nothing in this division requires any association to sell, transfer, or dispose of any investment or loan made or purchased by such association before August 14, 1931. Any association may renew or extend the time of payment of, or rewrite any loan made before March 10, 1933, and may make additional advances or loans for the purpose of preserving the security of any loan or of protecting the property securing any loan and may make any such renewal, extension, advance, or loan to the borrower or any successor in interest in the property securing the loan, and may make loans on property sold by an association or extend credit thereon for the purpose of facilitating the sale of such property regardless of any other provision of this division.

Authorized investments

6702. An association may invest in, hold, buy, and sell the following:

Real property

(a) Real property used or to be used primarily as the principal office or branch of the association. Except as provided

in Section 6703 no association issuing either stock or investment certificates or both shall invest in such real property more than one-half of the sum of its aggregate paid-up nonwithdrawable capital federal insurance reserve, loan reserve, and any surplus and reserve which is not subject to distribution to the shareholders or stockholders except upon dissolution or liquidation.

Furniture, etc.

(b) Furniture, fixtures, furnishings, equipment and leasehold improvements necessary or proper for the business of the association, or for use in connection with properties owned by or securing loans of the association. Except as provided in Section 6703 no association issuing either stock or investment certificates or both shall invest in furniture, fixtures, furnishings, equipment, and leasehold improvements for its offices more than 20 percent, or if it has no real property used or to be used primarily as its principal office or branch, 30 percent of the sum of its aggregate paid-up nonwithdrawable capital federal insurance reserve, loan reserve, and any surplus and reserve which is not subject to distribution to the shareholders or stockholders except upon dissolution or liquidation.

United States bonds

(c) United States Government bonds and treasury certificates, or any bonds, debentures, notes, or other obligations guaranteed by the United States of America.

Federal agency bonds

(d) Bonds, debentures, and notes issued by any federal home loan bank, or other similar federal agency.

Home loan bank bonds, etc

(e) Consolidated federal home loan bank bonds, debentures, or notes.

Bonds of State and certain subdivisions

(f) Bonds of this State or of any county, municipality, or school district in this State.

Investments legal for savings banks

(g) Bonds, other securities, and bankers' acceptances which are legal as investments for or purchases by savings banks in this State.

Approved public utility bonds

(h) Bonds issued by any railroad corporation or any public utility corporation substantially all of the properties of which are located in the United States of America. Railway corporations and public utility corporations, as used in this subdivision, do not include street railway corporations. The purchase of all bonds pursuant to the sole authority of this subdivision shall be first approved by the commissioner.

First lien securities

(i) Notes or bonds secured by first mortgage or first deed of trust, payment of which is guaranteed by a policy of mortgage insurance, or mortgage participation certificates, issued by a mortgage insurance company in accordance with the provisions of Part 6 of Division 2 of the Insurance Code.

Approved California street improvement bonds

(j) California street improvement bonds. The purchase of all bonds pursuant to the sole authority of this subdivision shall be first approved by the commissioner and no association at any one time shall have invested pursuant to the sole authority of this subdivision an aggregate amount in excess of 2 percent of the then total assets of the association.

(k) Stock issued by any federal home loan bank or other similar federal agency of which the association is eligible to be a member. Stock of federal agencies

(*l*) Bonds, notes, debentures, or other obligations of national mortgage associations or other similar credit institutions now or hereafter organized under Title III of the National Housing Act. The purchase of all bonds, notes, debentures or other obligations pursuant to the sole authority of this subdivision shall be first approved by the commissioner. Approved bonds, etc., of credit institutions

(m) Bonds and other securities as provided in Division 11 of this code.

(Amended by Stats. 1951, Ch. 451.)

[ORIGINAL SECTION]

6702. An association may invest in, hold, buy, and sell the following:

(a) Real property used or to be used primarily as the principal office or branch of the association. No association issuing either stock or investment certificates or both shall invest in such real property more than one-half of the sum of its aggregate paid-up nonwithdrawable capital and any surplus and reserve which is not subject to distribution to the shareholders or stockholders except upon dissolution or liquidation

(b) Furniture, fixtures, furnishings, and equipment necessary or proper for the business of the association, or for use in connection with properties owned by or securing loans of the association No association issuing either stock or investment certificates or both shall invest in furniture, furnishings, and equipment for its offices, more than 10 percent of the sum of its aggregate paid-up nonwithdrawable capital and any surplus and reserve which is not subject to distribution to the shareholders or stockholders except upon dissolution or liquidation.

(c) United States Government bonds and treasury certificates, or any bonds, debentures, notes, or other obligations guaranteed by the United States of America.

(d) Bonds, debentures, and notes issued by any federal home loan bank, or other similar federal agency.

(e) Consolidated federal home loan bank bonds, debentures, or notes.

(f) Bonds of this State or of any county, municipality, or school district in this State.

(g) Bonds, other securities, and bankers' acceptances which are legal as investments for or purchases by savings banks in this State.

(h) Bonds issued by any railroad corporation or any public utility corporation substantially all of the properties of which are located in the United States of America Railway corporations and public utility corporations, as used in this subdivision, do not include street railway corporations. This purchase of all bonds pursuant to the sole authority of this subdivision shall be first approved by the commissioner.

(i) Notes or bonds secured by first mortgage or first deed of trust, payment of which is guaranteed by a policy of mortgage insurance, or mortgage participation certificates, issued by a mortgage insurance company in accordance with the provisions of Part 6 of Division 2 of the Insurance Code.

(j) California street improvement bonds. The purchase of all bonds pursuant to the sole authority of this subdivision shall be first approved by the commissioner and no association at any one time shall have invested pursuant to the sole authority of this subdivision an aggregate amount in excess of 2 percent of the then total assets of the association.

(k) Stock issued by any federal home loan bank or other similar federal agency of which the association is eligible to be a member.

(*l*) Bonds, notes, debentures, or other obligations of national mortgage associations or other similar credit institutions now or hereafter organized under Title III of the National Housing Act. The purchase of all bonds, notes, debentures or other obligations pursuant to the sole authority of this subdivision shall be first approved by the commissioner.

(m) Bonds and other securities as provided in Division 11 of this code.

Limitation

6703. No association at any one time shall have invested pursuant to subdivisions (g), (h), (i), (j), and (*l*) of Section 6702 an aggregate amount in excess of 10 percent of the total assets of such association unless prior consent is obtained from the commissioner. The percentage limitations specified in subdivisions (a) and (b) of Section 6702 may be exceeded if the investment in excess of such limitations is approved by two-thirds of the directors and is approved in writing by the commissioner.

(Amended by Stats 1951, Ch. 451.)

[ORIGINAL SECTION]

6703. No association at any one time shall have invested pursuant to subdivisions (g), (h), (i), (j), and (*l*) of Section 6702 an aggregate amount in excess of 10 percent of the total assets of such association unless prior consent is obtained from the commissioner

Assumption of leases

6704. An association may enter into or assume leases covering real property used or to be used in connection with the business of such association. No association issuing stock or investment certificates shall enter into or assume leases providing in the aggregate for rental payments in any one year in excess of 5 percent of the sum of its aggregate paid-up nonwithdrawable capital federal insurance reserve, loan reserve, and any surplus and reserve which is not subject to distribution to the shareholders or stockholders except upon dissolution or liquidation, after deducting from such sum any amounts invested in real property pursuant to subdivision (a) of Section 6702.

(Amended by Stats 1951, Ch. 451.)

[ORIGINAL SECTION]

6704. An association may enter into or assume leases covering real property used or to be used in connection with the business of such association. No association issuing stock or investment certificates shall enter into or assume leases providing in the aggregate for rental payments in any one year in excess of 5 percent of the sum of its aggregate paid-up nonwithdrawable capital and any surplus and reserve which is not subject to distribution to the shareholders or stockholders except upon dissolution or liquidation, after deducting from such sum any amounts invested in real property pursuant to subdivision (a) of Section 6702.

Investments in real property

6705. An association may invest in real property and such investment may include subdividing and developing real property and building homes and other buildings principally for residential use by veterans on such property. An association may own, rent, manage, operate for income, or sell such property. No association shall have investments, under this section aggregating at any one time more than whichever of the following is the lesser:

(a) Five percent of its total assets.

(b) An amount equal to the sum of its capital, surplus, undivided profits, loan reserve, federal insurance reserve, and such other reserves as the commissioner may prescribe.

6706. No investment pursuant to Section 6705 shall be held by an association more than five years, except with the approval of the commissioner. Duration of investments

6707. An association may purchase at any sale, public or private, any real or personal property upon which it has a mortgage, judgment, trust deed, pledge, lien, or other encumbrance, or in which it has an interest, and may acquire any real or personal property which may be conveyed or transferred to it in full or partial satisfaction, discharge, or release of loans for which such property is security. Purchase of encumbered property

6708. An association may sell, convey, lease, exchange, improve, repair, mortgage, convey in trust, pledge, or encumber any real or personal property purchased or acquired by it as authorized by Section 6707. Selling, encumbering etc., of property

6709. No association shall mortgage, convey in trust, pledge, or encumber any property owned by it and used primarily as the principal office or branch of such association without the consent of the commissioner. Same Property used as office

6710. No association without the consent of the commissioner shall do any of the following: Same Prohibitions

(a) Exchange any real property owned by it for any property other than real property or investments expressly permitted by Section 6702.

(b) Mortgage, convey in trust, or encumber any real property owned by it.

(c) Assume the payment of any mortgage or deed of trust upon any real property received by it in any such exchange.

6711. An association may purchase any notes or other obligations, together with the mortgages, trust deeds, or other security therefor, if such notes or obligations evidence loans which at the time of such purchase the association would be authorized to make pursuant to this division in an amount at least equal to the amount so purchased. Permissive acquisitions

6712. Except as provided in Sections 6718 and 6719 no association shall sell, exchange, transfer, pledge, hypothecate, or otherwise dispose of or encumber any notes or other obligations held by it, evidencing any loan made or purchased by it, or the mortgages, trust deeds or other security therefor, without the approval of the commissioner. Encumbering obligations held

6713. No association shall borrow money except as authorized by this part. Borrowing

6714. Associations may make deposits with any bank and such deposits are not loans within the meaning of this division. Deposits

6715. The issuance of investment certificates is not borrowing within the meaning of this division. Investment certificates

6716. No association may borrow money for a period of more than one year without the approval of the commissioner. Borrowing

6717. The aggregate amount of all borrowings of any association in force at any one time, excluding borrowings from federal home loan banks, or other similar federal agencies, shall not exceed 5 percent of the total assets of the association Amounts

without the approval of the commissioner. No loan made to any association in excess of this amount, is invalid or illegal as to the lender.

Security

6718. An association, as security for borrowings, may pledge, hypothecate, or otherwise encumber any of the notes, bonds, or other securities held by the association, together with the mortgages, trust deeds, and other security therefor. The unpaid principal amount of such notes, bonds or other securities when so pledged, hypothecated, or otherwise encumbered shall not exceed 200 percent of the amount borrowed by such association without the approval of the commissioner.

Federal agency loans

6719. An association may borrow from a federal home loan bank, or other similar federal agency, or from the Reconstruction Finance Corporation. The restrictions and limitations of this division do not apply to such borrowings or to the securing of such borrowings.

CHAPTER 9. RESERVES

Article 1. Investment Certificate and Withdrawable Share Reserve

Applicability

6900. The provisions of this article are not applicable to any association unless it issues either stock or investment certificates or both stock and investment certificates.

Investment certificate and withdrawable share reserve

6901. Each association's investment certificate and withdrawable share reserve shall consist of the sum of the amounts specified in Sections 6902, 6903, and 6904.

Amounts

6902. On and after December 31, 1953, the investment certificate and withdrawable share reserve of each association shall include, five percent (5%) of the aggregate value of the outstanding investment certificates. Prior to December 31, 1953, the reserve shall include the following percentages of the aggregate value of its outstanding investment certificates:

(a) Ten percent (10%) of any amount up to and including one million dollars ($1,000,000).

(b) Seven and one-half percent (7½%) of any amount in excess of one million dollars ($1,000,000) up to and including two million dollars ($2,000,000).

(c) Five percent (5%) of any amount in excess of two million dollars ($2,000,000) up to and including five million dollars ($5,000,000).

(d) Three percent (3%) of any amount in excess of five million dollars ($5,000,000).

Percentages

6903. The investment certificate and withdrawable share reserve of each association shall include the following percentages of the aggregate value of the association's outstanding shares:

(a) On and after December 31, 1950, and prior to December 31, 1951, two percent (2%).

(b) On and after December 31, 1951, and prior to December 31, 1952, three percent (3%).

(c) On and after December 31, 1952, and prior to December 31, 1953, four percent (4%).

(d) On and after December 31, 1953, five percent (5%).

Branches

6904. The investment certificate and withdrawable share reserve of each association shall include twenty-five thousand dollars ($25,000) for each branch maintained by it, opened prior to October 1, 1949, and fifty thousand dollars ($50,000) for each branch maintained by it, opened on or after October 1, 1949.

Contents

6905. Each association's investment certificate and withdrawable share reserve shall consist of any one, or the sum of any of the following:

(a) Paid-up nonwithdrawable capital.

(b) Surplus.

(c) Undivided profits.

(d) Loan reserve and federal insurance reserve.

(e) Other reserves as the commissioner prescribes.

Distribution of profits

6906. No association shall pay any dividends to stockholders or distribute any profits to stockholders if its investment certificate and withdrawable share reserve is less than, or by such payment or distribution would be reduced below, the amount specified in this article.

Same Minimum reserve

6907. No association issuing investment certificates and not issuing stock shall pay any dividends to shareholders or distribute any profits to shareholders if its investment certificate and withdrawable share reserve is less than, or by such payment or distribution would be reduced below, the amount specified in this article.

Restriction

6908. If the investment certificate and withdrawable share reserve is less than the amount specified in this article, no association shall:

(a) Issue investment certificates except in lieu of investment certificates theretofore issued.

(b) Receive additional funds upon investment certificates other than installment certificates. This subdivision does not prevent crediting to investment certificates, interest earned thereon.

Same

6909. If the investment certificate and withdrawable share reserve is less than the amount specified in this article, no association shall:

(a) Issue withdrawable shares except in lieu of withdrawable shares theretofore issued or in connection with loans.

(b) Receive additional funds on withdrawable shares other than installment shares. This subdivision does not prevent crediting to withdrawable shares, dividends or earnings thereon if the payment of such dividends is not otherwise prohibited under this article.

Accrued interest, etc

6910. For the purposes of this article, accrued interest on investment certificates and accrued dividends on shares, at the rates of return determined for such investment certificates or shares, or if such rates have not been determined for any period or part of a period, at the rates of return most recently

determined, shall be included in computing the value of outstanding shares and investment certificates, and shall be deducted in computing the amount of investment certificate and withdrawable share reserve.

Article 2. Loan Reserve

Loan reserve

6950. The directors of each association before declaring dividends shall set aside as a loan reserve not less than 5 percent of the net profits accruing since the last prior apportionment and shall continue to set that amount aside at each apportionment of profits unless and until the loan reserve amounts to at least 5 percent of the aggregate unpaid principal amount of the loans in force secured by real property.

Uses of reserve

6951. The loan reserve shall be available at all times to meet any losses, whether arising from loans or otherwise, but the directors of any association at their option may charge losses against earnings, undivided profits, or surplus. If at any time the loan reserve is impaired, it shall be restored as provided in Section 6950. The loan reserve may include such sum, as the directors of the association transfer from its surplus or undivided profits to the loan reserve.

Chapter 10. Loans

Article 1. Security Required

Definitions

7100. The terms "real property," "improved real property," and "unimproved real property," as used in this chapter, include:

(a) A fee title to real property.

(b) A leasehold interest in real property under a lease for not less than 99 years which is renewable.

(c) A leasehold interest in real property under a lease having a period of not less than 50 years to run from the date of the loan.

Leasehold interest as security

7101. If the security under this chapter is a leasehold interest, the value appraised shall be the value of such leasehold interest and not of the fee title.

Loans, secured

7102. For each loan made by an association a note or other obligation expressing a rate of interest must be executed by the borrower and must be secured, except as provided by Article 3 of this chapter, by any of the following:

(a) A first mortgage or first trust deed upon real property.

(b) The pledge of shares or investment certificates of such association.

(c) The pledge of bonds or other collateral.

First mortgage

7103. If two or more mortgages or trust deeds create successive liens or charges upon the same real property or leasehold interest and one is in fact a first mortgage or first trust deed they shall collectively be deemed a first mortgage or trust deed when they are owned or purchased by an association.

Single loan on aggregate security

7104. In lieu of making two or more separate loans, each secured by mortgage, trust deed, or pledge of one or more properties, leasehold interests, or securities in amounts permitted by this division, an association may make a single loan secured by all such properties, leasehold interests, and securities if the principal amount of the single loan does not exceed the aggregate of the principal amounts which would be permitted for separate loans.

Additional security

7105. Any type of security may be taken at any time and without limit as additional security for any loan held by an association.

Arrears

7106. When a borrower is in arrears in the payment of dues on his pledged shares, interest, or loan installments, or is in default under the terms of any pledge, deed of trust, or mortgage securing his loan, the whole loan shall become due at the option of the association, and the association may proceed to enforce collection of such loan or foreclose the securities held by the association. Upon or after exercising such option, the withdrawal value of all shares pledged as collateral security shall be applied to the payment of the loan. Pledged shares which are applied to the payment of a loan pursuant to this section are deemed surrendered to the association and canceled.

Article 2. Loan Limitations

Amortized loans.

7150. An amortized loan is a loan which provides for payments to be made on the principal in installments at regular intervals at least semiannually commencing not later than one year after the date of the loan. The installments may include interest and either as to principal alone or as to combined principal and interest shall be at least of a sufficient amount so that the smallest installment provided in the note evidencing the loan, other than the last installment, if continued at such regular intervals would result in paying the entire principal in not more than 20 years or, in the case of loans pursuant to Article 3 of this chapter, within 25 years from the due date of the first installment.

Provisions

7151. Amortized loans may provide for payment of interest or principal or both, in addition to regular installments and if such regular installments are not sufficient to pay the entire principal within the term thereof, such loans shall provide that the entire amount unpaid is due and payable within six months after the due date of the last regular installment. The commissioner may by rule prescribe a longer maximum term within which such unpaid amount is due and payable with respect to amortized loans upon particular classes of securities.

Unamortized loans

7152. An association may make unamortized loans upon the security of improved real property in an amount not in excess of 60 percent of the appraised value of such real property.

Amortized loans, maximum

7153. An association may make amortized loans upon the security of improved real property in an amount not in excess of 70 percent of the appraised value of such real property.

Same. Improved real property

7154. An association may make amortized loans upon the security of improved real property in an amount not in excess of 80 percent of the appraised value of such real property if the appraised value does not exceed ten thousand dollars ($10,000), or not in excess of 80 percent of the first ten thousand dollars ($10,000) of such appraised value if it exceeds ten thousand dollars ($10,000) plus 70 percent of the remainder of such appraised value if the following conditions are met:

(a) The principal improvement on such real property consists of a single family dwelling.

(b) The note or other obligation evidencing such loan provides for reduction of principal by monthly installments commencing in the case of construction loans not later than nine months after the date of such loan, and in case of any other loan not later than three months after the date of such loan.

Loans on unimproved real property

7155. An association may make loans upon the security of unimproved real property in an amount not in excess of 33⅓ percent of the appraised value of such real property.

Loans on property to be improved

7156. If any loan is made upon the security of real property where it is agreed or contemplated that improvements will be made to the property which shall become a part of such security, the real property shall be deemed improved real property and the value of the proposed improvements shall be included in the appraised value of such real property. At no time shall the amount advanced by the association on such loan exceed the ratio of loan to value authorized by this article. For the purpose of this computation the association shall include the value of such building or buildings at the time the amount is advanced.

Loans secured by pledging shares

7157. An association may make loans secured by the pledge of its shares or investment certificates to the extent of not more than 90 percent of the value of such shares or investment certificates at the time of making the loan. Any loans, which are wholly secured by the pledge of such shares or investment certificates, and the interest and arrearages due or accrued on such loans, may be repaid at any time without the payment of any premium or bonus interest, and upon such payment of the loan the security pledged therefor shall be surrendered.

Loans secured by pledging notes, etc

7158. An association may make loans secured by the pledge of notes or other obligations evidencing loans which are secured by property or securities upon which the association might make a direct loan, if such collateral loans do not exceed 90 percent of whichever of the following is the lesser:

(a) The unpaid principal of the notes or other obligations pledged as collateral security.

(b) The amount which the association would be permitted to make as a direct loan on the same property or securities.

Maximum amounts

7159. An association may make loans secured by the pledge of bonds, treasury certificates, notes, mortgage participation certificates, or other securities referred to in subdivisions (c), (d),

(e), (f), (g), (h), (i), and (j) of Section 6702 to the extent of not more than 90 percent of the unpaid principal amount or market value thereof, whichever is less, if at the time of such loans the association would be authorized to invest in such bonds, treasury certificates, notes, mortgage participation certificates, or other securities in an amount at least equal to such unpaid principal amount or market value, whichever is less.

"Mutual plan," "definite contract plan"

7160. An association may make loans upon the "mutual plan" or upon the "definite contract plan."

Same

7161. Loans made upon the mutual plan are loans accompanied by a pledge of shares having a matured or par value equal to the expressed principal of the loan.

Same

7162. Loans upon the definite contract plan are repayable at a designated time or in installments specified in the notes or other obligations evidencing such loans.

Mutual plan Application of installments to principal

7163. If the installments on loans made on the mutual plan are applied in payment of the association's membership shares pledged therewith, such installments together with accumulated earnings thereon shall be construed as applied to the principal of such loans but only for the purposes of Sections 7150, 7151, 7168, and 7170.

Transfer of obligations

7164. If a loan is made on the mutual plan, the note or other obligation of the borrower shall expressly provide that if the association sells, exchanges, transfers, or otherwise disposes of such note or obligation, or if the association is liquidated, voluntarily or involuntarily, the value of the shares pledged, plus the accrued earnings thereon to the date of such sale or disposition or to the date of the commencement of liquidation, shall be applied first to advances on account of such loans, second to the interest accrued and unpaid thereon, and third to the principal.

Same

7165. If a loan is made on the mutual plan, the note or other obligation of the borrower shall expressly provide that if the association pledges, hypothecates, or otherwise encumbers such note or obligation, the value of the shares pledged, plus the accrued earnings thereon to the date of such pledge, hypothecation, or encumbrance may at the option of such association be applied as provided in Section 7164. The note or obligation shall also expressly provide that if the association does not exercise its option at the time of such pledge, hypothecation, or other encumbrance and the note or obligation is sold pursuant to such pledge, hypothecation, or other encumbrance, the value of such shares, plus the accrued earnings thereon to the date of sale, shall be applied as provided in Section 7164.

Shares applied as loan payment

7166. If an association applies the value of shares to the payment of the loan as provided in Sections 7164 or 7165 such shares are deemed surrendered to the association and canceled as of the date of such application.

Accrued earnings

7167. In computing accrued earnings for the purposes of Sections 7164 or 7165, the rate used in the last apportionment shall be applied.

Delayed payments

7168. An association may make loans which provide that payments on account of the principal shall not commence during an initial period not to exceed three years.

Amortized loans

7169. For the purpose of Section 7170, any loan held by an association may be classified as an amortized loan during any period within which payments are being made, or within which the note or obligation representing such loan provides for payments to be made, of installments either of principal alone or combined principal and interest at a rate not less than that provided for an amortized loan, regardless of whether or not the loan requires payment to commence later than one year from the date of the loan.

Nonamortized loans

7170. An association shall not make any loan other than an amortized loan unless at least 90 percent of the unpaid principal of all its loans then in force are amortized loans, and no association shall make any loan other than an amortized loan payable in monthly installments unless at least 80 percent of the unpaid principal of all its loans then in force are amortized loans in which the note or obligation provides for monthly installment payments on the principal.

Restrictions on loans

7171. An association shall not make any loan upon the security of unimproved real property if the unpaid principal of all its loans then in force on unimproved real property exceeds 3 percent of the unpaid principal of all its loans of all classes then in force.

Same Maximum amount of single loan

7172. An association shall not make any one loan in an amount exceeding fifteen thousand dollars ($15,000) principal if the loan exceeds 1 percent of the book value of the association's assets unless consent is obtained from the commissioner.

Same Total loans

7173. An association shall not commit itself to make any loans for amounts in excess of the total of the following amounts unless consent is obtained from the commissioner:

(a) Amount of cash available for loan purposes.

(b) Amount of cash which can readily be realized upon the sale or redemption of investments made pursuant to Section 6702.

(c) Amount of credit available for loan purposes from the Federal Home Loan Bank or other financial institutions.

Same Construction loans

7174. No association shall make any construction loans to any one borrower, or under any one transaction, or applicable to any one project, without the consent of the commissioner if the loans are in excess of whichever of the following is the lesser:

(a) Ten percent of its total assets.

(b) An amount equal to the sum of its capital, surplus, undivided profits, loan reserve, federal insurance reserve, and such other reserves as the commissioner may prescribe.

Exceptions

7175. Section 7174 does not apply to any of the following:

(a) Loans upon which associations hold commitments for insurance by the Federal Housing Administrator, pursuant to Article 3 of this chapter.

(b) Loans which are partially guaranteed by, or insured by, the Administrator of Veterans Affairs, pursuant to Article 3 of this chapter.

(c) Loans which have been repaid or sold without recourse.

Prohibited loans

7176. The commissioner may prohibit any association from making any further loans within any geographical area as specified in an order of the commissioner, when in the opinion of the commissioner the making of such loans within the specified geographical area would constitute unsound business practice.

Loans to officers, etc

7177. No association shall directly or indirectly make any loans to any officer or director of such association, either for himself or as agent or as partner of another.

Loans to other corporations, etc

7178. No association shall make any loan to any corporation of which a majority of the stock is owned or controlled by any one or more of the directors or officers of such association collectively, except with the consent of the commissioner.

Same

7179. An association may make loans to any corporation in which any director or officer of such association is a minority stockholder, on authorization of or confirmation within 30 days after making such loan by the affirmative vote of all the disinterested directors of such association present at the meeting authorizing or confirming such loan, when such affirmative vote constitutes a majority of all the directors. The interested director or officer shall not vote or participate in any manner in the action of the board upon the loan. The authorization or confirmation shall be entered upon the records or minutes of the association. Such loan shall in all other respect comply with the other provisions of this part.

Same Reports

7180. If a loan is made to a corporation as set forth in Section 7179, and if the director or officer of the association owns more than five percent (5%) of the paid-in capital of such corporation, or if any two or more officers or directors own more than twenty percent (20%) of the paid-in capital of such corporation, the association shall file reports with the commissioner showing the following:

(a) The fact of making the loan.

(b) The names of the directors authorizing or confirming the loan.

(c) The corporate name of the borrower.

(d) The name of each director or officer of the association who is a stockholder, officer, or director of the corporation to which the loan is made.

(e) The amount of stock held by the officer or director in such borrowing corporation.

(f) The amount of the loan, the rate of interest thereon, the time when the loan becomes due, the amount, character and value of the security given therefor, and the fact of final payment, when made.

Prohibited loans

7181. No association shall loan any of its funds upon the security of its own stock.

Same Commissioner or employees

7182. No association shall make any loan to, or purchase any loan or investment from, the commissioner, or any deputy,

attorney, examiner, accountant, or appraiser appointed or employed by the commissioner.

Violations

7183. Any officer or director of any association who knowingly violates any of the provisions of Sections 7177, 7178, 7179, 7180, 7181, or 7182, is guilty of a felony.

Article 3. Insured Loans

7200. An association may:

Insured housing loans

(a) Either with or without security, make loans, advance credit, and purchase obligations representing loans and advances of credit, pursuant to Title 1 of the National Housing Act, as amended, if the Federal Housing Administrator insures such association against losses which it may sustain as a result of such loans, advances of credit, and purchases, to the extent of 10 percent of the total amount of the loans, advances of credit and purchases made by such association on and after the date of the enactment of the National Housing Act Amendments of 1938.

(b) Make loans upon the security of improved real property pursuant to the provisions of this section and pursuant to Title 2 and Title 6 of the National Housing Act, as amended, if the Federal Housing Administrator insures, or makes a commitment to insure such association against losses of principal which it may sustain as a result of such loans.

(c) Secure insurance pursuant to the National Housing Act.

Restrictions not applicable

7201. No other section of this code, or other law prescribing the nature, amount or form of security, or requiring security upon which loans or advances of credit may be made, or prescribing or limiting the period for which loans or advances of credit may be made, applies to loans, advances of credit or purchases made pursuant to Section 7200.

Guaranteed excess loans

7202. An association may make loans secured by real property in excess of the amounts permitted by Article 2 of this chapter, if such excess amount is guaranteed by the Administrator of Veterans' Affairs under Title 3 of the "Servicemen's Readjustment Act of 1944" or any act of Congress supplementary or amendatory thereof.

38 U S C, §693

Other guaranteed loans

7203. An association may make any loan, secured or unsecured, and if secured whether or not secured by first mortgage or first trust deed and irrespective of percentage of loan to value, if the full amount of such loan is guaranteed by the Administrator of Veterans' Affairs under Title 3 of the "Servicemen's Readjustment Act of 1944" or any act of Congress supplementary or amendatory thereof.

Purchase of loans

7204. An association may make and purchase loans with or without security pursuant to Title 3 of the "Servicemen's Readjustment Act of 1944" or any act of Congress supplementary or amendatory thereof if the Administrator of Veterans' Affairs enters into an insurance agreement pursuant to such federal act whereby he will reimburse the association for losses

incurred on such loans up to 15 percent of the aggregate of loans so made or purchased by it.

Guaranteed loans

7205. If the whole or any portion of a loan made by an association is guaranteed or insured by the Administrator of Veterans' Affairs under Title 3 of the "Servicemen's Readjustment Act of 1944" or any act of Congress supplementary or amendatory thereof, such loan may be made on any terms, plans, practices, or procedures authorized or required by the Administrator of Veterans' Affairs, if such terms, plans, practices, or procedures are approved by the commissioner as affording reasonable protection to associations and investors.

Article 4. Appraisal of Securities

Approval of appraisers

7250. No loan shall be made upon the appraisement of, nor shall compensation for any appraisement be paid to any appraiser, officer, or member of any committee who has not been first approved in writing by the commissioner for the association. The approval is subject to such limitations as the commissioner provides, and may be revoked for cause by the commissioner, after giving due notice to the appraiser and the association and holding a hearing.

Revaluation of property

7251. The commissioner may make a revaluation of any property or investments of any association, and of any property which constitutes security for any loan held by any association.

Extraordinary appraisement

7252. If the commissioner finds it necessary or expedient to devote extraordinary attention to the appraisal of the property or loans of an association, he may use for that purpose his own appraisers or independent appraisers, who are disinterested persons. The association whose securities are appraised under this section shall pay the expense of such appraisal to the commissioner upon demand.

Costs

7253. The expense of an extraordinary appraisement shall be fixed by the commissioner but shall not exceed for each property examined and appraised the sum of ten dollars ($10) plus not to exceed one dollar ($1) for each thousand dollars of value, in excess of fifteen thousand dollars ($15,000) but not in excess of twenty-five thousand dollars ($25,000) plus not to exceed fifty cents ($0.50) for each thousand dollars of value, in excess of twenty-five thousand dollars ($25,000).

Report

7254. Each appraiser appointed for an extraordinary appraisement shall make a sworn report in writing to the commissioner of his estimated valuations of all property examined and appraised, and the commissioner shall furnish a copy of such report to the association whose properties were appraised.

Loss reserve

7255. The commissioner may require each association to establish and maintain a specific loss reserve for the amount by which the book value of any asset exceeds the commissioner's appraisal of such asset, or for the amount by which the unpaid balance of any loan exceeds the amount for which such loan might lawfully be made based upon the commissioner's appraisal of the security for such loan.

CHAPTER 11. INTEREST, DIVIDENDS

Rate of return

7400. The rates of return on shares or investment certificates which do not provide for a definite rate of return thereon shall be determined by the board of directors of the association during, or within 30 days before the beginning of, or within 30 days after the end of, each quarterly or semiannual period. The rate of return is subject to the approval of the commissioner except where the association does not issue investment certificates or stock, or when an association has no matured withdrawal claims.

Approval

7401. The commissioner shall approve the rates of return on shares and investment certificates unless he finds them unfair, unjust, or inequitable, having due regard to the earnings of the association, the nature and amount of its assets and liabilities, and the amount of its undivided profits, reserves, surplus, and capital.

Approval presumed

7402. If, within 10 days after the commissioner is advised in writing of the rates of return on shares and investment certificates as determined by the board of directors of the association, the commissioner has not notified the association in writing that he disapproves of such rates, the approval of the commissioner is conclusively presumed.

Determination of rates

7403. If within 30 days after the commissioner is advised in writing of the rates of returns on shares and investment certificates as determined by the board of directors of an association, the commissioner and the board of directors have not agreed upon such rates or upon other rates, then the commissioner shall determine the rates. In determining such rates the commissioner shall take into consideration the earnings, nature and amount of assets and liabilities, the amount of undivided profits, reserves, surplus, and capital of the association.

Review of commissioner's determination

7404. An association or any of its certificate holders or shareholders aggrieved by the action of the commissioner in determining the rates of return on shares and investment certificates may at any time within 10 days after the determination of the rates apply to the Supreme Court for a review of the commissioner's determination. The commissioner's determination shall not be set aside or modified unless the court finds that the commissioner in making his determination committed an abuse of discretion.

Apportionment

7405. Profits and losses shall be apportioned at least annually. In computing earnings or dividends on shares, the rate shall be applied to the value of the shares, subject to regulations prescribed by the by-laws or the directors in respect to payments on such shares since the last prior apportionment.

Unpaid interest

7406. Unpaid interest although due or accrued on debts owing to any association, shall not be included in calculation of its profits available for dividends.

Assets

7407. No association shall enter or carry on its books any of its assets at a valuation exceeding the actual cost of such asset to the association without the consent of the commissioner.

7408. Before declaring dividends the directors shall set aside as a loan reserve any sum required by Article 2 of Chapter 9 of this part. Dividends, reserve

7409. Every association issuing stock may declare dividends on stock at a rate equal to that declared and paid or credited on installment shares. The association may also set aside out of the net profits at each annual distribution, an amount not exceeding 1 percent a year of the average loans in force during such period, or a proportionate amount at each semiannual, quarterly, or other distribution, from which to declare additional dividends on its stock if at least one-tenth of the amount set aside is carried to stock surplus until such surplus amounts to and is maintained at a value of at least 25 percent of the par value of the outstanding stock. Same Rates

7410. The directors of any association issuing stock and not issuing shares may make, declare, and pay dividends on the stock of as much of the surplus profits as appears advisable to the directors. Such dividends are subject to all the restrictions of this part on the declaration or payment of dividends. Same Out of surplus

CHAPTER 12. INVESTORS

Article 1. Generally

7600. Associations may issue shares or investment certificates to a minor of any age and receive payments thereon by or for such minor. Such minor is entitled to withdraw, transfer, or pledge any shares or certificates owned by him and to receive from the association all dividends, interest, or other money due thereon in the same manner and subject to the same conditions as an adult. The receipt or acquittance of a minor constitutes a valid release and discharge of the association for the payment of dividends, interest, or other money due to such minors. Minors

(Amended by Stats. 1951, Ch. 451.)

[ORIGINAL SECTION]

7600. Associations may issue shares or investment certificates to a minor of any age and receive payments thereon by or for such minor. If such minor is 14 years of age or over, he is entitled to withdraw, transfer, or pledge any shares or certificates owned by him and to receive from the association all dividends, interest, or other money due thereon in the same manner and subject to the same conditions as an adult. The receipt or acquittance of a minor who is 14 years of age or over constitutes a valid release and discharge of the association for the payment of dividends, interest, or other money due to such minors.

7601. Associations may issue shares and investment certificates to or in the name of a married woman and receive payments thereon by or for such woman. Shares or certificates issued to or in the name of a married woman are held by her for her exclusive right and benefit, free from the control or lien of all other persons except creditors. Shares or certificates issued in the name of a married woman may be withdrawn by and the dividends or interest accruing thereon may be paid to her and the receipt or acquittance of such married woman is a valid and Married women

sufficient release and discharge of the association for such withdrawals or payments.

Joint tenants

7602. When shares or investment certificates are issued in the name of two or more persons whether minor or adult as joint tenants or in form to be paid to any of them or the survivors of them, such shares or certificates and all dues paid thereon become the property of such persons as joint tenants.

(Amended by Stats. 1951, Ch. 451.)

[ORIGINAL SECTION]

7602. When shares or investment certificates are issued in the name of two or more persons as joint tenants or in form to be paid to any of them or the survivors of them, such shares or certificates and all dues paid thereon become the property of such persons as joint tenants.

Same Payment

7603. Shares or investment certificates owned in joint tenancy and all dividends and interest thereon are held for the exclusive use of the joint tenants and may be paid to any of them during their lifetime or to the survivor or any one of the survivors of them after the death of one or more of the joint tenants. By written instructions of all joint tenants given to the association, they may require the signatures of more than one of such persons during their lifetimes or of more than one of the survivors after the death of any one of them on any notice of withdrawal, request for withdrawal, check endorsement or receipt, in which case the association shall pay withdrawals, dividends and interest only in accordance with such instructions, but no such instructions shall limit the right of the sole survivor or of all of the survivors to receive withdrawal payments, dividends and interest. Payment as provided in this section and the receipt or acquittance of any joint tenant is a valid and sufficient release and discharge of such association for all payments made on account of shares or certificates owned in joint tenancy prior to the receipt by such association of notice in writing from any one of them not to make payments in accordance with the terms of such shares or certificates or of such written instructions. After receipt of such notice an association may refuse, without liability, to pay withdrawals, dividends or interest pending determination of the rights of the parties.

(Amended by Stats. 1951, Ch. 451.)

[ORIGINAL SECTION]

7603 Shares or investment certificates owned in joint tenancy and all dividends and interest thereon are held for the exclusive use of the joint tenants and may be paid to any of them during their lifetime or to any of the survivors of them after the death of one or more of the joint tenants. The payment and the receipt or acquittance of any joint tenant is a valid and sufficient release and discharge of such association for all payments made on account of shares or certificates owned in joint tenancy prior to the receipt by such association of notice in writing not to make payments in accordance with the terms of such shares or certificates.

Same Evidence

7604. The purchase or acceptance of shares or investment certificates in the name of two or more persons as joint tenants or in form to be paid to any of them or the survivors of them, in the absence of fraud or undue influence, is conclusive evidence

in any action or proceeding to which either the association or the surviving share or certificate holders may be a party, of the intention of such share or certificate holders to vest title to such shares or certificates and dues paid on account thereof and dividends and interest thereon in the survivors.

Trustees and guardians

7605. Associations may issue shares and investment certificates to any person as trustee or guardian. The association is not liable to beneficiaries or wards for money paid to their trustees or guardians on account of such shares or certificates.

Beneficiary

7606. When a person holding shares or investment certificates as trustee or guardian dies and no notice of the terms, revocation, or termination of the trust or guardianship is given in writing to the association, the withdrawal or other value of the shares or investment certificates or any part thereof may be paid to the beneficiary or ward. If no beneficiary or ward has been designated in writing to the association, the withdrawal or other value or any part thereof may be paid to the trustee's or guardian's executor or administrator. Such payment by any association is a valid and sufficient release and discharge of the association for the payment whether or not such payment is made to a minor.

(Amended by Stats. 1951, Ch. 451.)

[ORIGINAL SECTION]

7606. When a person holding shares or investment certificates as trustee or guardian dies and no notice of the terms, revocation, or termination of the trust or guardianship is given in writing to the association, the withdrawal or other value of the shares or investment certificates or any part thereof may be paid to the beneficiary or ward. If no beneficiary or ward has been designated in writing to the association, the withdrawal or other value or any part thereof may be paid to the trustee's or guardian's executor or administrator. Such payment by any association is a valid and sufficient release and discharge of the association for the payment.

Notice

7607. Any notice which an association is required or desires to give to any of its investors may be given either by personal service upon the investor or by mailing the notice, postage prepaid, addressed to the investor at the last post-office address given by the investor to the association for the purpose of mailing of notices, or, if no address has been given, then at the city or town in this State where the principal office of the association is located.

Same

7608. Any notice given by mail as provided in Section 7607 is given upon deposit thereof in the mails, except that if any investor's address is more than 600 miles from the place of mailing the notice the time within which the investor may exercise any right or remedy following the giving of such notice shall be extended one day for each unit of 600 miles or fraction of such unit between the investor's address and the place of mailing. The extension of time shall in no case exceed 10 days.

Levy of attachment

7609. If any attachment is levied upon any shares or investment certificates of any association the copy of writ and notice shall be left with the manager or any other officer of such association at the office or branch at which such shares or investment certificates were issued if such office or branch is still being

maintained, and if not, at the principal office of such association. Attachments which are not so served, are not effective as to any share or investment certificate issued by such association.

Pending actions

7610. In any suit, action, or proceeding arising out of the claim of any shareholder or certificate holder to withdraw from an association, no attachment or execution shall be issued against the association or its property before final judgment that such shareholder or certificate holder is presently entitled to payment of such withdrawal.

Attachment exemption

7611. The shares of associations issuing neither stock nor investment certificates, and the dividends credited thereon are exempt from attachment or execution and proceedings supplementary thereto to the value of one thousand dollars ($1,000).

Adverse claims

7612. Notice to any association of an adverse claim to shares or investment certificates standing on its books to the credit of, or to personal property held for the account of, any person may be disregarded until and unless such adverse claimant either (i) procures and serves upon the association at the office at which the account is carried or the property held a restraining order, injunction or other appropriate order against the association from a court of competent jurisdiction in an action in which the adverse claimant and all persons in whose name such account stands or for whose account such property is held are parties, or (ii) executes and delivers to the association at the office at which the account is carried or the property held a bond in form and with surety acceptable to it and in an amount fixed by the association, but which amount in no event need be more than twice the value of the shares or investment certificates or more than twice the market value of the property against which the adverse claim is made, indemnifying it and also all persons in whose names such account stands or for whose account such property is held, against all liability, loss, damage, costs and expenses arising out of the refusal to permit withdrawal from such account or to pay dividends or interest thereon or to deliver such property. Unless such restraining order, injunction or other appropriate order is obtained, or such bond is given, the association, notwithstanding such notice, may honor notices of intention to withdraw and may pay withdrawals, dividends and interest to the person or persons to whose credit the account stands or may deliver such property to or upon the order of the person for whose account such property is held, without any liability on the part of the association.

(Added by Stats. 1951, Ch. 451.)

Same. Fiduciary affidavit

7613 If an adverse claimant delivers to the association at the office at which the account is carried or the property held his affidavit stating that of his own knowledge the person to whose credit the account stands or for whose account the property is held is a fiduciary for the adverse claimant and that such fiduciary is about to misappropriate the account or the property and stating the facts upon which the claim of a fiduciary relationship is based, the association may refuse to pay

withdrawals, dividends or interest on the account or may refuse to deliver such property until the adverse claim is finally adjudicated or released, without liability on its part and without liability for the sufficiency or truth of the facts alleged in the affidavit.

(Added by Stats. 1951, Ch. 451.)

Qualifying terms

7614. The provisions of Sections 7612 and 7613 are applicable even though the name of the person appearing on the association's books to whose credit the account stands or for whose account the property is held is modified by a qualifying or descriptive term such as "agent," "trustee" or other word or phrase indicating that such person may not be the owner in his own right of the account or property.

(Added by Stats. 1951, Ch. 451.)

Article 2. Voting Rights

Voting rights

7650. Except as otherwise provided in the articles of incorporation or by-laws pursuant to this article, each stockholder shall have one vote for each share of stock held by him and each shareholder shall have such number of votes as bears the same ratio to one as the par value of all shares held by him bears to the par value of one share of stock issued by such association.

Directors

7651. Associations authorized by their articles of incorporation or by-laws to issue both shares and stock may provide in their articles of incorporation or by-laws that a majority of the board of directors shall be elected by the stockholders.

Different voting rights

7652. Associations authorized to issue shares may provide in their articles of incorporation or by-laws that the holders of installment, accumulative, or prepaid shares shall have lesser voting rights than holders of full paid shares. The difference in the voting rights may vary according to the value of the installment, accumulative, or prepaid shares.

By-law provisions

7653. Certificate holders have no voting rights except those expressly provided in the by-laws.

Borrowers as members

7654. Borrowers who qualify as members under Chapter 13 of this part are entitled to cast one vote each in person or by proxy, as follows:

(a) At all membership meetings of the association.

(b) At all meetings where the members of the association and other persons who are not members are entitled to vote.

(c) On all matters of the association requiring the vote of shareholders, stockholders, or other persons entitled to vote.

Same Two members

7655. In associations whose by-laws authorize borrowing memberships, if a loan is made to, or property securing a loan is owned by two or more persons each of them is a member, but such persons in the aggregate shall hold one certificate and have one vote, and such vote shall be cast by the majority of such persons present in person or by proxy at such meeting, or if only one of such persons is present in person or by proxy then by that one.

Article 3. Transfers

Transfers Written notice

7700. No transfer or encumbrance of investment certificates or shares issued by an association is effective as to such association until written notice of the transfer or encumbrance is given to the office of the association at which such investment certificates or shares were issued, or at which the account of the association as to such shares or investment certificates is kept, or to the principal office of the association.

Presumption

7701. Until notice of transfers or encumbrance of shares or investment certificates is given as provided in this article, the association may conclusively presume that investment certificates and shares have not been transferred or encumbered, and may make all payments or issue new investment certificates or shares to or in the name of the person in whose name its certificates or shares are issued. This section applies whether or not the investment certificates or shares are presented at the time of payment or issuance, and the association has no responsibility to a transferee or lienholder with respect to any investment certificates or shares, or parts thereof, so paid or reissued.

Fee

7702. If the by-laws of an association so provide, an association may charge and collect a transfer fee not exceeding ten cents ($0.10) on each share or investment certificate. Such fees shall be accounted for by the association like other funds of the association.

Chapter 13. Membership of Borrowers

Membership of borrowers

7900. Any association may provide in its by-laws that every person holding a certificate of membership as a borrower from such association shall be a member of the association. Any applicant for a loan from any association having by-laws containing such provision, who is not a member of such association, may be permitted to become a member without purchasing or subscribing for shares of such association, by filing an application with the association before or at the time of the filing of his loan application. A certificate of membership shall be issued to every such applicant accepted by such association as a member.

Termination

7901. Any person who is a member of an association solely by reason of holding a borrower's membership ceases to be a member upon any of the following:

(a) The full repayment of the loan including all advances.

(b) The sale, exchange, transfer, or other disposition of such loan by the association.

(c) The transfer of the property securing the loan to another person.

Transfer of security

7902. When the property securing a loan of a borrowing member is transferred, the person acquiring such property becomes a member upon being issued a certificate of membership as a borrower, in lieu of the person making the transfer, but the association, until it has notice of such transfer, is entitled for all purposes to treat the transferor as a member of the association.

CHAPTER 14. WITHDRAWALS

Article 1. Notice of Intention

Notice

8100. Each association shall prescribe by its by-laws, or by contract with its shareholders or certificate holders the period of notice of intention to withdraw. The period shall be six months in the case of all shares or investment certificates issued after September 15, 1945. The association may pay withdrawal claims before the expiration of the period in accordance with the provisions of this chapter.

Shares or certificates outstanding on Sept 15, 1945

8101. Nothing in this chapter prohibits an association from doing the following:

(a) Issuing shares or investment certificates prescribing the same period of notice of intention to withdraw as prescribed in shares or certificates outstanding before September 15, 1945, if such new shares or investment certificates are issued in lieu of the shares or certificates outstanding on that date.

(b) Receiving additional funds upon installment shares, accumulative shares, installment investment certificates, or accumulative investment certificates outstanding on September 15, 1945, or upon shares or certificates issued in lieu thereof.

Statement in certificate

8102. All certificates issued after August 14, 1931, evidencing shares or investment certificates shall state the period of notice required to withdraw and shall also state that the right of the holder to withdraw funds is subject to the provisions of this chapter or that such right is subject to the provisions of the Building and Loan Association Law governing withdrawals.

(Amended by Stats. 1951, Ch. 227.)

[ORIGINAL SECTION]

8102. All certificates issued after August 14, 1931, evidencing shares or investment certificates shall state the period of notice required to withdraw and shall also state that the right of the holder to withdraw funds is subject to the provisions of this chapter

Terms of withdrawal

8103. Each association may prescribe by its by-laws, or by contract with its shareholders or certificate holders the terms and conditions of withdrawal if such terms and conditions are not contrary to the provisions of this chapter.

Void agreements

8104. No association shall agree in advance to pay withdrawals without requiring notice of intention to withdraw or before the maturity of a notice of intention to withdraw, nor agree in advance to pay minimum term investment certificates before the expiration of the minimum term. Any agreement by an association contrary to the provisions of this section is void.

Invalid notice

8105. Any notice of intention to withdraw is invalid unless it is given in writing to the office of the association at which the shares or investment certificates in question were issued, or at which the account of the association as to such shares or investment certificates is kept, or to the principal office of such association, signed by a holder entitled to make a withdrawal, or by his attorney or agent.

Notice Revocation

8106. A shareholder or certificate holder may at any time revoke or waive, either in whole or in part, a notice of intention to withdraw and thereupon such notice is invalid either in whole or as to such part.

Minimum term certificates

8107. No valid notice of intention to withdraw may be given for minimum term investment certificates during their minimum term. The holders of minimum term investment certificates may not withdraw during the minimum term except at the option of the association issuing such certificates.

Pledged certificates

8108. Except as provided in Section 8109 no shareholder or certificate holder whose shares or investment certificates are pledged as security for a loan from the association issuing such shares or investment certificates may make a withdrawal or give any valid notice of intention to withdraw such shares or investment certificates until the indebtedness for which the shares or investment certificates are security is fully paid.

Withdrawals

8109. Withdrawals may be made at any time without notice from pledged shares and investment certificates, whether or not the association is on notice if the full amounts of such withdrawals are used to pay the indebtedness for which the shares or investment certificates are pledged, or any part thereof. If the loan for which the shares or certificates are pledged is made upon the mutual plan, such withdrawals without notice shall be permitted only at the option of the association unless the entire indebtedness is paid.

Filed in order received

8110. All notices of intention to withdraw shall be filed when received by each association or by the several branches thereof in the order in which they are received, and each shall be kept on file with the exact time of the receipt noted thereon or recorded, until it is paid or becomes invalid.

"Matured notice"

8111. When any notice of intention to withdraw has been on file for the period prescribed, or for the period stated in such notice as the period to elapse previous to making the withdrawal, whichever is longer, such notice is a "matured notice" for all the purposes of this division.

"Initial installment," "successive installments"

8112. Withdrawal claims of any one investor in an association or of two or more investors in an association holding shares or investment certificates in common or in joint tenancy mature in installments if such claims are for any sum greater than two hundred fifty dollars ($250). The first of the installments is denominated the "initial installment" and the remaining installments are denominated the "successive installments."

Same Maturity

8113. The initial installment matures in the case of withdrawal claims filed pursuant to Section 6515, or the provisions of this article, when the notice of intention of withdrawal matures. The initial installment matures in the case of maturity of shares pursuant to Section 6516, upon the declaration of such maturity by the board of directors of the association.

Successive installments

8114. The first successive installment matures 30 days after the payment of the initial installment, and the other successive installments mature respectively 30 days after the payment of the next preceding successive installment.

Amount of installment

8115. If withdrawal claims represent investment certificates or shares having a value in excess of two hundred fifty dollars ($250), but not greater than one thousand two hundred fifty dollars ($1,250), each installment shall be two hundred fifty dollars ($250), or the portion of the claim remaining unpaid at the time such installment matures, whichever is less.

Same

8116. If withdrawal claims represent investment certificates or shares having a value in excess of one thousand two hundred fifty dollars ($1,250), but not greater than twenty thousand dollars ($20,000), each installment shall be one-fifth of the value of the shares or investment certificates at the time the initial installment matures or the portion of such claim remaining unpaid at the time such installment falls due, whichever is less.

Same

8117. If withdrawal claims represent investment certificates or shares having a value greater than twenty thousand dollars ($20,000), each installment shall be four thousand dollars ($4,000), or the portion of the claim remaining unpaid at the time such installment matures, whichever is less.

Surrender of certificates

8118. If the notice from the association that funds are available for the payment of withdrawals so provides, shareholders or certificate holders who fail to tender their certificates for surrender within 10 days after the notice from the association, have no right to withdraw except after giving new notice of intention to withdraw.

Article 2. Associations on Notice

"Association on notice"

8150. If the sum of the matured withdrawal claims of any association exceeds 5 percent of the value of all outstanding shares and investment certificates of the association, then such association is an "association on notice." An association which is on notice continues on notice until either of the following occurs:

(a) All of the matured withdrawal claims are paid or funds are set aside for the payment thereof and notice is given to the holders that the funds are set aside.

(b) The sum of the matured withdrawal claims becomes less than 3 percent of the value of all outstanding shares and investment certificates of such association either by payment or by setting aside funds for payment and giving notice of such fact to the holders, and with the approval of the commissioner, the board of directors declares that such association is no longer on notice.

Payment of dividends

8151. An association on notice shall not pay any dividends on its stock or make any loans or investments, except loans or investments pursuant to its obligations incurred before it became an association on notice and loans expressly permitted by Sections 6701 and 8203.

Statement

8152. Each association on notice shall mail to the commissioner within 24 hours after becoming an association on notice, a statement that such association is on notice. As long as such

association is on notice it shall mail to the commissioner daily or as often as the commissioner directs a statement showing the following:

(a) The amount of its cash on hand and in banks.

(b) The amount of its United States Government bonds and treasury certificates.

(c) The amount and description of all its other bonds.

(d) The amount of all unpaid notices of withdrawal filed with such association.

(e) The amount of all borrowing other than through the issuance of investment certificates.

(f) The amount of all matured shares of such association.

(g) The amount of its incomplete loans.

(h) Any other data required by the commissioner.

Article 3. Payment

Payment

8200. If the shareholder or certificate holder tenders his certificate for surrender, duly endorsed, within 10 days after any valid notice of intention to withdraw matures, he is entitled, subject to the provisions of this article, to receive the withdrawal value of his shares or investment certificates or of that part thereof referred to in such notice. The withdrawal value is the full amount paid in upon the shares or investment certificates surrendered except transfer and entrance fees, together with the dividends, profits, or interest applicable to the shares or certificates withdrawn, subject to such adjustment of earnings or interest as is provided by by-law or contract.

"Matured withdrawal claims"

8201. "Matured withdrawal claims," includes the following:

(a) The value of all shares or investment certificates or parts thereof for which valid notices of intention to withdraw are on file, matured, and unpaid.

(b) Notices of intention to withdraw by defaulting shareholders pursuant to Section 6515.

(c) The value of all shares which have matured pursuant to Section 6516 and which are unpaid.

Priorities

8202. Whether or not an association is on notice, its obligation to pay matured withdrawal claims, and the right of shareholders and certificate holders to receive payment of matured withdrawal claims, is secondary and subsequent to the right of such association to pay, and to provide a reasonable fund for the payment of the following:

(a) Taxes, assessments, insurance, repairs, alterations, and other sums necessary to protect and preserve or to furnish or equip its properties and its interest in properties including property held for security.

(b) Principal and interest on borrowings by the association.

(c) Interest on investment certificates and dividends on shares.

(d) Rent, compensation of officers, agents, salesmen, and other employees, and other usual and ordinary operating expenses of such association.

(e) Commitments on its incomplete loans or investments.

Investments, etc

8203. An association on notice with the consent of the commissioner, and an association not on notice without the consent of the commissioner, in lieu of paying matured withdrawal claims may:

(a) Make or purchase loans or investments not exceeding the principal amount of money borrowed and not repaid by such association from a federal home loan bank, or other similar federal agency.

(b) Invest in stock issued by any federal home loan bank or other similar federal agency of which such association is eligible to be a member.

"Available funds"

8204. Whether or not an association is on notice, the right of shareholders and certificate holders to receive payment of matured withdrawal claims, is limited to payments from an association's cash on hand or in banks, proceeds from sale of investments and loans, and other cash receipts of such association. The cash, proceeds and other receipts which remain after deducting therefrom all payments, reserves, loans, and investments mentioned in Sections 8202 and 8203 are denominated "available funds."

"Unrestricted funds"

8205. "Unrestricted funds," is that part of the available funds which may be used by the association for the following:

(a) To pay withdrawals without requiring notice of intention to withdraw or before the maturity of a notice of intention to withdraw regardless of the nonpayment of any or all matured withdrawal claims.

(b) To pay minimum term investment certificates before the end of their minimum term subject to such adjustment of interest as is provided in such certificates.

(c) The making of loans or investments, or for any other purpose not prohibited by law.

Same

8206. If there are no matured withdrawal claims except claims for the payment of which funds have been set aside by the association, then all of the available funds are unrestricted funds.

Same

8207. If there are matured withdrawal claims for which funds for payment have not been set aside by the association then, whether or not the association is on notice, not to exceed one-third of the available funds are unrestricted funds, and at least two-thirds of the available funds shall be applied to the payment of withdrawals.

Withdrawals

8208. In applying the portion of available funds to the payment of withdrawals as provided in Section 8207, an amount equal to one-third of the available funds may be applied to pay a sum not to exceed one hundred dollars ($100) per person in each month to any one or more of its shareholders or certificate holders, with or without requiring notice of intention to withdraw. The association may pay this sum regardless of the non-

payment of any or all matured withdrawal claims and in addition to any unrestricted funds so applied. The balance of the portion for withdrawals shall be applied to the payment of matured withdrawal claims in the following order:

(a) The payment of withdrawals in respect of investment certificates pursuant to Section 8200 according to the priority in time of the maturity of the claims for such withdrawals. As between the holders of certificates upon which the claim for withdrawal matures at the same time, payment shall be made in the order of demand for or notice of such withdrawal.

(b) The payment of withdrawals in respect of shares pursuant to Sections 6515 and 8200 and withdrawals through payment of matured shares pursuant to Section 6516 without preference of one type of such withdrawal over the other, according to the priority in time of the maturity of the claims for withdrawals. The time of maturity of withdrawals pursuant to Sections 6515 and 8200 is the time notice of intention to withdraw matures. The time of maturity of withdrawals through payment of matured shares pursuant to Section 6502 is the time such shares are declared by the board of directors to be matured. If shares are declared to be matured at the same time, then payment shall be made in the order provided in the by-laws, or in the absence of such provision in the numerical order of issuance.

Unused unrestricted funds

8209. If in any month an association has not used as unrestricted funds or for payments of not more than one hundred dollars ($100) per month per person the full amounts which such association is permitted by Sections 8207 and 8208 to use for such purposes, then the amounts not used are available to the association in any subsequent month for such purposes until such amounts are so used, in addition to the amounts which would otherwise be available for such purposes in the subsequent month.

Void agreements

8210. An association having matured withdrawal claims for which funds have not been set aside for payment by the association shall not pay any withdrawals except upon matured notice of intention to withdraw, nor allow the withdrawal of any minimum term investment certificates before the expiration of its minimum term except claims where the shares or investment certificates are pledged to the association and except as provided in Sections 8205 and 8208. Any agreement contrary to the provisions of this section is void.

Liquidation

8211. If the whole or any part of any matured withdrawal claim against an association remains unpaid for a period of three years after such claim matures, then, unless such association sets aside funds for the payment thereof which remain available for such payment, the commissioner may at any time thereafter take possession of the property, business, and assets of such association and retain possession until its affairs are finally liquidated in the manner provided by this part for the liquidation of associations by him, or until such association is allowed to resume business upon such conditions as are approved by the commissioner. The right of the commissioner to take pos-

session under this section is not exclusive, but is additional to his right to take possession under other provisions of this part.

Void contracts

8212. No association shall make any contract waiving in any manner the provisions of this article, and any such contract so made is void. This section shall not apply to Sections 8210 and 8211.

Article 4. Associations Not Issuing Stock or Investment Certificates

Scope

8250. The provisions of this article are not applicable to any association which issues stock or investment certificates.

Same
By-law provision

8251. The provisions of this article are applicable to any association which does not issue stock or investment certificates if the association's by-laws expressly provide that this article is applicable to such association.

Same

8252. All the provisions of this chapter are applicable to associations subject to this article, to the extent that they are not inconsistent with the provisions of this article.

Withdrawals

8253. In all associations subject to this article, holders of free shares therein desiring to withdraw in whole or in part may do so by giving notice thereof in writing of the amount desired to be withdrawn. At all times the right of the shareholders to receive payment of withdrawals is secondary and subsequent to the right of such association to pay and to provide a reasonable fund for the payment of the items mentioned in Section 8202.

Withdrawals on notice

8254. While an association subject to this article is on notice not more than one-half of the net monthly receipts from assets then owned, in any one month, shall be applied to withdrawals for that month without the consent of the board of directors, and such payment shall continue until the value of all shares for which notices of withdrawal are on file has been reduced to an amount less than 3 percent of the value of all outstanding shares.

Same

8255. The remaining one-half of net receipts of such association may be used for payment of withdrawals for which notice has not been filed, subject to such limitations as the board of directors may fix, and for the operating expenses of the business and the making of loans to members, or applied, in the discretion of the board of directors, to payment of withdrawals on notice.

Withdrawal of pledged shares

8256. No shareholders of an association subject to this article shall be permitted to withdraw whose shares are pledged to the association as security for a loan until such loan is fully paid.

Notice

8257. Whenever the demands of withdrawing shareholders of an association subject to this article exceed the money applicable to their payment, the notices of intention to withdraw must be registered in the order of filing and while such association is on notice payments thereon must be made in succession in the order that such notices were filed and registered.

Prior right of withdrawal

8258. All new investments by shareholders after an association subject to this article is on notice, whether made upon shares already issued or upon new shares issued, have a prior right of withdrawal as against all other shareholders.

Liquidation

8259. Whenever an application for withdrawal of free shares of an association subject to this article has been on file, or the payment of matured shares demanded, and either remains unpaid for a period of one year, all the receipts of such association from dues, interest, premium, loans repaid, and the proceeds of all other investments shall be applied toward the payment of withdrawals and maturities after the payment of expenses and general indebtedness. Whenever such application or demands have been on file and remain unpaid in whole or in part for more than two years the commissioner may take immediate possession of the property and business of such association, and retain such possession until its affairs are finally liquidated in the manner provided by this part for the liquidation of associations by him, or until such association is allowed to resume business upon such conditions as are approved by the commissioner.

CHAPTER 15. LIABILITY OF STOCKHOLDERS

Article 1. General

Stockholders Liability

8400. Stockholders, after their stock has been fully paid, are not liable to creditors nor for assessments upon their stock except as provided by this section and by Articles 2 and 3 of this chapter. If the articles of incorporation of an association expressly confer upon the directors such authority, and subject to any limitations therein contained, the directors may levy and collect assessments upon stock. Assessments on stock shall be levied, collected, and enforced in the manner and subject to the provisions set forth in Chapter 3 of Part 5, Division 1, Title 1, of the Corporations Code in respect to assessments upon stockholders of corporations generally.

Shareholders and certificate holders

8401. Shareholders and certificate holders are not liable to creditors nor for assessments.

Void contracts

8402. No association shall make any contract whereby the stockholders' liability provided for by this part is in any manner waived. Any contract in violation of this section is void.

Applicability

8403. Article 2 of this chapter and Section 8509 of Article 3 of this chapter do not apply to any association, or to any of its stockholders, six months after the association has met all of the following requirements:

(a) The association is an "insured institution" as defined in Title IV of the National Housing Act, as amended.

(b) The association has caused notice in writing of prospective termination of stockholders' liability to be served upon the commissioner.

(c) The association has caused a copy of notice of termination of stockholders' liability to be published at least once in a newspaper of general circulation published in the city in this

State in which such association has its principal office or, if no newspaper of general circulation is published in such city, in a newspaper of general circulation published in the county in which such principal office is located.

Exceptions

8404. Article 2 of this chapter and Section 8509 of Article 3 of this chapter are not applicable with respect to any stock of an association which is an "insured institution" as defined in Title IV of the National Housing Act, as amended, if the stock was issued on and after the date when such association became an "insured institution."

Article 2. Liability to Creditors

Stockholders individually liable

8450. The stockholders of each association are individually liable, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association, including investment certificates and shares, to the extent of the par value of their stock therein, in addition to the amount invested in the stock.

Transfer of stock

8451. The stockholders of an association who transfer or register the transfer of their stock within 60 days preceding the date on which the commissioner, or a receiver or trustee of any association appointed by any court, takes possession of the property, business and assets of such association, or stockholders who transfer or register the transfer of their stock with knowledge of impending failure, are liable as if they had made no such transfer, to the extent that the subsequent transferee fails to meet the stockholders' liability. This section does not affect any recourse which such stockholders might otherwise have against those in whose names the stock is registered at the time of such failure or taking possession.

Liability of executors, etc

8452. Persons holding stock as executors, administrators, guardians, or trustees are not personally subject to any liabilities as stockholders, but the estates and funds in their hands are liable to the same extent as the testator, intestate, ward, or person interested in such trust funds would be if living and competent to act and hold such stock in his own name.

Exclusive liability

8453. The liability of stockholders pursuant to this article shall be enforced exclusively as set forth in this article.

Levy by commissioner

8454. If the commissioner, or a receiver or trustee of an association appointed by any court, is in lawful possession of the property, business, and assets of such association and determines that it is necessary for the purpose of paying the contracts, debts, and engagements of such association, he may enforce the liability of the stockholders, by levying a ratable assessment upon the stockholders of the association without previous judicial ascertainment of the necessity for such action. The action of such officer in levying such assessment is conclusive on the stockholders as to the necessity for such assessment.

Order

8455. The order levying the assessment on stockholders shall specify the amount thereof and shall fix a date on which the assessment is due and payable. The date shall not be less

than 30 nor more than 60 days from the time of making the order levying the assessment. The order shall fix the place for the payment of the assessment.

Notice

8456. Notice of the assessment on stockholders shall be given by causing a copy of the order to be personally served on each stockholder, or in lieu of personal service the copy shall be mailed to each stockholder at his place of residence or business, as shown on the books of such association. If such books show no such address then the copy shall be mailed to the stockholder at the city in this State where the principal office of such association is situated. The copies of the order shall be personally served or placed in the mail within 15 days after the making of the order levying the assessment.

Right of action

8457. If any stockholder of such association fails to pay the assessment in full upon the date specified in the order a right of action accrues to the commissioner, receiver, or trustee in possession of the property, business, and assets of such association to recover the amount of the assessment or the amount remaining unpaid thereon from the stockholders failing to pay the assessment in full.

Same

8458. The commissioner, receiver, or trustee in possession of the property, business, and assets of the association may maintain an action in this State, or in any other state or country, to enforce and collect any sum or amount due and remaining unpaid on any such assessment from any stockholder failing to pay the assessment in full. In any such action the officer may join as defendants one or more stockholders.

Right of attachment

8459. In any action to collect an assessment from stockholders the commissioner, receiver, or trustee in possession of the property, business, and assets of the association has the right of attachment as in other actions upon unsecured debts but such officer is not required to give bond on attachment or pay filing fees or other court costs in actions brought in this State.

Sums collected

8460. All sums collected from an assessment of stockholders, less the expenses of collection, shall be used in the liquidation of claims in the same manner as the assets of the association are used.

Further assessments

8461. If any assessment of stockholders proves inadequate to pay all of the claims in full, the commissioner, receiver, or trustee in possession of the property, business, and assets of the association may levy further assessments and collect the assessments as provided in this article for original assessments as long as the total of such assessments does not exceed the liability set forth in Section 8450

Disposition of surplus

8462. If, after the payment of all claims against an association and the costs and expenses of liquidation, any surplus remains, the court having jurisdiction shall determine and provide for any equities as between the respective stockholders, including the proportions belonging to each stockholder and of any surplus of any of the assets remaining after payment of all liabilities and the costs and expenses of liquidation by reason of full or partial payment of any assessments of stockholders, and

shall direct the payment thereof by the commissioner, receiver, or trustee accordingly.

Successor in possession

8463. If the commissioner, or a receiver or trustee of any association appointed by any court, after having been in possession of the property, business, and assets of such association, and after having instituted or taken any steps in relation to any assessments or the collection thereof, is succeeded in possession by another of such officers, then such officer at the time in possession of the property, business, and assets of such association may carry forward and complete such assessments and all actions and proceedings relative thereto, as fully as if such officer had instituted the same and had previously taken all steps theretofore taken by his predecessor. The commissioner, receiver, or trustee upon succeeding to possession of the property, business, and assets of the association previously held by any other officers, shall have the benefit of, and shall be bound by all assessments, actions, proceedings and transactions instituted, taken, or conducted by the predecessor officer relative to assessments of stockholders.

Article 3. Liability for Impaired Capital

Impaired capital

8500. If the value of the assets of an association after deducting the amount of liabilities of the association, including the value of its outstanding investment certificates and shares, is less than the aggregate par value of the association's outstanding stock the capital of the association shall be deemed to be impaired for the purposes of this article.

(Amended by Stats. 1951, Ch. 451.)

[ORIGINAL SECTION]

8500. If the value of the assets of an association after deducting the amount of liabilities of the association, including the value of its outstanding investment certificates and shares, is less than the aggregate par value of the association's outstanding stock or the investment certificate and withdrawable share reserve required for such association by Article 1 of Chapter 9 of this part which reserve shall be computed without giving effect to Section 6903, whichever is greater, the capital of the association shall be deemed to be impaired for the purposes of this article.

Making deficiency good

8501. If it appears from the report of an association, or the commissioner has reason to believe that the capital of an association is impaired, the commissioner may examine the association and ascertain the facts, and if he finds that such deficiency exists he shall require the association to make good such deficiency within 60 days after the date of requisition.

Assessment

8502. The directors of every association upon which a request to make good a deficiency is made, shall levy an assessment upon the guarantee stock to repair the deficiency. The directors shall cause notice of such request to be given to each stockholder of such association showing the amount of the assessment which the stockholder must pay for the purpose of making good such deficiency.

Sale of stock

8503. If any stockholder refuses or neglects to pay the assessment specified in the notice given pursuant to Section 8502,

within 30 days from the date of mailing or serving such notice, the directors of the association may sell to the highest bidder at public auction the stock of such stockholder. Before such sale the directors shall publish notice of the sale for 10 days in a newspaper of general circulation published in the county of this State where the principal office of the association is located, and serve a copy of such notice of sale on the stockholder personally or by mailing it to his last known address 10 days before the day fixed for such sale.

Refusal to pay

8504. If any stockholder refuses or neglects to pay the assessment specified in the notice given pursuant to Section 8502, within 30 days from the date of mailing or serving such notice, the directors of the association may sell such stock at a private sale and without public notice. Before making such private sale an offer in writing shall be obtained and a copy thereof served upon the owner of record of the stock to be sold, either personally or by mailing a copy of the offer to his last known address. If after service of the offer, the owner still refuses or neglects to pay the assessment within two weeks from the time of the service of the offer, the directors may accept such offer and sell the stock to the person making the offer, or to any other person or persons making a larger offer than the amount named in the offer submitted to the stockholders.

Cost of sale

8505. The directors shall pay from the proceeds of the stock sale the amount of assessment and the necessary cost of sale. The balance shall be paid to the person whose stock has been sold.

Limitations on sale

8506. Stock shall not be sold for delinquent assessments for less than the amount of such assessment and the expense of sale.

Inadequate bid

8507. If no bid or offer is received equal to or more than the amount of the assessment and the expense of sale, then the association may declare such stock forfeited to the association in satisfaction of the assessment and expenses, and the stock shall have the status of authorized but unissued stock. Such stock shall not be reissued except in accordance with a permit obtained from the commissioner pursuant to Article 2 of Chapter 7 of this part.

Sale of stock

8508. A sale of stock as provided in this article effects an absolute cancellation of the outstanding certificate or certificates evidencing the stock sold, and makes the certificate null and void. A new certificate shall be issued by the association to the purchaser of the stock.

Forfeited stock

8509. If any stock is declared forfeited to the association as provided in this article the holders of such stock are subject to the stockholders' liability provided in Article 2 of this chapter if within 60 days thereafter the commissioner or a receiver or trustee of the association appointed by any court, takes possession of the property, business and assets of such association, or if at the time of such forfeiture the stockholders had knowledge of the impending failure of such association.

CHAPTER 16. REPORTS AND EXAMINATIONS

Article 1. Accounting and Reports

Fiscal year

8700. The commissioner may establish a uniform fiscal year for all associations.

Classifications of accounts

8701. The commissioner may establish a uniform classification of accounts for associations, or classify associations and establish a uniform classification of accounts for each class, and prescribe the manner in which such accounts are kept. The commissioner may, after notice and hearing, prescribe by order the accounts in which particular outlays and receipts shall be entered, charged or credited. If the commissioner establishes a uniform classification of accounts each association shall keep its accounts in accordance therewith, excepting such accounts as are explanatory of and supplemental to the accounts prescribed by the commissioner.

Books, etc

8702. Each association shall keep its books in such form as to show accurately in detail its assets, liabilities, receipts, and expenditures.

Records

8703. Each association shall keep records written in ink or typewriting showing the appraised values of the real estate security, held in connection with each loan. Each record shall be signed by the appraiser, officer, or committee charged with making such estimated valuations. Every association shall file in writing with the commissioner the names of the appraisers, officers, and members of any committee charged with making such estimated valuations for the association.

"Withdrawable capital"

8704. Each association issuing shares shall designate the capital attributable to such shares as "withdrawable capital," in any statement or advertisement which it publishes in which any reference is made to capital. No association shall include in such capital the value of any shares pledged in connection with loans made on the mutual plan. If any such association also issues stock, then in any statement or advertisement the capital attributable to shares shall be stated separately from the capital attributable to stock, and shall not be combined. No association shall publish any statement or advertisement of its capital authorized or subscribed, unless it also publishes in connection therewith the amount of its capital actually paid up.

"Original loans"

8705. "Original loans," as used in this section, includes all loans other than loans made by an association for the purpose of facilitating the sale of property owned by such association. Each association, subject to rules and regulations prescribed by the commissioner, shall segregate the following in any statement of its financial condition:

(a) (1) Loans legally made or purchased before August 14, 1931, and (2) loans made or purchased after August 14, 1931, which comply as of the date of such statement with the requirements of this part for original loans.

(b) (1) Contracts by an association for the sale of real property to any person other than an affiliated person and

(2) loans made by an association for the purpose of facilitating the sale of property owned by such association to a person other than an affiliated person until such loans comply with the requirements of this part for original loans.

(c) (1) Contracts by an association for the sale of real property to any affiliated person, and (2) loans made by an association for the purpose of facilitating the sale of real property by an association to any affiliated person until such loans comply with the requirements of this part for original loans.

Reserve for absorbing losses

8706. Any association by resolution of its board of directors may irrevocably establish all or any part of any reserve or surplus account for the sole purpose of absorbing losses. In the case of reserve or surplus accounts which were available prior to the adoption of such resolution for the purpose, either solely or among other things, of absorbing losses, the written consent of the commissioner shall first be obtained. If prior to the adoption of such resolution the reserve or surplus account so established for the sole purpose of absorbing losses was available for the purpose, either solely or among other things, of absorbing losses, and such reserve or surplus account constituted all or a part of, or counted toward, the investment certificate and withdrawable share reserve, the loan reserve, the stock surplus, or any other reserve or surplus account required by or referred to in this part, then such reserve or surplus account excepting such part as is absorbed by losses, shall continue to constitute all or a part of, or to be counted toward, such reserve or surplus account required by or referred to in this part.

Annual report

8707. Each association shall make a full report in writing to the commissioner annually within 30 days after the close of its fiscal year. The report shall be verified by its president or vice president and secretary or treasurer, showing accurately the financial condition of such association at the end of the preceding fiscal year and the income and expenses of such association during such preceding fiscal year, together with such statistical and other information as the commissioner may require. The report shall be in such form and detail as the commissioner prescribes. The commissioner may require such reports for any or all associations quarterly or semiannually in lieu of annually.

Other reports

8708. Each association shall make any further reports which the commissioner requires, in such form and as to such matters relating to the conduct of the business of the association as the commissioner may designate.

Copy of annual report

8709. A copy of each annual report made to the commissioner shall be kept at each office of the commissioner, and shall be open to examination by any investor of the reporting association, subject to such reasonable regulations as the commissioner prescribes.

Public document

8710. The copy of the annual report filed in the commissioner's office is a public document and open to inspection by the

public. If in the judgment of the commissioner, the public welfare or the welfare of any association demand that any report or any information in a report should not be made public the commissioner may withhold such report or information from inspection by the public or any investor for such time as in his judgment is necessary.

False statements

8711. A false statement wilfully made in any report required by the commissioner constitutes perjury.

Forfeiture

8712. Any association which fails to furnish the commissioner any report required by this article within 30 days after demand shall forfeit the sum of ten dollars ($10) per day for every day such report is delayed or withheld. This sum may be recovered in an action brought by the commissioner in the name of the people of this State.

Failure to report

8713. If an association fails to make any report required from it pursuant to this article, the commissioner may immediately cause the books, papers, and affairs of such association to be examined at the expense of such association.

Financial statement

8714. The commissioner may require each association to mail once in each year within 60 days after the close of its fiscal year to each of the investors of the association a copy of a financial statement showing in such form and detail as the commissioner requires, the amount and character of the assets and liabilities of the association at the end of its preceding fiscal year. Any association in lieu of mailing such financial statements to its investors may publish a copy of such financial statement in any newspaper of general circulation published in the city in this State in which its principal office is located and in like newspapers published in each city in this State in which a branch of the association is located.

Reports to investors

8715. The commissioner may mail at any time to any of the investors of an association a report concerning the association or any of its business or affairs or a statement or analysis of its financial condition. The cost of preparing, printing, and mailing such report, statement, or analysis shall be paid by such association.

Article 2. Audits

Audits Annual

8750. Each association shall at least once in each year cause its books and accounts to be audited at its own expense by a certified or other public accountant or firm of certified or other public accountants selected by the association and approved by the commissioner. The annual audit shall cover the fiscal year unless the commissioner fixes a different period for any association.

Copy to commissioner

8751. Each association shall furnish the commissioner annually, within 90 days after the end of the period covered by the audit, two signed copies of the report of the public accountant showing the result of the audit and including a balance sheet of the association at the date of the audit and a statement of the income and expenses of the association during the year

ending with the date of the audit. The balance sheet and statement of income and expenses shall be certified by the public accountant making the audit.

Scope

8752. The commissioner may prescribe the scope of the annual audit, and require the accountant to furnish him with information additional to that contained in the audit report.

Copy

8753. A copy of each report furnished to the commissioner pursuant to this article shall be kept at each office of the commissioner, and shall be open to examination by any investor of the association, subject to Section 8754 and to such reasonable regulations as the commissioner prescribes.

Same Public document

8754. The copy of the audit filed in the commissioner's office is a public document and open to inspection by the public. If in the judgment of the commissioner, the public welfare or the welfare of any association demand that any audit, or any information in an audit should not be made public, the commissioner may withhold such audit or information from inspection by the public or any investor for such time as in his judgment is necessary.

Not exclusive

8755. The audit required by this article is additional to the examination of associations by the commissioner or his deputies or examiners required by Article 3 of this chapter. In lieu of the audit required by this article, or as a portion of such audit, the commissioner may accept any audit, or that portion of any audit, made exclusively by the examiners for the Federal Home Loan Bank Administration, Federal Home Loan Bank or Federal Savings and Loan Insurance Corporation, or by such examiners in conjunction with the deputies and examiners of the commissioner.

Article 3. Examinations

Examinations Annual

8800. The commissioner at least once in each year without previous notice, shall visit and examine into the affairs of every domestic association and of every foreign association doing business in this State.

Procedure

8801. During the annual examination the commissioner and his deputies or examiners shall have full access to all the books, records, securities, and papers of the association. The examiner shall first count the cash and check the bank balances of the association with the proper amount of funds as shown by the books to be on hand at the date and hour of such examination. The examiner shall then examine and verify the personal accounts of each officer, director, and employee of such association on its books. The examiner may thereafter examine and verify the books, accounts, and securities of such association, and the amount of its shares, stock, and investment certificates outstanding, and ascertain the values of all property and investments owned and of all property held as security for money loaned, and otherwise use reasonable diligence to ascertain the financial condition and solvency of such association.

Written authority

8802. Any deputy, examiner, or other appointee or employee of the commissioner shall produce written authority

from the commissioner before he is entitled to make the annual examination.

Oaths

8803. The commissioner and his deputies and examiners may administer oaths and examine under oath any director, officer, employee, or agent of any association concerning the business and affairs of the association examined or of any other association.

Extra examinations, etc

8804. Whenever in the judgment of the commissioner the condition of any association renders it necessary or expedient to make an extra examination or to devote any extraordinary attention to its affairs, the commissioner may make any and all necessary extra examinations and devote any necessary extra attention to the conduct of the association's affairs and may cause a certified public accountant appointed by the commissioner to make an audit of the association's business and affairs. The association specially examined shall pay a reasonable price to be fixed by the commissioner for all such extra services rendered by the commissioner or by such accountant.

Foreign associations

8805. The commissioner shall examine or cause to be examined the books and affairs of any foreign association prior to the granting of a license and at least annually thereafter. For every such examination made outside this State, a reasonable fee and the actual traveling expenses incurred shall be paid by the association so examined. The result of any similar examination made and certified by the duly constituted authorities of any state having similar laws of supervision may be accepted by the commissioner in his discretion.

Use of federal examination

8806. In lieu of making any annual examination, the commissioner may accept the examination of any association made by the Federal Home Loan Bank Board, a federal home loan bank, or the Federal Savings and Loan Insurance Corporation, or may examine any such institution in conjunction with the Federal Home Loan Bank Board, a federal home loan bank, or the Federal Savings and Loan Insurance Corporation.

Furnishing information

8807. The commissioner may make available to any regulatory or other public authority or officer, or to the Federal Home Loan Bank Board, any federal home loan bank, the Federal Savings and Loan Insurance Corporation, or the Home Owners' Loan Corporation any information furnished to or obtained by, and all or any part of any report of any examination of any such association made by him.

Chapter 17. Liquidation, Conservatorship

Article 1. Possession by the Commissioner

Cease and desist orders

9000. If the commissioner finds as the result of any examination or from any report made to him or to any association doing business in this State or from any report made to any of its investors that the association is violating the provisions of its articles of incorporation, charter, by-laws, or any law of this State, or is conducting its business in an unsafe or injurious manner, he may by an order addressed to

such association direct a discontinuance of such violations or unsafe or injurious practices and a conformity with all the requirements of law.

Seizure

9001. The commissioner may demand and take possession of the property, business and assets of an association if any of the following occur:

(a) The association does not comply with the order given pursuant to Section 9000, within the time specified therein.

(b) It appears to the commissioner that the association is in an unsafe condition or is conducting its business in an unsafe or injurious manner such as to render its further proceeding hazardous to the public or to any or all of its investors.

(c) The commissioner finds that the association's assets are impaired to such an extent that, after deducting all liabilities other than to its investors they do not equal or exceed the sum of the value of its outstanding shares and investment certificates and the par value of its outstanding stock.

(d) The association refuses to submit its books, papers, and accounts to the inspection of the commissioner or any of his examiners, deputies, or assistants.

(e) Any officer of the association refuses to be examined upon oath concerning the affairs of the association.

Retaining possession

9002. The commissioner may retain possession of the property, business and assets of an association until the association resumes business with the consent of and subject to the conditions imposed by the commissioner, or until its affairs are liquidated.

Right of appeal

9003. Whenever the commissioner takes possession of an association's property, business, and assets pursuant to this article, the association may within 30 days after the taking of possession commence an action in the superior court of the county in which the principal office of the association is located, to enjoin further proceedings. The court after citing the commissioner to show cause why further proceedings should not be enjoined, hearing the allegations and proofs of the parties, and determining the facts, may upon the merits dismiss such action, or enjoin the commissioner from further proceedings and direct him to surrender the business, property, and assets to the association.

Stay of judgment

9004. An appeal from a judgment enjoining the commissioner from further proceedings and directing him to surrender the business, property, and assets to the association does not operate as a stay of the judgment, unless the trial court in its discretion so orders. If an appeal from the judgment is taken by the commissioner no bond need be given. If the judgment dismisses the action an appeal therefrom does not operate as a stay of the judgment but the court rendering such judgment may, in its discretion enjoin the commissioner pending the appeal, from further proceedings and direct him, pending the appeal, to surrender such business, property, and assets to the association, if a bond is given as required by Section 943 of the Code of Civil Procedure.

Offenses

9005. Whenever the commissioner demands possession of the property, business, and assets of any association, pursuant to this part, the refusal of any officer, agent, employee, or director of such association to comply with the demand is a misdemeanor, punishable by a fine of not more than five hundred dollars ($500), or by imprisonment in the county jail for not more than 90 days, or by both such fine and imprisonment.

Enforcing commissioner's demands

9006. If the commissioner's demand for the possession of the property, business, and assets is not complied with within 24 hours after service of the demand, the commissioner may call to his assistance the sheriff of the county in which the principal place of business of such association is located, by giving the sheriff written demand. The sheriff shall enforce the demands of the commissioner.

Schedule of property, etc

9007. When the commissioner takes possession of the property, business, and assets of any association, the president and secretary of such association shall make a schedule of all its property, assets, and collateral held by it as security for loans and make an oath that such schedule sets forth all such property, assets, and collateral. The president and secretary shall deliver the schedule, and the possession of all property, assets, and collateral not previously delivered to the commissioner. The commissioner may at any time examine under oath any president, secretary, officer, director, agent, or employee of the association, to determine whether or not all such property, assets, or collateral have been transferred and delivered into his possession.

Subpenas

9008. The commissioner may issue subpenas and require the attendance of parties for examination under this article as provided for in Sections 5253 and 5254 of this code.

Custodian

9009. When the commissioner takes possession of the business, property, and assets of an association, he may appoint a custodian. The commissioner may require a good and sufficient bond from the custodian and place him in charge as his representative.

Collection of money

9010. When the commissioner takes possession of the property, business, and assets of an association, he may collect all money due to such association and give receipt therefor. The commissioner may do such other acts as are necessary or expedient to collect, conserve, or protect the association's business, property, and assets.

Liquidation

9011. Unless the commissioner is enjoined from further proceedings and directed to surrender the business, property, and assets of an association, or unless such association shall with the consent of the commissioner resume business, the commissioner shall proceed to liquidate the affairs of the association as provided in Article 2 of this chapter.

Powers while in possession

9012. If the commissioner is in possession of the business, property, and assets of an association, whether or not he is liquidating the affairs of such association, the commissioner may:

(a) Apply to the superior court of the county in this State in which the principal office of the association is located for an order confirming any action taken by the commissioner, or authorizing the commissioner to do any act or execute any instrument not expressly authorized by this part. The order shall be given after a hearing on such notice as the court prescribes.

(b) Pay and discharge any secured claims against the association, whether or not such claims have been presented for payment or have become barred from presentation by the expiration of the time limit specified in Article 2 of this chapter. No secured claim shall be paid in an amount larger than the value of the security at the time of payment.

(c) Pay administrative or current expenses incurred prior to the taking of possession which are necessary or convenient to the orderly or economic liquidation or preservation of the assets, and pay all wages or salaries, not exceeding two hundred fifty dollars ($250) per month to any one person, earned within six months prior to the taking of possession, whether or not claims for such expenses, wages, or salaries have been presented for payment, or shall have become barred from presentation by the expiration of the time limit specified in Article 2 of this chapter.

(d) Disaffirm any executory contracts, including leases, to which the association is a party, and disaffirm any partially executed contracts, including leases, to the extent that they remain executory. The disaffirmance shall be made within six months after obtaining knowledge of the existence of the contract or lease.

Damages from disaffirmance

9013. Claims for damages resulting from the disaffirmance of an executory contract or lease by the commissioner may be filed and allowed. No claim of a landlord for damages resulting from the disaffirmance of an unexpired lease of real property or under any covenant of such lease shall be allowed in an amount exceeding the rent reserved by the lease, without acceleration, for the year succeeding the date of the surrender of the premises plus the amount of any unpaid accrued rent without acceleration. Any such claim must be filed within 30 days of the date of such disaffirmance or within the time that claims must be filed under Sections 9051 and 9052, whichever is longer.

(Added by Stats. 1951, Ch. 451.)

Article 2. Liquidation by the Commissioner

Inventory

9050. When the commissioner determines to liquidate an association, he shall cause an inventory of all the assets of the association to be made in duplicate, file the original with the court, and file the duplicate in his office.

Notice

9051. When the commissioner determines to liquidate an association he shall cause notice to be given by publication once a week for four successive weeks in some newspaper of general circulation published at or near the principal place of business in this State of such association, to all persons having claims

against the association as creditors, investors, or otherwise, requiring them to present and file their claims and make legal proof thereof at a place and within a time designated in such publication. The time shall be not less than six months after the first publication. Within 10 days after the first publication the commissioner shall cause a copy of such notice to be mailed to all persons whose names appear of record upon the association's books as creditors or investors.

Claims

9052. All claims, demands, or causes of action of creditors, and persons other than investors against the association or against any property owned or held by it in trust or otherwise, must be presented to the commissioner in writing, verified by the claimant, or someone in his behalf, within the period specified in the notice for the presentation of claims, whether or not an action is pending to enforce any such claim or demand. The commissioner shall not approve any claim not so presented, and any such claim, demand or cause of action not so presented is forever barred.

Schedule

9053. Upon the expiration of the time fixed for the presentation of claims, the commissioner shall prepare in duplicate a full and complete schedule of all claims presented, specifying by classes those that have been approved and those that have been disapproved and shall file the original with the court and the duplicate in his office.

Notice to claimants

9054. Not later than five days after the time of filing the schedule of claims with the court, written notice shall be mailed to all claimants whose claims have been rejected. Action to enforce the payment of or to establish any rejected claim must be brought and service had within four months from and after the date of filing of the schedule of claims with the proper court or all such actions are forever barred.

Investors' rights

9055. Any investor, without presenting a claim, is entitled to any dividends declared, to the extent and in the proper relative order of priority, of any claim shown by the books of the association to exist in his favor against the association.

Interest on claims

9055.5. Claims of holders of investment certificates and of shares shall bear interest, from the date when interest or dividends were last paid or credited on such certificates or shares, at the rate or rates of return on investment certificates and shares determined from time to time by the commissioner to be the rate or rates of return on investment certificates or shares paid or credited for the period or periods in question by the largest number of associations in this State. Claims of other creditors shall bear interest at the rate provided by law on judgments from the date the commissioner takes possession of the business, property and assets of the association.

(Added by Stats. 1951, Ch. 451.)

Attachments, etc

9056. The determination by the commissioner to liquidate any association, evidenced by filing written notice of such determination with the court, operates to stay or dissolve all actions or attachments instituted or levied within 30 days next preceding the taking of possession of such association by the

commissioner, and pending the process of liquidation, no attachment or execution shall be levied or lien created upon any of the property of the association.

Special deputies

9057. The commissioner may appoint one or more special deputies to assist in the duties of liquidation and distribution under his direction and may also employ such special legal counsel, accountants, and assistants as may be needed and required and fix their salaries and compensation. All such salaries and compensation with other reasonable and necessary expenses as may be incurred in the liquidation shall be paid by the commissioner from the funds of the association in his hands. Such expenses shall include, among other things, that part of the salary of the commissioner and of his deputies, examiners, accountants, appraisers, and other assistants, and that part of the general expenses of the commissioner's office, as fairly represent, in the opinion of the commissioner, the proportion properly attributable to such liquidation.

Powers

9058. In liquidating the affairs of an association the commissioner may:

(a) Collect all money due to, and claims of, the association and give receipt therefor.

(b) Release or reconvey all real or personal property pledged, hypothecated, or transferred in trust as security for loans.

(c) Approve and pay all just and equitable claims.

(d) Commence and prosecute all actions and proceedings necessary to enforce liquidation.

(e) Compound bad or doubtful debts or claims, borrow money, sell, convey, or transfer real or personal property, on order of the superior court of the county in this State in which the principal office of the association is located. The order shall be made after hearing and on such notice as the court prescribes.

Hearings

9059. Regardless of Sections 73 and 142 of the Code of Civil Procedure, or any other law of this State, the judge of the superior court of the county in this State in which the principal office of an association is located, may whenever he deems it necessary or advisable, hold hearings relating to the sale, exchange, or other disposition of any real property or any personal property of the association regardless of the location of such property. The hearings shall be held at the county seat of any county in this State or at such places in the home county of such superior court at which sessions are held as provided in the Code of Civil Procedure.

Same Expenses

9060. When it is necessary for a judge, clerk, deputy clerk, court reporter, or bailiff of a superior court to travel to another county for hearings relating to the sale, exchange or other disposition of real or personal property of an association, each such judge, clerk, deputy clerk, court reporter, or bailiff shall be allowed his necessary expenses in going to, returning from, and attending upon the business of the court. The expenses shall upon order of the court, be a charge against the

funds of the association and paid out of such funds by the commissioner.

Doubtful debts

9061. If a purchaser for any property or any bad or doubtful debt or claim of an association cannot be obtained and it appears improbable that recovery thereon can be had, and that the cost of action to enforce collection of the same would probably be lost, the superior court may direct that suit on the debt or claim need not be brought.

Abandonment of property

9062. If it appears improbable that anything can be realized from any property of the association and that the cost of maintaining, preserving, or protecting the property would probably be lost, the court may direct the commissioner to abandon the property.

Powers of commissioner

9063. For the purpose of executing and performing any of the powers and duties conferred upon him by this article, the commissioner may in the name of the association or in his own name prosecute and defend any suit or other legal proceeding and may in the name of the association or in his own name as commissioner execute, acknowledge, and deliver any and all deeds, assignments, releases, requests for reconveyance, and other instruments necessary and proper to effectuate any sale of real or personal property or other transaction in connection with the liquidation of the association. Any deed, assignment, release, request for reconveyance, or other instrument executed pursuant to this section is valid and effectual for all purposes as though it was executed by the officers of such association with the authority of its board of directors.

Sale of real property

9064. If any real property of the association sold by the commissioner is located in a county other than the county in which the application to the court for permission to sell the property was made, the commissioner shall cause a certified copy of the order authorizing or ratifying such sale to be recorded in the office of the recorder of the county in which the real property is located.

Approved claims

9065. The commissioner with the approval of the court after a hearing on such notice as the court prescribes, may accept approved claims against an association in his possession for liquidation in partial or full payment for real property of the association, where the approved claims are based on any of the following:

(a) Investment certificates.

(b) Shares, if the association had prior to August 21, 1933, granted the shareholders the right and option to exchange their shares for investment certificates of equal value, issued by the association.

(c) General creditors' claims.

Canceled

9066. Claims received in payment pursuant to Section 9065 shall be accepted at their respective surrender values as estimated by the commissioner and as fixed and determined by the court. All such claims shall be canceled.

Rate of interest

9067. The commissioner may reduce the rate of interest to be paid on any loan held by an association in liquidation, to a rate not less than 7.2 percent a year. The commissioner may renew, extend the time of payment of, reduce the amount of the monthly payments of, or rewrite any such loan. The commissioner may make additional advances for the purpose of preserving the security of any such loan.

Claims Less than $10

9068. In liquidating the affairs of an association the commissioner shall first pay from the net realization of assets in excess of salaries, compensation, and expenses of the commission and his appointees, all claims approved by him in the sum of less than ten dollars ($10), other than the claims of shareholders or stockholders, and other than the claims of certificate holders or other creditors who object in writing to such payment. The claims of less than ten dollars ($10) shall be paid at their surrender value as estimated by the commissioner and as fixed and determined by the court on the same basis as claims are received in payment of real property as provided for by Section 9066. All such claims shall be canceled.

$10 or more

9069. After complying with Section 9068 the commissioner shall pay all claims approved in the sum of ten dollars ($10) or more, other than the claims of shareholders and stockholders, without distinction or preference as between the claims of certificate holders and other creditors except as provided in Section 9055.5 as to the respective rates of interest thereon. Thereafter the commissioner shall distribute and pay dividends in liquidation first to the shareholders until their claims are fully paid or such assets or funds are exhausted, and second, if any such assets or funds remain, to the stockholders until such assets or funds are exhausted. In the case of any association in which shareholders were prior to August 29, 1933, granted the right and option by the association to exchange their shares for investment certificates of equal value the commissioner shall distribute and pay dividends in liquidation to such shareholders without distinction or preference as between the claims of such shareholders and the claims of certificate holders and other creditors.

(Amended by Stats 1951, Ch. 451.)

[ORIGINAL SECTION]

9069 After complying with Section 9068 the commissioner shall pay all claims approved in the sum of ten dollars ($10) or more, other than the *claims of shareholders and stockholders, without distinction or preference* as between the claims of certificate holders and other creditors Thereafter the commissioner shall distribute and pay dividends in liquidation first to the shareholders until their claims are fully paid or such assets or funds are exhausted, and second, if any such assets or funds remain, to the stockholders until such assets or funds are exhausted. In the case of any association in which shareholders were prior to August 29, 1933, granted the right and option by the association to exchange their shares for investment certificates of equal value the commissioner shall distribute and pay dividends *in liquidation to such shareholders without distinction or preference as* between the claims of such shareholders and the claims of certificate holders and other creditors.

When authorized

9070. The distributions in Sections 9068 and 9069 shall be made when funds are available therefor to the extent of 10 percent or more of the approved claims of the class of claimants then entitled to distribution, and shall continue until all the assets have been realized upon and a final dividend in liquidation is declared and paid.

Surplus

9071. When the commissioner has (a) fully liquidated all claims other than claims of stockholders, and (b) made due provision for any and all known but unclaimed liabilities, excepting claims of stockholders, and (c) paid all expenses of liquidation, then upon the written request of the holders of a majority of the stock of such association he shall deliver to the association or its trustees any surplus that then remains in his hands, together with all the records and effects. The association or its trustees shall have title to such surplus, records, and effects free from any claim of the commissioner.

Statement of liquidation

9072. Upon the payment of a final dividend in liquidation, the commissioner shall prepare and file with the court a full and final statement of the liquidation, including a summary of the receipts and disbursements, and a duplicate of such statement shall be filed in the office of the commissioner. After hearing and approval by the court, the liquidation shall be closed.

Court approval

9073. In making its order approving the commissioner's final statement of the liquidation of an association, the court shall determine the amounts of the liquidating dividends to which claimants and investors are entitled but which then remain unpaid or unclaimed in the hands of the commissioner. The order of the court shall direct the commissioner to deposit such amounts with the State Treasurer. All amounts so deposited shall be deemed to be deposited in the State Treasury under the provisions of Article 9 of Chapter 6 of Title 10 of Part 3 of the Code of Civil Procedure, and shall be subject to claim or other disposition as provided in said Title 10.

(Amended by Stats. 1951, Ch. 1708.)

[ORIGINAL SECTION]

9073. In making its order approving the commissioner's final statement of the liquidation of an association the court shall determine the amounts of the liquidating dividends to which claimants and investors are entitled but which then remain unpaid or unclaimed in the hands of the commissioner. The order of the court shall direct the commissioner to deposit such amounts with the State Treasurer, and shall provide that such amounts shall escheat to the State five years after such deposit is made. Such amounts shall be received, invested, accounted for, and paid out in the same manner and by the same officers as is provided in the case of escheated estates of deceased persons. Before the termination of the five-year period, the persons entitled thereto may claim such amounts in the manner provided in Section 1272a of the Code of Civil Procedure.

Destruction of books, etc

9074. The order of the court approving the final statement on liquidation shall provide for the destruction or other disposition of the books and records of the association or pertaining to the liquidation of the association, and the court may declare the association dissolved as a corporation.

Article 3. Liquidation by Federal Savings and Loan Insurance Corporation

"Insured association"

9100. "Insured association" as used in this article means any association which has insurance protection provided by Title IV of the National Housing Act as now or hereafter amended.

Federal Savings and Loan Insurance Corporation

9101. The Federal Savings and Loan Insurance Corporation may act without bond as sole or joint custodian, receiver, or liquidator of any insured association which has been taken over for liquidation pursuant to the provisions of this chapter.

As receiver, etc

9102. The commissioner in the event of the taking over of any insured association for liquidation, may tender to the Federal Savings and Loan Insurance Corporation the appointment as sole custodian, receiver, or liquidator thereof or may tender to the corporation the appointment as cocustodian, coreceiver, or coliquidator thereof jointly with the commissioner.

Powers

9103. If the Federal Savings and Loan Insurance Corporation accepts the appointment mentioned in Section 9102, the corporation shall equally have and possess all the powers and privileges provided by the laws of this State with respect to the commissioner upon his taking possession of an association, and shall be subject to all the duties of the commissioner, and in addition shall have all the rights, privileges and powers conferred upon it by federal statutes now or hereafter enacted. The corporation may make loans on the security of, or may bid for or purchase at public or private sale, or at any custodian's, receiver's, or liquidator's sale, or may liquidate or sell, any part of the assets of the association of which it is the sole or joint custodian, receiver, or liquidator. If the corporation purchases any such assets, it shall bid and pay a fair and reasonable price.

Subrogation

9104. Whether or not the Federal Savings and Loan Insurance Corporation serves as sole or joint custodian, receiver, or liquidator, of any insured association, whenever it pays or makes provision for payment of the liabilities of any insured association in liquidation, it is subrogated, upon the surrender and transfer to it of any investment certificate, share, or account insured by it, to all rights of the holder with respect to such investment certificate, share, or account. The surrender and transfer of such investment certificate, share, or account does not affect any right which the transferor thereof may have in any portion of such investment certificate, share, or account which is uninsured, or any right to participate in the distribution of the net proceeds remaining from the distribution of the assets of such insured association. The rights of the investors in, and creditors of, such insured association shall be determined in accordance with the applicable provisions of the laws of this State.

CHAPTER 18. MERGER, CONSOLIDATION, AND CONVERSION

Article 1. Merger, Consolidation, and Transfer

Domestic associations Merger or consolidation

9200. Any two or more domestic associations may be merged into one of such constituent associations, or consolidated into a new association, with or without any dissolution or division of the funds or property of either of them.

Transfers

9201. Any domestic association may transfer its engagements, funds, and property in whole or in part to any other domestic association upon such terms as may be agreed by the affirmative vote of at least a majority of their respective directors, ratified, in the case of each of the contracting associations, by the vote or written consent of stockholders holding in the aggregate more than two-thirds of the outstanding stock and by the vote or written consent of shareholders holding in the aggregate more than two-thirds in value of the outstanding shares.

Approval

9202. Any merger, consolidation or transfer made pursuant to Sections 9200 and 9201 must be approved by the commissioner and be made in conformity with the provisions of law applicable to mergers, consolidations, and transfers in the case of corporations generally.

Federal associations Merger or consolidation

9203. Any one or more domestic associations, and any one or more federal savings and loan associations, may be merged into one of such constituent associations, or consolidated into a new association, domestic or federal, with or without any dissolution or division of the funds or property of any of them.

Transfers

9204. Any domestic association may transfer its engagements, funds, and property, in whole or in part, to a federal savings and loan association, or any federal savings and loan association may transfer its engagements, funds, and property, in whole or in part, to any domestic association, upon such terms as may be agreed by the affirmative vote of at least a majority of their respective directors, ratified, in the case of the contracting domestic associations by the vote or written consent of stockholders holding in the aggregate more than two-thirds of the outstanding stock and by the vote or written consent of shareholders holding in the aggregate more than two-thirds in value of the outstanding shares, and in the case of a contracting federal savings and loan association by the consent, in writing or by vote, prescribed by the laws of the United States and the regulations of the Federal Home Loan Bank Board applicable thereto.

Approval

9205. Any merger, consolidation, or transfer made pursuant to Sections 9203 and 9204 shall be approved by the commissioner, and with respect to any constituent domestic association be made in conformity with the provisions of law applicable to mergers, consolidations, and transfers in the case of corporations generally, and with respect to any constituent federal savings and loan association, be made in conformity with the provisions of the laws of the United States, and the

rules and regulations of the Federal Home Loan Bank Board applicable to mergers, consolidations, and transfers.

Article 2. Conversion Into Federal Association

Converts on into federal association

9250. An association may convert itself into a federal savings and loan association by following the procedure outlined in this article.

Procedure

9251. At any regular or special meeting called to consider such action, the investors entitled to vote by an affirmative majority of the votes cast in person or by proxy may resolve to convert such association into a federal savings and loan association.

Approval by certificate holders

9252. If an association has investment certificates outstanding, the determination to convert into a federal savings and loan association shall be approved, either before or after the adoption of such resolution, by certificate holders holding not less than two-thirds in value of such outstanding investment certificates.

Rights of trustees, etc

9253. Any executor, administrator, guardian or receiver, and any trustee of any kind or nature, and any insurance company or cemetery association may, without the necessity of obtaining court approval:

(a) Vote in person or by proxy in favor of converting an association into a federal savings and loan association, or may approve the determination to so convert.

(b) Exchange any shares, stock, investment certificates, or other rights or claims, for shares issued by such federal savings and loan association, and hold such shares as legal investments.

Certificate

9254. Within 10 days after the meeting at which the investors determine to convert into a federal savings and loan association, or if such association has outstanding investment certificates, within 10 days after the meeting or within 10 days after the requisite approvals of its certificate holders have been given, whichever is later, the association shall file in the office of the commissioner a certificate verified by the affidavit of the president or vice president and the secretary or assistant secretary of such association. The certificate shall contain a copy of the minutes of the meeting and a statement as to whether or not such association has outstanding investment certificates, and if it has, that certificate holders holding not less than two-thirds in value of such outstanding investment certificates have approved the determination to convert such association into a federal savings and loan association. A like certificate shall be filed in the office of the Secretary of State.

Same Presumption

9255. A certified copy of the certificate required by Section 9254 filed in the office of the Secretary of State is presumptive evidence of the holding of the meeting, the action taken at such meeting, and of the approvals of certificate holders.

Other necessary action

9256. After the meeting of the investors, the association shall take such action as is necessary to make it a federal savings and loan association, and within 10 days after receipt of

the federal charter the association shall file in the office of the commissioner and in the office of the Secretary of State, a copy of said charter issued to such association by the Federal Home Loan Bank Board or a certificate showing the organization of such association as a federal savings and loan association certified by or on behalf of the Federal Home Loan Bank Board. Upon the filing of such instrument in the office of the Secretary of State the association ceases to be a state association and is a federal savings and loan association.

Federal jurisdiction

9257. At the time the conversion into a federal savings and loan association becomes effective the association ceases to be supervised by this State and all of the property of the association, including all of its right, title, and interest in and to all property of every kind and character immediately, by operation of law and without any conveyance, or transfer and without any further act or deed, is vested in the association under its new name and style as a federal savings and loan association and under its new jurisdiction.

Rights of federal association

9258. The converted federal savings and loan association shall have, hold, and enjoy the property mentioned in Section 9257 in its own right as fully and to the same extent as the property was possessed, held, and enjoyed by it as a state association and the federal savings and loan association shall continue responsible for all of the obligations of said state association to the same extent as though the conversion had not taken place. The federal savings and loan association shall be merely a continuation of the state association under a new name and new jurisdiction and such revision of its corporate structure as is considered necessary for its proper operation under the new jurisdiction.

Validation provision

9259. Where a copy of a charter of a federal savings and loan association, issued by the Federal Home Loan Bank Board pursuant to the laws of the United States was filed with the Secretary of State prior to September 13, 1941, with the intent of converting a building and loan association organized and existing under the laws of this State into a federal savings and loan association, such conversions are validated, legalized, ratified and confirmed.

Article 3. Conversion of Federal Association

Conversion to state association Vote necessary

9300. Any federal savings and loan association may convert itself into a building and loan association under the laws of this State upon a vote of 51 percent or more of the votes of members of such federal savings and loan association cast at any regular or special meeting called to consider such action.

Directors

9301. At the meeting of the members in which they vote to convert into an association, the members shall also elect the directors who shall be the directors of the association after conversion takes effect, to hold office until the next annual meeting and until their successors are elected and qualified.

Copies of minutes

9302. Copies of the minutes of the proceedings of the meeting of the members in which they vote to convert into an association, verified by the affidavit of the president or vice president and the secretary or an assistant secretary, shall be filed within 10 days after the meeting in the office of the commissioner, and, in duplicate, with the Federal Home Loan Bank of which the association is a member.

Same Presumption

9303. The verified copies of the minutes of the meeting, when filed as required by Section 9302, are presumptive evidence of the holding and action of such meeting.

Action required

9304. After a meeting as provided for in Section 9300, the federal association shall take or cause to be taken such action in the manner prescribed and authorized by this division as shall make it a building and loan association of this State. The directors elected at such meeting shall file the documents and take such proceedings as are required by this division in the case of the original incorporation of a building and loan association. No building and loan association incorporated by conversion from a federal savings and loan association is required to comply with any of the provisions of law or any regulations promulgated by the commissioner relating to the minimum amounts of capital required to be subscribed in connection with the original incorporation of a building and loan association under this division.

Incorporation statement

9305. The directors of an association converted from a federal savings and loan association may insert in the articles of incorporation the following statement: "This association is incorporated by conversion from a federal savings and loan association."

Copies of articles

9306. Within 10 days after the filing of the articles of incorporation with the Secretary of State, there shall be filed with the Federal Home Loan Bank of which such association is a member, two copies of the articles of incorporation, certified by the Secretary of State.

State jurisdiction

9307. Upon the filing of the articles of incorporation with the Secretary of State, the association ceases to be a federal savings and loan association and is a building and loan association. All of the property of such association, including all of its right, title, and interest in and to all property of every kind and character immediately, by operation of law and without any conveyance or transfer, and without any further act or deed, is vested in the association under its new name and style as a building and loan association and under its new jurisdiction.

Rights of association

9308. The converted building and loan association shall have, hold, and enjoy the property mentioned in Section 9307 in its own right as fully and to the same extent as the property was possessed, held, and enjoyed by it as a federal savings and loan association and the building and loan association continues responsible for all of the obligations of the federal savings and loan association to the same extent as though conversion had not taken place. The building and loan association is merely a continuation of the federal savings and loan association under

a new name and new jurisdiction and such revision of its corporate structure as is considered necessary for its proper operation under the new jurisdiction.

Rights of trustees, etc

9309. Every executor, administrator, trustee, guardian, receiver, fiduciary, public corporation, political subdivision, public instrumentality, charitable institution, educational, and eleemosynary institution, bank, savings bank, trust company, financial institution, insurance company, or cemetery association, without the necessity of obtaining court approval may:

(a) Vote in person or by proxy in favor of converting a federal savings and loan association into a building and loan association, or may approve the determination to so convert.

(b) Exchange any shares, share accounts or other rights or claims, for securities issued by such building and loan association, and hold such securities as legal investments.

Chapter 19. Reorganization

Article 1. General Provisions

"Plan," etc

9500. "Plan" or "plan of reorganization," as used in this chapter means a plan for the rehabilitation, readjustment, reorganization, or liquidation of an association, or of all or of any part of the business, properties, and assets of an association, or for the readjustment, modification, or reorganization of the rights or interests of any or all of the investors and creditors of an association, or for one or more of the foregoing purposes.

"Creditor"

9501. "Creditor" or "creditors," as used in this chapter, includes the holder or holders of claims of any character against an association or its property, secured or unsecured, liquidated or unliquidated, fixed or contingent, except shares, stock, or investment certificates.

"Investment certificates," etc

9502. "Investment certificates," "shares" and "stock" as used in this chapter include claims filed under Chapter 17 of this part in respect of investment certificates, shares, and stock, respectively.

"Investors"

9503. "Investors" as used in this chapter includes holders of claims in respect of investment certificates, shares, or stock.

"Certificate holder," etc

9504. "Certificate holder," "shareholder," and "stockholder" as used in this chapter includes holders of claims in respect of investment certificates, shares, and stock, respectively.

"Securities"

9505. "Securities," as used in this chapter, include shares, stock, and investment certificates issuable by associations under this part. "Securities," also include shares of federal savings and loan associations, stock of one or more classes issuable by corporations generally, bonds, notes, debentures, warrants, or evidences of indebtedness, beneficial interest, or evidences of any other claims or rights.

Hearings Right to appear

9506. At any hearing before the commissioner pursuant to Article 3 of this chapter or before the court pursuant to Articles 4 or 5 of this chapter, any interested certificate holder, shareholder, stockholder, or creditor shall have the right to appear

either in support of the plan or petition or in opposition thereto. Any such hearing shall be, among other things, upon the fairness of the terms and conditions of the issuance of all securities to be issued pursuant to the plan or petition and of the exchange thereof for outstanding securities, claims, or property interests, or partly in such exchange and partly for cash. All persons to whom it is proposed to issue securities in such exchange shall have the right to appear at such hearing and the commissioner or court is hereby authorized to determine whether the terms and conditions of the proposed issuance and exchange of securities are fair and, if fair, grant approval of such terms and conditions.

Notice of hearings

9507. Wherever provision is made in this chapter for at least a specified number of days' notice to investors and creditors of a hearing, such notice shall state the time and place of the hearing. At least the specified number of days before the date fixed for hearing such notice shall be:

(a) Mailed by first-class mail in sealed envelopes, postage prepaid, to each investor and creditor at his address as shown by the books of the association, or if no address is shown, at the city or town in which the association has or last had its principal place of business.

(b) Posted in three public places in the county in which the association has or last had its principal place of business.

(c) Published once in a newspaper of general circulation published in the county in which the association has or last had its principal place of business.

Same: Exceptions

9508. Sections 7607 and 7608 of this code do not apply to notices given pursuant to Section 9507.

Commissioner's jurisdiction

9509. The commissioner has the same jurisdiction, authority, and powers with respect to any business, properties, or assets retained by or delivered to the commissioner pursuant to any plan as the commissioner has with respect to the business, properties, and assets of any association of which the commissioner has taken possession.

Powers of commissioner

9510. The commissioner has the same jurisdiction, authority, and powers with respect to any association formed pursuant to any plan as the commissioner would have of such association if it had been formed by means other than a plan.

Same

9511. The commissioner has the same jurisdiction, authority, and powers with respect to any association by or to which any business, property, or assets are retained, transferred, or returned pursuant to any plan as the commissioner would have of such association if it had acquired its business, property, and assets by means other than a plan.

Same

9512. If any part of the business, properties, and assets are to be retained by or transferred to a corporation which is not an association or a federal savings and loan association, the plan may provide for the continuing examination or supervision of the corporation by the commissioner and may provide for the right of the commissioner to appoint some or all of the directors of such corporation, including appointments to fill vacancies.

The commissioner has all the powers of continuing examination, supervision, or appointment conferred upon him by a plan which has been approved and become operative.

Liability of assets

9513. The assets of an association directly affected by a proposed plan or by a petition under this chapter, are liable for all reasonable expenses incurred by the commissioner in connection therewith. The expenses of proceedings under Articles 4 and 5 of this chapter shall be approved by the court.

Securities

9514. This chapter does not eliminate the requirement that a permit be obtained from the Commissioner of Corporations authorizing the sale or issue of securities if, pursuant to the provisions of the Corporate Securities Law, such permit is required.

Corp. C., §25000, ff

Compliance with Corporations Code

9515. The proposer of a plan pursuant to Article 4 of this chapter and the petitioner pursuant to Article 5 of this chapter shall comply with Division 2 of Title 4 of the Corporations Code. After the plan or petition is presented to the court, Division 2 of Title 4 of the Corporations Code no longer applies. After such presentation or filing no funds shall be solicited or collected by such proposer, or petitioner from investors except with the approval of the court.

Trustees, etc

9516. Any executor, administrator, guardian, receiver, trustee of any kind or nature, insurance company, cemetery association, or other public or private corporation, without the necessity of obtaining any specific court approval, may:

(a) Dissent from any plan proposed pursuant to Article 3 of this chapter.

(b) Consent to any plan which has been approved by the court pursuant to Article 4 of this chapter.

(c) File or join in a petition or supplemental petition under Article 5 of this chapter.

(d) Exchange any shares, stock, investment certificates, or other rights or claims for securities issued pursuant to any plan or petition which has been approved pursuant to this chapter and hold such securities as legal investments.

Appeals, bond

9517. An appeal from an order of court referred to in this chapter is not effectual unless the appellant, within 30 days after the entry of the order appealed from, files with the clerk of the court a bond executed on the part of the appellant by at least two sureties to the effect that the appellant if such order is affirmed on appeal, will pay all of the respondents' costs and expenses arising from such appeal, not including respondents' attorneys fees. The form and amount of such bond and the sureties thereon shall be approved by the superior court.

Appeals not stay of proceedings

9518. An appeal from an order disapproving a plan of reorganization or a petition for the withdrawal of assets does not operate as a stay of further proceedings in liquidation by the commissioner. Appeals from such orders shall be given preference in hearing on appeal over all other appeals, except contested election cases and cases in which the people of the State are parties. Except as otherwise provided by this chapter, the provisions of Part 2 of the Code of Civil Procedure are applica-

ble to and constitute the rules of practice in proceedings with regard to appeals.

Construction

9519. Nothing in this chapter shall be construed to repeal Sections 9065, 9066, or 9067 of this code.

Article 2. Plans

Plans Provisions

9550. A plan may provide among other things, with respect to all or any part of the business, properties, and assets of an association for any one or more of the following:

(a) The return of the business, properties, and assets to such association.

(b) The retention of the business, properties, and assets by the commissioner

(c) The transfer of the business, properties, and assets to other corporations which may but need not be associations or federal savings and loan associations.

(d) The transfer of the business, properties, and assets to trustees named in or appointed pursuant to the provisions of the plan.

(e) The issuance of new securities in lieu of outstanding investment certificates, shares, stock, or other obligations of such association.

Same

9551. A plan may provide that the association cease to be an association and continue to exist as the same corporate entity, and in the event such plan becomes operative, the association shall become a corporation subject to the General Corporation Law of this State. This chapter shall continue to apply to such corporation in all matters relating to the plan or the consummation of the plan.

Corp. C., §100, ff

Name

9552. If the plan provides for continued corporate existence other than as an association, the corporation's name shall be changed so that it no longer includes any of the following: "building and loan," "building-loan," "association," "saving," or "savings."

Same

9553. Any new association formed, pursuant to a plan, which continues the building and loan business of an existing association, may adopt and use the name of such existing association or any part of such name.

Issuance of securities

9554. An association may issue, pursuant to a plan approved under this chapter, and for any consideration specified in such plan, any one or more kinds of securities, regardless of any other provisions of this part.

Priorities

9555. Except as provided in Section 9556 and Section 9557, in any plan proposed pursuant to Articles 3 or 4 of this chapter due consideration shall be given to the rights and interests of all persons affected thereby with due regard to the feasibility of such plan and the condition of such association, in the following order of priorities:

(a) Secured creditors and other persons, entitled to preference over investment certificate holders and unsecured creditors in the event of liquidation.

(b) Investment certificate holders and unsecured creditors, without preference to one over the other.

(c) Shareholders.

(d) Stockholders.

Permissible provisions

9556. Any plan may provide for the payment in full of all taxes, assessments, insurance, alterations, repairs and other operating expenses, expenses of the commissioner in connection with such association or its property, business, or assets, in connection with any action of such association under Section 9003, and for the payment of expenses in connection with a plan as authorized by this chapter.

Same Cash payment

9557. Any plan may provide for the payment in cash in full of all certificate holders, shareholders, and creditors each of whose investment certificates, shares, or claims is of such value, not to exceed twenty-five dollars ($25) as is specified in the plan.

Required provision

9558. A plan providing for the issuance of securities to holders of stock shall not be approved unless such securities contain express provision that no interest, dividends, or other distribution shall be paid until all securities issued in exchange for claims of investment certificate holders, claims of unsecured creditors, and claims of shareholders are retired. Under such plan each investment certificate holder and unsecured creditor except those who sell or otherwise dispose of their new securities shall receive the full amount of their original investment, with interest, dividends, or other return thereon before any interest, dividends, or other distribution is paid or made on securities issued to shareholders or stockholders.

Stockholders' securities

9559. A plan may provide for the issuance of securities to the stockholders that evidence in the stockholders or their assigns their ownership of the assets remaining after all creditors, certificate holders, and shareholders, except those who sell or otherwise dispose of their new securities, receive the full amount of their original investments or claims, with interest, dividends, or other return thereon.

Voting power shareholders

9560. Unless the court finds that the shareholders have an existing equity in the assets of the association, the securities issued to the shareholders shall contain an express provision that the securities shall have no voting power until the corporation has retired all securities issued in exchange for claims of certificate holders and unsecured creditors.

Same Stockholders

9561. Unless the court finds that the stockholders have an existing equity in the assets, the securities issued to the stockholders shall contain an express provision that the securities shall have no voting power until the corporation has retired all securities issued in exchange for claims of shareholders, certificate holders, and unsecured creditors.

Valuation of assets

9562. For the purposes of this chapter all assets shall be valued at fair market value, and any assets subject to encumbrance shall be valued with due allowance for the amount of such encumbrance. In determining the fair market value, the

court or the commissioner shall give due consideration to the earning power of the property, past, present, and prospective.

Article 3. Reorganization by Commissioner

Reorganization Required plan

9600. As a condition to restoration of possession and resumption of business pursuant to Section 9002 of this division, the commissioner may require an association to adopt and agree to carry out a plan of reorganization proposed by the commissioner.

Filing

9601. The commissioner, upon proposing a plan of reorganization pursuant to this article, shall file such plan in each of his offices and shall fix a time and place for a hearing before him on such plan. The commissioner shall give at least 30 days' notice to investors and creditors of such hearing, which notice shall include a copy or summary of such plan. The hearing shall be held in the county in which the association maintains its principal office.

Hearing

9602. At the time and place fixed for the hearing required by this article, or at the time and place to which such hearing is continued by the commissioner, the commissioner shall hear the parties interested in the plan and he may take testimony or receive depositions, or both, relative to the plan.

Dissents

9603. If at the time fixed for the hearing required by this article, written dissents from such plan, other than dissents withdrawn after the filing thereof and dissents specified in Sections 9605 and 9606, have been filed by holders of more than one-third in value of the investment certificates of such association then outstanding, or by holders of more than one-third in value of the shares of such association then outstanding, or by holders of more than one-half of the stock of such association then outstanding, such hearing shall not be held. The plan shall not be approved by the commissioner, and no further proceedings shall be taken in respect of such plan.

Commissioner's approval

9604. After the completion of the hearing required by this article the commissioner shall approve or disapprove the plan. If the commissioner disapproves the plan he may modify the plan and propose it as modified or propose a different plan. If the commissioner proposes a modified or different plan he shall follow the same procedure as required for the proposal of the original plan.

Dissents, shareholders

9605. Dissents of shareholders to the commissioner's plan of reorganization have no effect if the value of the assets of the association is less than the liabilities of the association, including the value of its investment certificates but not including the value of its shares.

Same Stockholders

9606. Dissents of stockholders to the commissioner's plan of reorganization have no effect if the value of the assets of the association is less than the liabilities of the association, including the value of all outstanding shares and investment certificates.

Plan Fair and equitable

9607. No plan shall be approved by the commissioner unless the commissioner is satisfied that the plan is fair and equitable, and feasible.

When binding

9608. When any plan under this article is approved by the commissioner, the plan is binding upon the commissioner, the association, and all of the investors and creditors of such association, other than investors and creditors who have filed with the commissioner written dissents from such plan before the hearing on the plan and have not withdrawn such dissents.

Consummation

9609. When any plan under this article is approved, the commissioner shall supervise and direct the consummation of the plan, and all persons affected by the plan shall do the necessary acts and take the necessary or desirable steps to put the plan into operation.

Withdrawal of dissents

9610. No investor or creditor who has filed with the commissioner a written dissent from a plan before the hearing on the plan is entitled to receive any securities or other participation under such plan except as provided in Section 9612 unless such dissent is withdrawn.

Liquidation for dissenters

9611. The commissioner shall set apart and liquidate for dissenters that part of the assets of the association which in value bears the same proportion to all of the assets of the association, due provision being made for any liens, charges, liabilities, and expenses entitled to payment in preference to certificate holders and unsecured creditors, as the value of investment certificates in respect of which dissents have been filed plus the amount of claims of unsecured creditors in respect of which dissents have been filed bears to the total sum of the value of all investment certificates of such association plus the amount of all unsecured creditors' claims against such association. This proportion is denominated the "proportion of dissenting certificate holders and unsecured creditors." In all cases the assets so set apart for liquidation shall be of such amount and value that the probable result of the liquidation of the assets for the benefit of the dissenting investors and creditors and of any payments to the commissioner pursuant to the provisions of the plan referred to in Section 9612 shall be not less favorable to the dissenting investors and creditors than the probable result of a liquidation, in the absence of a plan, of all of the assets for the benefit of all investors and creditors.

"Proportion of dissenting certificate holders and unsecured creditors"

"Proportion of dissenting shareholders"

9612. If the proportion of dissenting certificate holders and unsecured creditors is not the same as the proportion which the value of shares in respect of which dissents have been filed bears to the total value of all shares of such association, hereinafter denominated the "proportion of dissenting shareholders," or as the proportion which the value of stock in respect of which dissents have been filed bears to the total stock of such association, hereinafter denominated the "proportion of dissenting stockholders," any plan approved under this article shall provide that if the liquidation of assets set apart pursuant to Section 9611 results in the distribution to dissenting certificate holders and unsecured creditors of the full amounts to which they are

entitled and leave additional amounts available for distribution to shareholders or stockholders, such additional amounts shall be either:

(a) Increased if the proportion of dissenting shareholders or the proportion of dissenting stockholders is greater than the proportion of dissenting certificate holders and unsecured creditors, by payments from the association, or from a corporation or trustee to whom assets of the association are transferred pursuant to such plan, to the commissioner for distribution to dissenting shareholders or dissenting stockholders.

(b) Decreased if the proportion of dissenting shareholders or the proportion of dissenting stockholders is less than the proportion of dissenting certificate holders and unsecured creditors, by payments from the commissioner to the association, or to a corporation or trustee to whom assets of such association are to be transferred pursuant to such plan.

Payments

9613. The amounts to be paid pursuant to subdivisions (a) or (b) of Section 9612, shall be determined by the amounts available for distribution to shareholders or stockholders respectively, as the result of liquidation by the commissioner of the assets set apart pursuant to Section 9611 and shall be such as to overcome any inequity which would exist in the absence of such payment by reason of the differences between the proportion of dissenting certificate holders and unsecured creditors, the proportion of dissenting shareholders, and the proportion of dissenting stockholders.

Properties set apart

9614. Upon approving a plan of reorganization the commissioner shall determine what assets shall be set apart pursuant to Section 9611 and shall file a written statement of such determination, including a description of the properties set apart, in each of his offices The commissioner shall publish a notice that he has made such determination which shall include in general terms a statement of the properties set apart. The notice shall be posted in three public places in the county in which such association maintains its office, shall be published at least once in a newspaper of general circulation in that county, and shall be mailed to all investors and creditors whose addresses appear on the books of the association.

Court hearing

9615. Within 30 days after the notice required by Section 9614 has been posted, published, and mailed any investor or creditor may apply to the superior court of the county in which the association maintains its office for a determination as to whether the assets set apart pursuant to Section 9611 are sufficient in amount and value to conform to the requirements of that section. The court shall set a date for a hearing. At least 30 days' notice of such hearing shall be given by posting in three public places in the county, and if the court requires, notice shall also be given by publication or mailing at such time and in such manner as the court prescribes.

Presumption as to statement

9616. At the hearing provided for in Section 9615 the written statement of the commissioner of his determination as to the assets set apart shall be received and is prima facie evidence

of the correctness of such determination. The commissioner, the association, and any investor or creditor may introduce evidence in support of or in opposition to the commissioner's determination.

Court order

9617. After the conclusion of the hearing provided for in Section 9615 the court shall make its order either approving or disapproving the determination by the commissioner. If the court disapproves the determination, the court shall determine and specify in such order the assets to be set apart pursuant to Section 9611.

Appeal not stay of proceedings

9618. No appeal from an order of the court under Section 9617 shall stay or postpone the consummation of the plan, unless the court deems it necessary to delay the consummation for the proper protection of the appellant. In lieu of delaying the plan the court may restrain the sale, transfer, or other disposition by the commissioner, the association, or a corporation or trustee to whom assets are to be transferred, of any assets specified by the court if the retention of such assets is found by the court necessary or advisable to protect the rights of the appellant.

Article 4. Reorganization by the Court

Proposal in court

9650. A plan of reorganization may be proposed in court pursuant to this article for an association whose property, business, and assets are in the possession of the commissioner. A plan of reorganization of such association may be proposed pursuant to this article, by the commissioner, by the holders of 25 percent in value of the outstanding investment certificates of the association, or if there are no investment certificates outstanding, by the holders of 25 percent in value of the outstanding free shares of the association.

Notice

9651. Upon the petition of the holders of 15 percent in value of the investment certificates of an association, or if there are no certificates outstanding, of the holders of 15 percent in value of the free shares of an association, the court shall order the commissioner to send to all certificate holders, or if there are no certificates outstanding, to all holders of free shares, an invitation to join in proposing to the court a plan of reorganization. The invitation shall be accompanied by any arguments in favor of such proposal prepared by the petitioners. The form and contents of the invitation and arguments are subject to approval by the court as fair and reasonable and the expense of preparation and distribution shall be borne by the petitioners.

Requisite time

9652. No plan may be presented to the court by certificate holders or holders of free shares unless it is presented within nine months after the commissioner has taken possession of the property, business, and assets of the association.

Petition

9653. The plan provided for by this article shall be presented by the proposers to the superior court of the county in which the association maintains its principal office, with a petition that the court determine the fairness of the plan and what consents are requisite to the plan becoming operative. The

petition shall set forth the plan and the fact that it is proposed by persons authorized under this article to propose it, and any other facts which the proposers deem material to a consideration of the fairness of the plan.

Referral to commissioner

9654. If the commissioner is not the proposer of the plan, the court shall refer the plan to the commissioner and direct him to analyze the plan and the condition of the association. Within 30 days or within such additional time as the court grants, the commissioner shall return the plan to the court with his findings and recommendations, and may propose to the court his own plan.

Hearing

9655. After the commissioner has presented his findings and recommendations on a proposed plan the court shall fix the time and place for hearing on the plan and on any plan presented by the commissioner. The court shall direct that notice of such hearing be given and shall direct the commissioner to, and the commissioner shall, deliver to the clerk of the court a list of the names and addresses of the investors and creditors of the association as shown by the records of the association, and such other information as the court deems necessary or proper. The list of names and addresses of investors shall be impounded by the clerk of the court and are not subject to inspection except on order of the court and upon such conditions as the court prescribes.

Notice

9656. The clerk of the court shall give at least 30 days' notice of the hearing provided for in Section 9655, to the investors and creditors of the association and to the association, if not the proposer of the plan. The notice shall include either a copy of the plan or plans or a summary thereof, and a statement that any interested stockholder, shareholder, certificate holder, or creditor shall have the right, without the necessity of formal intervention, to appear either in support of a plan or in opposition thereto or may propose modifications. The notice shall be approved by the court.

Preference of hearing

9657. At the time and place fixed for the hearing on the plan, or at the time and place to which the hearing may be continued by the court, the court shall hear the parties interested, may take testimony and receive depositions relative to the plan. The hearing shall be given the same preference as a hearing upon an application for an injunction.

Proposed modifications

9658. At the hearing on the plan any interested stockholder, shareholder, certificate holder, or creditor may propose modifications of any plan then before the court, or propose a different plan.

Court approval

9659. No plan presented under this article shall be approved by the court unless the court is satisfied that the plan is fair and equitable, and feasible. After the completion of the hearing the court shall approve, modify and approve, or disapprove such plans. The approval by the court of the plan shall be in writing.

When operative

9660. No plan presented under this article shall become operative until it has been approved by the court, nor until the plan has been consented to, after the approval of the plan by the court, by all the following:

(a) If the association has stock outstanding, by the holders of a majority in amount of the stock of the association.

(b) If the association has shares outstanding, by the holders of a majority in value of the shares of the association.

(c) If the association has investment certificates outstanding, by the holders of two-thirds in value of the investment certificates of the association.

(d) If the association has creditors, by two-thirds in amount of each class of creditors of the association.

When consents not required

9661. The consents required by Section 9660 are not required in the case of any certificate holder, shareholder, or creditor, or of any class of certificate holders, shareholders, or creditors, if any of the following are applicable:

(a) The rights of such persons are not materially and adversely affected by the plan.

(b) The plan provides for the payment in cash of the value of the investment certificates, shares, or claims held by such persons promptly upon the plan becoming operative or, if the amount or validity of such investment certificates, shares, or claims have not been finally determined, promptly upon the final determination with further provision in the plan for reserving adequate funds to make such payment upon such final determination.

Same

9662. The consents required by Section 9660 are not required from the shareholders of any association if the value of the assets of the association is less than the liabilities of the association including the value of its investment certificates but not including the value of its shares, nor from the stockholders of any association if the value of the assets of the association is less than the liabilities thereof including the value of all outstanding shares and investment certificates.

Modification of plan, no adverse effect

9663. If any plan is modified with the approval of the court and the court finds that such modification does not materially and adversely affect the interests of any particular class or classes of persons whose consent to the plan is required, then the consent of such particular class or classes of persons is not required to the modification and all persons of such class or classes who have consented to the plan prior to the court's approval of its modification are deemed to have consented to the modification and to the plan as modified.

Same. Adverse effect

9664. If any plan is modified with the approval of the court and the court finds that the modification materially and adversely affects the interests of any particular class of persons whose consent to the plan is required, notice of the modification shall be given to such class of persons in such manner as the court prescribes and any person who has consented to the plan prior to the court's approval of its modification and who does not file a written dissent to such modification within the time

fixed by the court is deemed to have consented to the modification and to the plan as modified unless that person's previous consent to the plan provided otherwise.

Exclusion of consents

9665. If pursuant to Section 9557, provision is made in any plan for the payment in cash in full of all certificate holders, shareholders, and creditors each of whose investment certificates, shares, or claims is of such value not to exceed twenty-five dollars ($25) as is specified in the plan, such investment certificates, shares, and claims shall be excluded in computing the consents required under this article.

Hearing to determine consents given

9666. The court shall make an order fixing a time and place for a further hearing to determine what consents have been given, and directing the clerk of the court to mail to each of the stockholders, shareholders, investment certificate holders, and creditors of the association, a notice of the time and place fixed for the hearing, a copy or summary of such plan, a statement setting forth the consents necessary to such plan becoming operative, and a notice that all parties desiring to consent or dissent may file written consents or dissents with the clerk of the court before the time fixed for the hearing or before the time to which the hearing is continued.

Court order

9667. At the time and place fixed for a hearing as provided in Section 9666, or any continuance thereof ordered by the court, the court shall take evidence relating to consents and upon satisfactory proof of the fact that the requisite number of consents have been given, a further order may be entered providing that the plan shall become operative. This order is binding upon the commissioner, the association, and all its investors and creditors.

Stay of proceedings

9668. During the pendency of a proceeding under this article the court shall not stay by reason of the pendency of such proceeding further proceedings in liquidation by the commissioner, but hearing upon any application under Section 9003 may be stayed, in the discretion of the court.

Court's jurisdiction

9669. The court in which the petition under this article is pending has jurisdiction, if a plan is approved and declared operative, to enjoin the commencement or continuance of any action or proceeding against the association or any act, action, or proceeding to enforce a lien or charge upon, or to obtain possession of, or to sell or otherwise dispose of, except in conformity with such plan, any property of the association.

Same When plan is operative

9670. If a plan is approved and declared operative, the court wherein the petition is filed has the jurisdiction to determine all questions required to be determined pursuant to this article including but not limited to the following:

(a) Whether the association subject to the plan is included in the class specified in this article as subject to reorganization.

(b) Whether any plan, either in its original or modified form is fair and equitable, and feasible.

(c) Whether the plan is more advantageous than liquidation from the standpoint of each class of investors and creditors affected.

(d) The liabilities of the association and the value of its assets.

(e) The consents requisite to the plan becoming operative, and for the purposes of the plan and the consents or dissents thereto, the division of the investors and creditors into classes according to the nature of their respective rights and interests.

Compensation allowable

9671. If the court approves a plan of reorganization, either in its original form or in modified form, the court may allow reasonable compensation for services rendered, and reimbursement for proper costs and expenses incurred by the persons who were the proposers of the plan and their attorneys. In fixing the allowance the court shall give consideration only to the services which contributed to the plan approved by the court, or to the refusal of the court's approval of different plans, or which were beneficial in the proceedings under this article, and to the proper costs and expenses incidental to the proceedings.

Expenses of clerk, etc

9672. All expenses of and charges against the clerk of the court in connection with the mailing, posting, and publication referred to in this article shall be paid from the assets of the association by the commissioner.

Copies of plan

9673. The proposer of a plan shall deliver a copy of the plan to the commissioner or to one of his deputies either before the petition is filed in court or within two days thereafter. A copy of the plan shall be kept by the commissioner available for public inspection at each of his offices in this State.

Consent of commissioner

9674. No plan presented pursuant to this article under which all or any part of the business, properties, or assets of an association is to be retained by, returned to, or transferred to any association, other than a federal savings and loan association or an association which, pursuant to the plan, is to cease being an association, shall be approved by the court unless it has been first consented to by the commissioner.

Participation of commissioner in hearing

9675. In any proceeding under this article the commissioner shall if requested by the court, and may upon his own motion, file a notice of his appearance in the proceeding. Upon the filing of such a notice the commissioner becomes a party in interest, with the right to be heard on all matters arising in the proceeding, and is deemed to have intervened in respect of all matters in the proceeding with the same force and effect as if a petition for that purpose was allowed by the court.

Consummation of plan

9676. When any plan under this article is approved by the court and consented to by the required investors and creditors, the plan is binding upon the commissioner, the association, and all of the investors and creditors of the association. The association, the commissioner, or such person as the court appoints, shall supervise and direct the consummation of the plan subject to the orders of the court, and all persons affected by the plan shall do the necessary acts and take the necessary or desirable steps to put the plan into operation.

Article 5. Withdrawal of Assets

Petition for withdrawal of assets

9700. Unless the commissioner is enjoined from proceeding with liquidation, the holders of at least 25 percent in value of the aggregate outstanding investment certificates of an association, whose business, property, and assets are in the possession of the commissioner, and any unsecured creditors of the association desiring to join with them, may themselves, or through a corporation nominated by and representing them, petition the superior court of the county in which the principal office of the association is situated to exchange their investment certificates and unsecured creditors' claims for their proportionate share of the assets of the association.

Contents

9701. The petition for the withdrawal of assets, among other things, shall set forth, in general terms the method by which the withdrawal of assets is to be accomplished, the interests to be acquired by investors and unsecured creditors if the petition is granted, and whether or not a corporation is to acquire the assets. If a corporation is to acquire the assets the petition shall also set forth the kinds of securities to be issued by the corporation and the classes of persons to whom the securities are proposed to be issued. A copy of said petition shall be served upon the commissioner or one of his deputies prior to the filing with the court or within three days after the filing.

Hearing

9702. Upon the filing of the petition to withdraw assets the court shall fix the time and place for the hearing of such petition and shall direct the commissioner to give at least 30 days' notice of the hearing to investors and creditors of the association. The court may approve the form of the notice by an order made without notice.

Request of joinder

9703. The petitioners or their nominee may request other investors and unsecured creditors of the association to join in the petition to withdraw assets.

Joinder

9704. At any time prior to the hearing on a petition to withdraw assets, investors and unsecured creditors of the association not represented by the petitioners at the time of the filing of the petition may join with and be represented by the petitioners by filing with the court, either directly or through the petitioners a written consent to join in the petition.

Appraisal of assets

9705. At least 10 days before the hearing on a petition to withdraw assets the commissioner shall serve upon the petitioners and shall file with the court an appraisal of each asset of the association or of each group of assets which are operated as a unit. The appraisal may be made by the commissioner or by appraisers employed by him. The appraisal shall be received in evidence at the hearing and shall be deemed prima facie correct. In the appraisal the various assets shall be classified by the commissioner according to the character of the assets and their operation.

Determination of claims, etc., represented by petitioners

9706. At the hearing on the petition to withdraw assets, the court shall determine the total amount of investment certificates and unsecured creditors' claims represented by the

petitioners, and what ratio the total bears to the total amount of investment certificates and unsecured creditors' claims outstanding.

Segregation of assets

9707. At the hearing on the petition to withdraw assets, the commissioner, the petitioners, or any other certificate holder or unsecured creditor, may recommend to the court the assets to be segregated, and the court shall determine the segregation and allot to the withdrawing certificate holders and unsecured creditors their proportionate share of the assets. The commissioner shall retain the remainder of the assets for liquidation for the benefit of the nonwithdrawing investors and unsecured creditors. The segregation of the assets shall be made so far as practicable by designating for withdrawal approximately the same proportion of each class of assets, to secure for the withdrawing certificate holders and unsecured creditors a fair and equitable cross section of the assets, and to retain for the nonwithdrawing certificate holders and unsecured creditors a fair and equitable cross section of the assets.

Fairness of withdrawal

9708. The court shall determine whether the proposed withdrawal of assets is fair both to the withdrawing and to the nonwithdrawing certificate holders and creditors, and if the court determines that the withdrawal is fair it shall grant the petition.

Granting of petition

9709. The court shall not grant a petition for the withdrawal of assets unless the court is satisfied that the proposed withdrawal of assets in exchange for investment certificates and unsecured creditors' claims is fair both to the withdrawing and nonwithdrawing certificate holders and creditors, nor unless the court determines that the ratio which the value of the assets to be withdrawn bears to the value of all of the assets is substantially the same as the ratio which the value of the investment certificates and the amount of unsecured creditors' claims owned by the petitioners bears to the total of the value of all investment certificates and the amount of all unsecured creditors' claims. In making this determination the court shall give due consideration to liabilities and encumbrances affecting particular assets or groups of assets.

Same: Majority shares

9710. If an association has shares outstanding, no petition for withdrawal of assets shall be granted by the court unless either the withdrawal is consented to by the holders of the majority in amount of the shares of the association or the value of the assets of such association is less than the liabilities of the association, including the value of its investment certificates but not including the value of its shares.

Same: Majority stock

9711. If the association has stock outstanding, no petition for withdrawal of assets shall be granted by the court unless either the petition is consented to by the holders of the majority in amount of the stock of the association or the value of the assets of such association is less than the liabilities of the association, including the value of all outstanding shares and investment certificates.

Issuance of securities

9712. Any corporation which is to acquire any assets of an association under this article may, subject to the provisions of this section, issue securities to the shareholders or stockholders, or both, of the association in exchange for their outstanding shares, stock, claims, or property interests, or partly in such exchange and partly for cash if the following requirements are met:

(a) The issuance of the securities is approved by the court and by the petitioners.

(b) The securities contain the express provision that no interest, dividends, or other distribution shall be paid thereon until the corporation has retired all securities issued in exchange for claims of investment certificate holders and claims of unsecured creditors.

(c) The securities issued to the shareholders contain an express provision that the securities shall have no voting power until the corporation has retired all securities issued in exchange for claims of certificate holders and unsecured creditors. This subdivision does not apply where the court finds that the shareholders have an existing equity in the assets of the association.

(d) The securities issued to the stockholders contain an express provision that the securities have no voting power until the corporation has retired all securities issued in exchange for claims of shareholders, certificate holders and unsecured creditors. This subdivision does not apply where the court finds that the shareholders have an existing equity in the assets of the association.

Approval

9713. After the completion of the hearing on the petition to withdraw assets the court has jurisdiction to approve or to disapprove the petition, or may approve the petition as amended. The court may approve or disapprove the terms and conditions of the issuance of securities in exchange for outstanding securities, claims, or property interests, or partly in such exchange and partly for cash.

Termination of liability

9714. If the petition or amended petition to withdraw assets is approved, the court shall order the commissioner to transfer and deliver to the petitioners or to the corporation nominated by them, the assets selected by the petitioners and approved by the court. Upon the transfer and delivery of the assets to the petitioners or to the corporation in exchange for investment certificates and unsecured creditors' claims in compliance with the order of court, the powers of the commissioner with respect to the assets transferred terminates and the association and the State are released from all further liability with respect to the assets withdrawn.

Rights not affected

9715. The order of court approving a petition, amended petition, or supplemental petition, to withdraw assets is binding upon the commissioner, the association, and all investors and creditors of the association The powers and duties of the commissioner and the rights of all investors and unsecured creditors as to the assets of the association not withdrawn are not affected by this article.

Supplemental petitions

9716. After the approval of the petition and the withdrawal of assets, the petitioners or the corporation to which the assets are withdrawn may file supplemental petitions in the court for the withdrawal of additional assets in exchange for additional investment certificates or unsecured creditors' claims, or both, aggregating not less than 10 percent of the total investment certificates and unsecured creditors' claims outstanding at the time of the first withdrawal of assets.

Hearings

9717. A supplemental petition to withdraw assets shall be set for hearing and notice of the hearing shall be given as provided in this article for an original petition. At the hearing on the supplemental petition the court shall order additional assets withdrawn if it determines that the withdrawal is fair both to the petitioners or the corporation, and to the nonwithdrawing certificate holders and creditors.

PART 2. BORROWERS' MUTUAL BUILDING AND LOAN ASSOCIATIONS

CHAPTER 1. FORMATION AND ORGANIZATION

"Borrowers' mutual building and loan association"

10000. "Borrowers' mutual building and loan association" means any incorporated institution which meets all the following requirements:

(a) The association is incorporated to conduct or is engaged in conducting, the business of borrowing, receiving, and lending money, in accordance with the provisions of this part only.

(b) The association has withdrawable capital only.

(c) The association makes loans on the mutual plan only.

(d) The association issues no investment certificates.

(e) The association does not conduct or maintain any branches.

(f) The association has its principal office in a city or town of not more than 10,000 population if it was incorporated after August 14, 1931.

Exception

10001. This part of this division is an exception to the other provisions of this division. Nothing contained in Part 1 of this division in any manner affects, controls, or applies to any borrowers' mutual building and loan association, except as are expressly made applicable by this part.

Same

10002. This part does not affect, control, or apply to any associations except borrowers' mutual building and loan associations.

Supervision

10003. Borrowers' mutual building and loan associations doing business in this State are under the supervision and control of the Building and Loan Commissioner.

Incorporated code sections

10004. Each of the following sections of Part 1 of this division, and every section of each of the following articles and chapters of Part 1 of this division is incorporated into and made a portion of this part: Article 1 of Chapter 1; Sections 5050, 5051,

5052, 5053, 5054, 5060, 5061, 5062, 5063, 5064, 5066, 5067, 5068, 5069, 5070, 5071; Chapter 2; Sections 5501, 5502, 5506, 5507, 5508, 5509, 5510, 5511, 5512, 5513, 5514; Article 2 of Chapter 3; Sections 5600, 5601, 5602, 5603, 5605, 5606, 5607, 5608, 5609, 5610, 5611, 5612; Article 4 of Chapter 3; Chapter 4; Chapter 6; Sections 6704, 7100, 7101, 7152, 7153, 7154, 7155, 7156, 7172, 7177, 7178, 7179, 7180, 7181, 7182, 7183; Article 3 of Chapter 10; Article 4 of Chapter 10; Sections 7400, 7401, 7402, 7403, 7404, 7607, 7608, 7654, 7655; Article 3 of Chapter 12; Chapter 13; Sections 8702, 8703, 8705, 8706, 8707, 8708, 8709, 8710, 8711, 8712, 8713, 8714, 8715; Article 2 of Chapter 16; Article 3 of Chapter 16; Chapter 17; Chapter 18; Chapter 19.

Purposes of incorporation

10005. Every corporation formed under this part shall state in its articles of incorporation that it is formed for the following purposes:

(a) To encourage industry, frugality, home building, and savings among its shareholders and members.

(b) For the accumulation of savings.

(c) For the loaning to its shareholders and members of the money accumulated, with the profits and earnings thereon.

(d) For the repayment to each shareholder his savings and profits, when they have accumulated to the full par value of the shares, or at any time the shareholder or corporation desire as provided in the by-laws.

(e) For all the purposes specified in this part.

Advertising

10006. An association may in any of its advertising set forth any of the purposes provided for in Section 10005.

Other powers

10007. Borrowers' mutual building and loan associations may do any of the following:

(a) Receive money and accumulate funds to be loaned and loan the funds to the shareholders.

(b) Permit shareholders and investors to withdraw part or all of their payments or investments.

(c) Prescribe the terms and conditions of withdrawal.

(d) Cancel shares, the payments on which have been withdrawn.

(e) Borrow money for the purpose of making loans and paying withdrawals and maturities and other obligations.

(f) Pledge, hypothecate, or otherwise encumber any of the notes, bonds, or other securities held by the association, together with the mortgages, trust deeds, and other security.

(g) Become a member of a federal home loan bank or other similar federal agency.

(h) Any other act specifically set forth in this part.

Prohibited acts

10008. No borrowers' mutual building and loan association shall have or carry upon its books for any member or investor, any demand, commercial or checking account, or any credit to be withdrawn upon the presentation of any negotiable check or draft.

CHAPTER 2. SHARES

Shares Adults

10200. Any adult person of sound mind may become a member of a borrowers' mutual building and loan association by taking one or more shares therein, subscribing to the by-laws, and annexing to his signature his post-office address.

Minors

10201. A minor may hold shares in the name of a parent, guardian, or next friend as trustee.

Execution exemption

10202. The shares in any association are exempt from execution to the extent of one thousand dollars ($1,000).

Dues

10203. The capital of every association shall be divided into shares of the matured or par value of one hundred dollars ($100) or two hundred dollars ($200) each, as provided by the articles of incorporation, and shall be paid in by the subscribers in the manner provided by the by-laws. All such payments are denominated dues.

Certificate

10204. Certificates shall be issued to each shareholder on the first payment of dues by him.

Pledged shares

10205. Shares pledged as security for the payment of a loan are pledged shares, and all others are free shares.

Reissued shares

10206. All shares matured and surrendered, or canceled, are the property of the association and may be reissued.

"Installment shares," etc

10207. The capital of an association consists of the accumulated dues, and the apportioned profits of the association. The capital shall be accumulated by the issuance of "installment shares," "prepaid shares" or "full paid shares," as defined in Part 1 of this division.

Entrance fee

10208. Every association may charge and collect an entrance fee for each share it issues, not exceeding ten cents ($0.10) on each share, and charge and collect a transfer fee, not exceeding ten cents ($0.10) on each share, if the by-laws so provide. All of the fees shall be accounted for by the association like other funds of the association. No other fee, charge or deduction shall be made against any shareholder, any of the shares or the dues paid on shares, for the purpose of creating a fund to be used for the payment of current or running expenses.

Enforced withdrawal of shares

10209. The directors may under regulations prescribed by the by-laws, retire any free shares by enforcing withdrawal of the shares. Whenever the withdrawal of shares is enforced, the holders must be paid the amount actually paid in, and the full amount of earnings at the date of retirement. Installment shares shall not be forced to retire until they have been outstanding at least four years.

Matured value

10210. When any share reaches its matured value, payment of dues thereon cease.

Release of security

10211. Borrowing shareholders whose loans are fully paid shall have their securities released and returned to them.

Share value payment

10212. Holders of free shares shall be paid the matured value of the shares out of the funds of the corporation with interest at the rate the by-laws provide, from the time the board of directors declare the shares matured, until paid. At no time

shall more than one-half of the receipts of the corporation be applicable to the payment of matured shares without the consent of the board of directors.

Order of payment

10213. The order of the payment of matured shares, if not otherwise determined by the by-laws, shall be in the numerical order of issuance.

Arrearages

10214. When any nonborrowing member is six months in arrears in the payment of his dues upon free shares, the secretary may give him notice in writing, and a statement of his arrearages, by mailing the notice to the member at his last post-office address given by him to the association. If the member does not pay all arrearages within two months from the mailing of the notice, the board of directors may declare the shares forfeited At the time of the forfeiture, the withdrawal value shall be determined and stated, and the defaulting member may withdraw that amount without interest, upon such notice as is required of a withdrawing shareholder.

Apportionment of profits, etc

10215. Profits and losses shall be apportioned at least annually, and shall be apportioned to all shares in each class at the time of apportionment, according to the actual or book value of the shares.

Preference

10216. The directors of any association may provide that full paid shares are preferred to the full amount as against all other shares either upon liquidation or dissolution or at any time during the life of the association.

Reserve fund

10217. The association shall maintain a reserve fund in the amount of 5 percent of the outstanding loans to meet losses arising from any source. If the reserve fund does not equal 5 percent of the outstanding loans at the time of each apportionment of profits, the directors shall set aside not less than 5 percent of the net profits accruing since the last prior apportionment, and shall continue to set that percentage apart at each apportionment of profits until the fund amounts to at least 5 percent of the loans.

Withdrawal, etc

10218. A shareholder desiring to withdraw from any association or surrender a part or all of his shares, may do so by giving 30 days' written notice of his intention or desire to withdraw. On the expiration of the notice he is entitled to receive the full amount paid in upon the shares surrendered, exclusive of the entrance fee, together with such proportion of the earnings as the by-laws provide, or as fixed by the board of directors. Not more than one-half of the monthly receipts in any one month shall be applied to withdrawals for that month, without the consent of the board of directors.

Pledged shares

10219. No shareholder may withdraw whose stock is pledged to the association as security for a loan, until the loan is fully repaid.

Payments

10220. All withdrawals shall be paid in succession in the order that the notices of intention are given. If the demands of withdrawing shareholders exceed the money applicable to their payments, the notices of intention to withdraw shall be registered in the order of filing and payments shall be made

in succession, in the order that the notices were filed and registered.

Withdrawal on file for one year

10221. Whenever an application for withdrawal of free shares has been on file, or the payment of matured shares demanded and either remain unpaid for a period of one year, all the receipts of the association from dues, interest, premium, loans repaid, and the proceeds of all other investments, shall, after the payment of expenses and general indebtedness, be applied toward the payment of withdrawals and maturities. The board of directors or the commissioner may direct that the payments be made upon a ratable and proportionate basis.

Liquidation

10222. If applications or demands for withdrawal have been on file and remain unpaid in whole or in part for more than two years, the commissioner may take possession of the property and business of the association, and retain possession until the association's affairs are finally liquidated in the manner provided by Chapter 17, of Part 1, of this division.

CHAPTER 3. INVESTMENTS

Purchase of real estate

10400. Any association may purchase at any sale, public or private, any real estate upon which it has a mortgage, judgment, lien, or other encumbrance, or in which it has an interest The association may sell, lease, or mortgage such property to any person.

Loans

10401. Any association may invest in or loan money upon any of the following:

(a) Bonds of the United States, the State, or of any county, municipality, or school district of the State.

(b) Bonds of any public utility corporation.

(c) Notes or bonds secured by mortgages or deeds of trust, payment of which is guaranteed by a policy of mortgage insurance, or mortgage participation certificates, issued by a mortgage insurance company in accordance with the provisions of Part 6, Division 2 of the Insurance Code.

(d) Bonds or securities which are legal investments for savings banks in accordance with the provisions of Division 1 of this code.

(e) Stock issued by any federal home loan bank or other similar federal agency of which the association is eligible to be a member.

(f) Bonds, debentures and notes issued by any federal home loan bank or other similar federal agency.

Prohibited acts

10402. No association shall loan any of its funds upon the security of, or invest any of its funds in mining shares, mining stocks, or in the stocks or bonds of any corporation, other than as provided for in this chapter. Any officer or director who, on behalf of any association, makes any loan or investment in violation of this section, or who consents thereto, is personally liable to the corporation for the whole amount of such loan or investment, and is guilty of a felony.

CHAPTER 4. LOANS

Mutual plan

10600. An association shall make loans upon the mutual plan only, accompanied by a pledge of shares having a matured or par value equal to the face value of the loan.

Borrowing by director, etc.

10601. No director or officer of any association shall directly or indirectly, for himself, or as a partner or agent for others, borrow any of the funds of the association. Any officer or director violating this section is guilty of a felony.

Same Consent

10602. Any officer or director of any association who consents on behalf of the association to make a loan to any officer or director of the association is guilty of a felony and is also personally liable to the association for the full amount of the loan.

Procuring loans

10603. Any officer, director, or employee of an association who asks, receives, consents, or agrees to receive any commission, emolument, gratuity, or reward, or any money, property, or thing of value, for his own personal benefit or advantage, for procuring or endeavoring to procure for any person, any loan from the association, is guilty of a felony.

Execution of note

10604. For every loan made by an association a note or obligation expressing the exact rate of interest, shall be executed by the borrower.

Security

10605. Any loan made by an association shall be secured by a first mortgage or deed of trust upon real estate having an appraised value of not less than 25 percent in excess of the face of the loan, or by the pledge of free shares to the extent of not exceeding 90 percent of the then withdrawable value of the shares.

Rate of interest

10606. The board of directors may, by resolution, fix the rate of interest to be charged on loans.

Repayment

10607. A borrower may at any time repay his loan together with interest or arrears due thereon. Shares pledged as security for the loan may be surrendered in full or partial payment of the loan.

Appraisal

10608. An association shall not make a loan upon the appraisement of, nor pay compensation for any appraisement to, any appraiser, officer, or member of any committee who has not been first approved in writing by the commissioner for the association. The approval may be subject to such limitations as the commissioner provides, and may be revoked for cause, after notice and a hearing given to the appraiser and the association.

Arrears in dues or interest

10609. If a borrower is three months in arrears in the payment of his dues or interest, the whole loan becomes due at the option of the board of directors. The directors may proceed to enforce collection upon the securities held by the association. Upon exercising such option, the withdrawal value of all shares pledged as collateral security shall be applied to the payment of the loan, and the shares are deemed surrendered to the association and canceled.

PART 3. FEDERAL SAVINGS AND LOAN ASSOCIATIONS

CHAPTER 1. POWERS

Powers
12 U S C, §1461

11000. Every federal savings and loan association incorporated under the provisions of the Home Owners' Loan Act of 1933, as now or hereafter amended, and the holders of shares or share accounts issued by any such association, respectively, have all the rights, powers, and privileges, and are entitled to the same exemptions and immunities granted, respectively, to building and loan associations organized under the laws of this State and to the holders of investment certificates, membership shares, or guarantee stock of domestic associations.

CHAPTER 2. SHARES

Minors, married women

11200. Shares or share accounts of a federal savings and loan association may be purchased by minors or married women, and when so purchased the shares or share accounts are held for the exclusive right and benefit of the married woman or minor, free from the control or lien of all other persons, except creditors. The receipt or acquittance of a married woman or minor is a valid and sufficient release and discharge of the association for any payment or delivery to that person on account of their shares or share accounts.

(Amended by Stats. 1951, Ch. 368.)

[ORIGINAL SECTION]

11200. Shares or share accounts of a federal savings and loan association may be purchased by minors or married women, and when so purchased the shares or share accounts are held for the exclusive right and benefit of the married woman or minor, free from the control or lien of all other persons, except creditors. The receipt or acquittance of a married woman, or minor of the age of 14 years or over, is a valid and sufficient release and discharge of the association for any payment or delivery to that person on account of their shares or share accounts

Fiduciaries

11201. Shares or share accounts of a federal savings and loan association may be purchased and held by any person as administrator, executor, guardian, trustee, or other fiduciary, in trust for a named beneficiary or beneficiaries.

Same; Voting rights

11202. Any fiduciary holding a share or share account may vote as a member as though the shares or share accounts were held absolutely. The fiduciary may make payments upon and repurchase any shares or share accounts, in whole or in part. The repurchase value of any such shares or share accounts, and dividends thereon, or other rights relating thereto may be paid or delivered in whole or in part, to such fiduciary. The payment or delivery to the fiduciary, or a receipt or acquittance signed by the fiduciary to whom any payment or delivery of rights is made, is a valid and sufficient release and discharge of the association for the payment or delivery so made.

Death of fiduciary

11203. Whenever a person dies holding shares or share accounts of a federal savings and loan association as trustee or

other fiduciary, in trust for a named beneficiary, and no written notice of the revocation or termination of the trust relationship has been given to the association, the repurchase value of the shares or share accounts, and dividends thereon, or other rights relating thereto, may be paid or delivered, in whole or in part, to the named beneficiary of such trust. The payment or delivery to any beneficiary pursuant to this section, or a receipt or acquittance signed by such beneficiary for any payment or delivery, whether or not such person is a minor, is a valid and sufficient release and discharge of the association for the payment or delivery so made.

(Amended by Stats. 1951, Ch. 368.)

[ORIGINAL SECTION]

11203. Whenever a person dies holding shares or share accounts of a federal savings and loan association as trustee or other fiduciary, in trust for a named beneficiary, and no written notice of the revocation or termination of the trust relationship has been given to the association, the repurchase value of the shares or share accounts, and dividends thereon, or other rights relating thereto, may be paid or delivered, in whole or in part, to the named beneficiary of such trust. The payment or delivery to any beneficiary pursuant to this section, or a receipt or acquittance signed by such beneficiary for any payment or delivery, is a valid and sufficient release and discharge of the association for the payment or delivery so made.

Joint tenants

11204. When shares or share accounts in a federal savings and loan association are issued in the name of two or more persons, whether minor or adult, as joint tenants or in form to be paid to any of them or the survivors, the shares or share accounts are the property of those persons as joint tenants. Such shares or share accounts, together with all dividends thereon, shall be held for the exclusive use of such joint tenants and may be paid to any of them, or to the survivor or any one of the survivors after the death of one or more of them. By written instructions of all such joint tenants given to the association, they may require the signatures of more than one of such persons during their lifetimes or of more than one of the survivors after the death of any one of them on any request for withdrawal, check endorsement or receipt, in which case the association shall pay withdrawals and dividends only in accordance with such instructions, but no such instructions shall limit the right of the sole survivor or of all of the survivors to receive withdrawal payments or dividends.

Payment as provided in the preceding paragraph and the receipt or acquittance of the person to whom such payment is made is a valid and sufficient release and discharge of the association for the payment made on account of the shares or share accounts prior to the receipt by such association of a notice in writing from any one of them not to make payments in accordance with the terms of the shares or share accounts or of such instructions. After receipt of such notice an association may refuse, without liability, to pay withdrawals or dividends pending determination of the rights of the parties.

(Amended by Stats. 1951, Ch. 368.)

[ORIGINAL SECTION]

11204. When shares or share accounts in a federal savings and loan association are issued in the name of two or more persons, in form to be paid to either of them or the survivors, the shares or share accounts are the property of those persons as joint tenants, and the shares or share accounts, together with all dividends thereon, may be paid to any of them, or to the survivors upon the death of any of them. Payment and the receipt or acquittance of the person to whom the payment is made is a valid and sufficient release and discharge of the association for the payment made on account of the shares or share accounts prior to the receipt by such association of a notice in writing not to make payments in accordance with the terms of the shares or share accounts.

Conclusive evidence

11205. The purchase or acceptance of shares or share accounts of a federal savings and loan association in the name of two or more persons to be paid to either of them or the survivors is, in the absence of fraud or undue influence, conclusive evidence, in any action or proceeding to which either the association or the surviving share or share account holders are a party, of the intention of the share or share account holders to vest title to the shares or share accounts and payments made on account thereof and dividends thereon in such survivors.

(Amended by Stats. 1951, Ch. 368.)

[ORIGINAL SECTION]

11205. The purchase or acceptance of shares or share accounts of a federal savings and loan association in the name of two or more persons to be paid to either of them or the survivors is, in the absence of fraud or undue influence, conclusive evidence, in any action or proceeding to which either the association or the surviving share or share account holders are a party, of the intention of the share or share account holders to vest title to the shares or share accounts and payments made on account thereof and dividends and interest thereon in such survivors

Same Membership rights

11206. Shares, or share accounts issued in the joint names of two or more persons, whether as joint tenants or as tenants in common, create but a single membership in the association

"Insured institution"

11207. All shares issued by any duly chartered federal savings and loan association which is an "insured institution" as defined in Title IV of the National Housing Act, are legal investments for the funds of executors, administrators, guardians, trustees of every kind and nature, insurance companies, cemetery associations, and savings banks and are acceptable and may be used as security for the faithful performance of any public or private trust or obligation.

The provisions of this section are supplemental to any and all other acts regulating, relating to, or declaring what shall be legal investments for the funds of executors, administrators, guardians, receivers, trustees, or insurance companies, or for any of the other funds referred to therein.

Attachment

11208. Where an attachment is levied upon any shares or share accounts of federal savings and loan association or upon any debts owing by any such association, the copy of writ and notice shall be left with the manager or any other officer of such association at the office or branch thereof at which such shares or share accounts were issued or such debt incurred if such office or branch is still being maintained, and otherwise at the

principal office of such association. An attachment which has not been served as provided in this section shall not be effective as to any share or share account issued by any such association or as to any debt owing by any such association if such share or account was issued or such debt incurred at an office or branch not so served.

(Added by Stats. 1951, Ch. 368.)

Same. Limitation

11209. No attachment or execution shall be issued against such association or its property in any suit, action or proceeding arising out of the claim of any holder of shares or share accounts to withdraw before final judgment that such holder of shares or share accounts is presently entitled to payment of such withdrawal.

(Added by Stats. 1951, Ch. 368.)

Transfer or encumbrance

11210. A transfer or encumbrance of shares or share accounts issued by a federal savings and loan association shall not be effective as to such association until written notice of such transfer or encumbrance has been given to the office of the association at which such shares or share accounts were issued, or at which the account of such association as to such shares or share accounts is kept, or to the principal office of such association. Until such notice has been given, the association may conclusively presume that shares and share accounts have not been transferred or encumbered, and may, in the absence of such notice, make any and all payments or issue new shares or share accounts to or in the name or names of the person or persons in whose name or names its shares or share accounts are issued, whether or not such shares or share accounts are presented at the time of such payment or issuance, and the association shall have no responsibility to a transferee or lienholder with respect to any shares or share accounts, or parts thereof, so paid or reissued.

(Added by Stats. 1951, Ch. 368.)

Adverse claimant procedure

11211. Notice to any federal savings and loan association of an adverse claim to shares or share accounts standing on its books to the credit of, or to personal property held for the account of, any person may be disregarded until and unless the adverse claimant shall (a) procure and serve upon the association at the office at which the account is carried or the property is held a restraining order, injunction or other appropriate order against the association from a court of competent jurisdiction in an action in which the adverse claimant and all persons in whose name such account stands or for whose account such property is held are parties; or (b) execute and deliver to the association at the office at which the account is carried or the property held a bond in form and with surety acceptable to it and in an amount fixed by the association, but which amount in no event need be more than twice the value of the shares or share accounts or more than twice the market value of the property against which the adverse claim is made, indemnifying it and also all persons in whose names such account stands or for whose account such property is held, against all

liability, loss, damage, costs and expenses arising out of the refusal to permit withdrawal from such account or to pay dividends thereon or to deliver such property. Unless such restraining order, injunction or other appropriate order is obtained, or such bond is given, the association, notwithstanding such notice, may honor notices of intention to withdraw and may pay withdrawals and dividends to the person or persons to whose credit the account stands or may deliver such property to or upon the order of the person for whose account such property is held, without any liability on the part of the association. If an adverse claimant delivers to the association at the office at which the account is carried or the property held his affidavit stating that of his own knowledge the person to whose credit the account stands or for whose account the property is held is a fiduciary for the adverse claimant and that such fiduciary is about to misappropriate the account or the property and stating the facts upon which the claim of a fiduciary relationship is based, the association may refuse to pay withdrawals or dividends on the account or may refuse to deliver such property until the adverse claim is finally adjudicated or released, without liability on its part and without liability for the sufficiency or truth of the facts alleged in the affidavit. The provisions of this section shall be applicable even though the name of the person appearing on the association's books to whose credit the account stands or for whose account the property is held is modified by a qualifying or descriptive term such as "agent," "trustee" or other word or phrase indicating that such person may not be the owner in his own right of the account or property.

(Added by Stats. 1951, Ch. 368.)

DIVISION 3. CHECK SELLERS AND CASHERS

CHAPTER 1. DEFINITIONS

Short title

12000. This division is known and may be cited as the Check Sellers and Cashers Law.

Construction

12001. Unless the context otherwise requires, the definitions set forth in this chapter govern the construction of this division.

Definitions

12002. A check seller or casher is a person, who for compensation, engages in whole or in part in the business of selling checks or cashing checks, drafts or money orders or of receiving money for the purpose of paying to a person other than the check seller or casher bills, invoices, or accounts of an obligor.

"Commissioner"

12003. "Commissioner" means the Commissioner of Corporations of the State of California, or any deputy, investigator, auditor, or any other person employed by him.

"Licensee"

12004. "Licensee" means any individual, partnership, unincorporated association, or corporation licensed by the commissioner to engage in business pursuant to the provisions of this division.

"Mobile unit"

12005. "Mobile unit" means a vehicle or other movable means from which the business of selling checks or cashing checks, drafts, or money orders is conducted.

CHAPTER 2. APPLICATION OF DIVISION

Applicability

12100. The provisions of this division do not apply to any of the following:

(a) Persons or their authorized agents doing business under any law of this State or of the United States relating to banks, trust companies, building or savings and loan associations, industrial loan companies, personal property brokers, credit unions, or California small loan companies.

(b) Persons or their authorized agents engaged in the business of selling checks or cashing checks, drafts, or money orders issued by a person who has complied, and continues to comply with, Article 3 of Chapter 14 of Division 1 of this code.

(c) Attorneys at law or their authorized agents.

(d) Persons or their authorized agents licensed as a collection agency or a merchant owned nonprofit credit association.

(e) Any transaction in which money or other property is paid to a "joint control agent" for dispersal or use in payment of the cost of labor, materials, services, permits, fees, or other items of expense incurred in construction of improvements upon real property.

Exceptions

12101. The provisions of this division relating to the cashing of checks, drafts, or money orders does not apply to any person the major portion of whose business consists of other than selling checks or cashing checks, drafts, or money orders or receiving money for the purpose of paying to a person other than the check seller or casher, bills, invoices, or accounts of an obligor.

Violations

12102. Any person who violates or participates in the violation of any provision of the rules, orders, or regulations of the commissioner, or of this division, is guilty of a misdemeanor.

Desist and refrain order

12103. Whenever in the opinion of the commissioner any person is engaged in business as a check seller or casher as defined in this division without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order said person or licensee to desist and to refrain from engaging in such business or further violating this division. If, after such an order is made, a request for a hearing is filed in writing and no hearing is held within 30 days thereafter, such order shall be deemed to have been rescinded.

(Added by Stats. 1951, Ch. 256.)

CHAPTER 3. LICENSING

License

12200. No person shall engage in the business, for compensation, of selling checks or cashing checks, drafts, or money orders or of receiving money for the purpose of paying bills,

invoices, or accounts of an obligor without first obtaining a license from the commissioner.

Application 12201. An application for a license shall be in writing, under oath, and in a form prescribed by the commissioner and shall contain the name, and the address both of the residence and place of business, of the applicant and if the applicant is a partnership or association, of every member thereof, and if a corporation, of every officer and director thereof.

Address 12202. If the business is to be conducted at a specific address or addresses, the address or addresses at which the business is to be conducted shall be included in the application.

Same 12203. If the business is to be conducted from a mobile unit, the California state registration number or other identification of such mobile unit and the area in which the applicant proposes to operate such mobile unit shall be included in the application.

Other information 12204. The application shall specify the type of business for which a license is requested and shall also contain such other information as the commissioner may require.

(Amended by Stats. 1951, Ch. 258.)

[ORIGINAL SECTION]

12204. The application shall also contain such other information as the commissioner may require.

Liquid assets 12205. An applicant shall prove, in form satisfactory to the commissioner that it has available for the operation of business, if the applicant is to engage exclusively in the business of cashing checks, drafts, or money orders, liquid assets of at least one thousand dollars ($1,000), and if the applicant is to engage in the sale of checks that it has liquid assets in excess of liabilities of at least five thousand dollars ($5,000).

(Amended by Stats. 1951, Ch. 259.)

[ORIGINAL SECTION]

12205 An applicant shall prove, in form satisfactory to the commissioner that it has available for the operation of business, if the applicant is to engage exclusively in the business of cashing checks, drafts, or money orders, liquid assets of at least one thousand dollars ($1,000), and if the applicant is to engage in the sale of checks that it has liquid assets of at least five thousand dollars ($5,000).

Bond 12206. If the applicant is to engage in the business of check selling or receiving money for the purpose of paying bills, invoices or accounts of an obligor, the applicant shall file with the commissioner concurrently with its application for a license, a bond to be approved by the commissioner, in which the applicant is the obligor, in the sum of five thousand dollars ($5,000).

Sureties 12207. The bond shall have one or more sureties to be approved by the commissioner whose liability as sureties shall not exceed the said sum in the aggregate. The bond shall run to the State for the use of the State and of any person who has a cause of action against the obligor of the bond under the provisions of this division.

Conditions

12208. The bond shall be conditioned that the obligor will faithfully conform to and abide by the provisions of this division and of all rules and regulations made by the commissioner pursuant to this division, and will honestly and faithfully apply all funds received and will faithfully and honestly perform all obligations and undertakings under this division, and will pay to the State and to any person all money that becomes due and owing to the State or to such person from the obligor under the provisions of this division.

Duration

12209. The bond shall remain in force and effect until the surety is released from liability by the commissioner, or until the bond is canceled by the surety.

Cancellation

12210. The surety may cancel the bond and be relieved of further liability by delivering 30 days' written notice to the commissioner. The cancellation does not affect any liability incurred or accrued prior to the termination of the 30-day period.

Remedies on

12211. Any person who sustains an injury covered by the bond, may in addition to any other remedy that he may have, bring an action in his own name upon the bond for the recovery of any damages sustained by him.

Statute of limitations

12212. No action may be brought on the bond by any person after the expiration of two years from the time when the act or default complained of occurred.

New bond

12213. When an action is commenced on the bond of a licensee the commissioner may require the filing of a new bond, and immediately upon the recovery of any action on the bond the licensee shall file a new bond. Failure to file a new bond within 10 days of the recovery on a bond, or within 10 days after notification that a bond is required, constitutes sufficient grounds for the suspension or revocation of a license.

Fees

12214. An applicant at the time of making an application shall pay to the commissioner the sum of fifty dollars ($50) as a fee for investigating the application and the additional sum of one hundred dollars ($100) as a license fee for a period terminating on the last day of the current calendar year. If business is to be conducted from a mobile unit, the fee for investigating the application is one hundred dollars ($100), and the license fee is two hundred dollars ($200).

Same

12215. If an application is filed after June 30th in any year, the payment shall be one-half of the stated license fee in addition to the fee for investigation.

Commissioner's investigation

12216. Upon the filing of the application and the payment of the fees and the approval of the bond, the commissioner shall investigate the facts, and if he finds that the financial responsibility, experience, character, and general fitness of the applicant and of the members thereof if the applicant is a partnership or association, and of the officers and directors thereof if the applicant is a corporation, are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and equitably within the purposes of this division, he shall issue and deliver a license to

the applicant to engage in business in accordance with the provisions of this division at the location and for each mobile unit specified in the application.

License Contents

12217. Each license shall state the following:

(a) The name of the licensee, and if the licensee is a partnership or association the names of the members, or if the licensee is a corporation the date and place of its incorporation.

(b) If business is to be conducted at a specific address, the address at which such business is to be conducted.

(c) If business is to be conducted through the use of a mobile unit, the California state registration number or other identification of such mobile unit and the area in which the mobile unit is authorized to do business.

(d) The type of business licensed.

(Amended by Stats. 1951, Ch. 258.)

[ORIGINAL SECTION]

12217. Each license shall state the following:

(a) The name of the licensee, and if the licensee is a partnership or association the names of the members, or if the licensee is a corporation the date and place of its incorporation

(b) If business is to be conducted at a specific address, the address at which such business is to be conducted.

(c) If business is to be conducted through the use of a mobile unit, the California state registration number or other identification of such mobile unit and the area in which the mobile unit is authorized to do business.

Posting

12218. The license shall be kept conspicuously posted in the place of business of the licensee or in the case of a mobile unit upon the mobile unit.

Transferability

12219. The license is not transferable or assignable.

Expiration

12220. Licenses expire on the thirty-first day of December following the date of issuance, unless on or before the fifteenth day of December prior to the expiration date, the licensee files an application for renewal in the form prescribed by the commissioner and pays to the commissioner the license fee as prescribed in this chapter.

Denial

12221. If the commissioner finds that the applicant fails to meet any of the conditions set forth in Section 12216 of this division he shall, upon reasonable notice and opportunity to be heard, deny the application for the license.

Retention of fee

12222. If an application is denied or withdrawn the commissioner shall retain the investigation fee to cover the costs of investigating the application and return the license fee to the applicant.

Employees bonds

12223. The commissioner may require a licensee engaging in the business of selling checks or receiving money for the purpose of paying bills, invoices, or accounts of an obligor, in addition to the bond provided in Section 12206, to obtain an adequate fidelity bond for each officer, employee, or agent having access to funds collected by or for the licensee, or having authority to draw against such funds if in his opinion such a bond is necessary for the protection of the public.

(Added by Stats. 1951, Ch. 260.)

CHAPTER 4. LICENSEE REGULATIONS

Rules and regulations

12300. The commissioner may make general rules and regulations and specific rulings, demands, and findings for the enforcement of this division.

Branch offices

12301. A licensee may establish branch offices or agencies if it expressly assumes responsibility for the acts of any person selling checks or cashing checks, drafts, or money orders for the licensee or accepting money in its name or on its behalf at such place of business. There shall be posted in a prominent place in each branch office or agency a sign stating that the place of business is a branch office or agency of the licensee and that the licensee is responsible for the acts of any person selling checks or cashing checks, drafts, or money orders or accepting money in its name or on its behalf.

Place of business change

12302. Whenever a licensee desires to change his place of business to a street address other than that designated in his license or desires to change the place or area of doing business in the case of a mobile unit, he shall give written notice to the commissioner of the desired change. If the commissioner has no objection to such change he shall acknowledge in writing his approval of the change and the date of approval.

Books and records

12303. Every licensee shall keep and use in his business books, accounts and records which enable the commissioner to determine whether such licensee is complying with the provisions of this division and with the rules and regulations made by the commissioner. Every licensee shall preserve such books, accounts, and records for at least two years after making the final entry on any transaction recorded therein.

Annual report

12304. Each licensee shall annually on or before the fifteenth day of March file a report with the commissioner giving such relevant information as the commissioner reasonably may require concerning the business and operations during the preceding calendar year of each licensed place of business conducted by a licensee.

Examinations

12305. For the purpose of discovering violations of this division the commissioner may at any time investigate the business and examine the books, accounts, records, and files used therein, of every licensee and of every person who the commissioner has reason to believe is engaging in the business defined in this division.

Cost of examination

12306. The actual cost of every examination of a licensee shall be paid to the commissioner by the licensee examined, and the commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

Witnesses

12307. The commissioner may require the attendance of witnesses and examine under oath all persons whose testimony he requires relative to any examination or investigation.

Permissible charges

12308. No person shall charge a fee for selling checks or cashing a check, draft, or money order in excess of one-half of 1 percent of the face amount of said check, draft, or money order or twenty-five cents ($0.25), whichever is greater, unless the

draft, check, or money order presented for cashing is drawn on a bank located outside of the State or, in a face amount in excess of one hundred dollars ($100) in which event the fee shall not exceed 1 percent of the face amount of such draft, check, or money order.

Posting of schedule

12309. A schedule of the fees charged by a licensee shall be posted in a conspicuous place in its place of business.

Checks

12310. A licensee under this division shall not sell checks payable to bearer, to cash, or to the purchaser.

Advertising

12311. No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner whatsoever, any statement or representation which is false, misleading, or deceptive, or which omits to state material information, or which refers to the supervision of such licensee by the State of California or any department or official thereof. The commissioner may order any licensee to desist from any conduct which he shall find to be a violation of the foregoing provisions.

(Added by Stats. 1951, Ch. 257.)

Chapter 5. Revocation of Licenses

Revocation of licenses

12400. The commissioner shall, upon reasonable opportunity to be heard, revoke any license issued pursuant to this division, if he finds that:

(a) The licensee has failed to pay the annual license fee provided by this division.

(b) The licensee has violated any provision of this division or any rule or regulation made by the commissioner under and with the authority of this division.

(c) Any fact or condition exists which, if it had existed at the time of the original application for such license, reasonably would have warranted the commissioner in refusing originally to issue such license.

Notice

12401. The commissioner may upon three days' notice and a hearing, suspend any license for a period not exceeding 30 days, pending investigation.

Hearing

12402. Except where a shorter time for setting the hearing is prescribed in this division, all hearings under this division shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code and in all cases the commissioner shall have all the powers granted therein.

Review

12403. Every order, decision, license, or other official act of the commissioner is subject to review in accordance with law.

DIVISION 5. CREDIT UNIONS

Chapter 1. General Provisions

Credit unions

14000. A credit union is a cooperative corporation, organized for the purposes of promoting thrift among its members and creating a source of credit for them at legal rates of interest for provident purposes.

Construction

14001. Unless the context otherwise requires the definitions given in this chapter govern the construction of this division.

"Commissioner"

14002. "Commissioner" means the Commissioner of Corporations of the State of California.

Unauthorized name usage

14003. The use by any person, other than those authorized by this division, of any name or title which contains the words "credit" and "union," is a misdemeanor.

Nonprofit organizations

14004. Nonprofit associations, which are formed for the mutual benefit and protection of credit unions, by credit unions organized under this division, or under the provisions of the statutes of the United States applicable to credit unions, may use the words "credit" and "union" in the name or title designating such association.

False statements

14005. Any person who wilfully and knowingly makes, circulates, or transmits to another or others any statement or rumor, written, printed or by word of mouth, which is untrue in facts and is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of any credit union doing business in this State, or who knowingly counsels, aids, procures, or induces another to start, transmit, or circulate any such statement or rumor, is guilty of a misdemeanor and shall be punished by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than one year, or both.

Hearings

14006. Whenever a hearing is required or granted by this division the proceedings shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner has all the powers granted therein.

Short title

14007. This division is known and may be cited as the California Credit Union Law.

CHAPTER 2. FORMATION

Article 1. Incorporation and By-laws

Incorporation

14200. Credit unions may be incorporated under this division in the same manner as corporations under the General Corporation Law of this State, except as otherwise provided in this division.

Content of articles

14201. The articles of incorporation of every credit union shall set forth the following:

(a) The name of the corporation, which shall include the words "credit union."

(b) The authorized number of members or memberships or that the number thereof is unlimited, unless the corporation is formed with authorized shares of stock.

Content of by-laws

14202. The by-laws shall prescribe the manner in which the business of the credit union shall be conducted with reference to the following matters:

(a) The purpose of the corporation.

(b) The qualification for membership.

(c) The date of the annual meeting; the manner of conducting meetings; the method by which members shall be notified of meetings; and the number of members which shall constitute a quorum.

(d) The number of directors necessary to constitute a quorum, and the compensation and duties of officers elected by the directors.

(e) The membership, powers, and duties of the supervisory committee.

(f) The membership, powers, and duties of the credit committee.

(g) The conditions upon which shares may be issued, paid for, transferred and withdrawn.

(h) The fines, if any, which shall be charged for failure to punctually meet obligations of the corporation.

(i) The conditions upon which certificates may be issued and withdrawn.

(j) The manner in which the funds of the corporation shall be employed.

(k) The conditions upon which loans may be made and repaid.

(*l*) The maximum rate of interest that may be charged upon loans.

(m) The method of receipting for money paid on accounts of shares, certificates or loans.

(n) The manner in which the guaranty fund shall be accumulated.

(o) The manner in which dividends may be determined and paid to members.

Article 2. Certificate to Act As a Credit Union

Corp C., §25000, ff

14250. The Corporate Securities Law of the State relating to the necessity of obtaining a permit authorizing the sale and issue of securities does not apply to the sale and issue of membership shares, certificates for funds, and other securities, by credit unions organized under this division.

Certificate

14251. No membership shares, certificates for funds or other securities shall be issued by any credit union until it has applied for and obtained from the commissioner a certificate authorizing it to act as a credit union.

Application

14252. Applications for a certificate to act as a credit union shall be made in writing to the commissioner, setting forth such information as the commissioner requires. The application shall be verified by one or more officers of the credit union authorized by its board of directors.

Investigation

14253. Upon the filing of the application for a certificate to act as a credit union, the commissioner shall examine the application together with the other papers and documents filed therewith. The commissioner may make any further investigation of the applicant and its affairs that he deems advisable.

Issuing

14254. If the commissioner is satisfied that the proposed plan of business of the applicant is not unfair, unjust or inequitable, and that applicant intends to fairly and honestly transact its business, and that the securities which it proposes to issue and the methods to be used by it in issuing or disposing of them will not, in his opinion, work a fraud upon the purchaser thereof, the commissioner shall issue to the applicant a certificate authorizing it to engage in and carry on business as a credit union.

Refusal

14255. If the commissioner is not satisfied, as provided in Section 14254, he shall deny the application and refuse such certificate and notify the applicant in writing of his decision.

Fee

14256. At the time of filing an application to operate as a credit union, the applicant shall pay to the commissioner a filing fee of five dollars ($5).

CHAPTER 3. MANAGEMENT

Article 1. Directors

Directors

14400. Every director shall be a member of the credit union in his own right.

Term

14401. Directors may be elected for a term of three years or less. If directors are elected for terms in excess of one year their terms of office shall be staggered so that insofar as possible an equal number of such terms shall expire each year.

Vacancy

14402. The office of any director shall be declared vacant, if such director is absent from three consecutive regular meetings of the board of directors unless excused therefrom.

Powers

14403. The board of directors of every credit union shall have the general management of the affairs, funds and records of the corporation.

Annual meeting

14404. The directors shall hold an annual meeting within 10 days after the annual meeting of shareholders for the purpose of electing a president, vice president, secretary and treasurer of the corporation.

Compensation

14405. No member of the board of directors shall receive any compensation for his services as a member of the board.

Duties

14406. Unless the by-laws expressly reserve any or all of the following duties to the shareholders it shall be a special duty of the directors:

(a) To act upon all applications for membership and to expel members.

(b) To obtain adequate surety bond coverage for the treasurer and any assistant treasurer conditioned upon the honest performance of his trust. The minimum principal amount of such bond shall be based on the gross assets of the credit union, according to the following schedule:

Gross assets	Amount of bond
Up to $5,000	$ 1,000
5,001 to 15,000	2,000
15,001 to 30,000	3,000
30,001 to 50,000	4,000
50,001 to 75,000	5,000
75,001 to 100,000	7,500
100,001 to 150,000	10,000
150,001 to 200,000	15,000
200,001 to 300,000	20,000
300,001 to 500,000	25,000
500,001 to 750,000	30,000
750,001 to 1,000,000	40,000
1,000,001 or more	50,000

(c) To obtain adequate fidelity bond coverage for each officer and employee having control of or access to funds or securities owned by or pledged with a credit union commensurate with risks involved.

(d) To determine from time to time the rate of interest which shall be allowed on shares or certificates and interest rate on loans.

(e) To fix the maximum number of shares which may be held by, and the maximum amount which may be lent to any one member.

(f) To declare dividends.

(g) To recommend amendments to the by-laws.

(h) To fill vacancies in the board of directors or credit committee, and temporarily fill vacancies caused by the suspension of any member of the board of directors, or any or all members of the credit committee, pending a meeting of the shareholders to determine whether to affirm such suspension and vacate the office, or to reinstate such members

(i) To direct the deposit or investment of funds, except loans to members, and to perform such other duties as the by-laws may prescribe.

(j) To designate alternate members of the credit committee who shall serve in the absence or inability of the regular members to perform their duties.

Article 2. Supervisory Committee

Supervisory committee

14450. Every credit union shall have a supervisory committee of at least three persons, each of whom shall be a member of the credit union.

Powers

14451. The supervisory committee may:

(a) Suspend at any time by unanimous vote, at a meeting called for that purpose, the credit committee, or any member thereof, or any member of the board of directors, or any officer.

(b) By a majority vote call a meeting of the shareholders to consider any violation of this division or the by-laws, or any practices of the credit union which, in the opinion of the committee, are unsafe or unauthorized.

(c) Inspect the securities, cash and accounts of the credit union and supervise the acts of its board of directors, officers and credit committee.

(d) Fill vacancies in the supervisory committee until the next annual meeting of the shareholders.

Suspensions

14452. The supervisory committee shall within seven days after suspension of any or all members of the credit committee, or any member of the board of directors, or any other officer, cause notice of a special meeting to be given to the shareholders to take such action regarding the suspension as the members deem necessary.

Audit

14453. The supervisory committee shall at least once each year make an audit of the books and records and an examination of the business and affairs of the credit union. The supervisory committee shall make a full report of the assets and liabilities, receipts and disbursements of the credit union to the board of directors. Such reports shall be read at the annual meeting of shareholders and filed with the records of the credit union.

Compensation

14454. No member of the supervisory committee shall receive any compensation for his services as a member of the supervisory committee, or serve as a member of the credit committee.

Article 3. Credit Committee

Credit committee

14500. Every credit union shall have a credit committee of at least three persons, each of whom shall be a member of the credit union.

Compensation

14501. No member of the credit committee shall receive any compensation for his services as a member of the credit committee, or serve as a member of the supervisory committee.

Approval of loans

14502. No credit union shall make any loan or extension of credit without the written approval of a majority of the members of the credit committee.

Same

14503. The credit committee may approve in advance, upon its own motion or upon the application of any member, the extension of credit to any member and loans may be granted to such member within the limit of such extension of credit. Where an extension of credit has been approved, applications for loans need not be approved by the credit committee as long as the aggregate amount of such loan or loans does not exceed the limit of such extension of credit. The credit committee shall review from time to time, and not less frequently than once each year, all extensions of credit approved by it and any extension of credit approved for any member shall expire if such member becomes ineligible for a loan or becomes more than 90 days delinquent in his obligations to the credit union.

Appeals from

14504. Any applicant for a loan, loans, or extension of credit may appeal from the decision of the credit committee to the board of directors.

Article 4. Officers

14550. The officers of every credit union shall include a president, a vice president, a secretary, and a treasurer. Officers

14551. If the by-laws so provide the directors may elect the same person as secretary and treasurer. Secretary-treasurer

14552. The powers, duties and compensation of the officers of any credit union are as prescribed in the by-laws. Powers, etc

Article 5. Penalties

14600. Any officer, director, or member of a committee of a credit union who knowingly permits a loan to be made or participates in a loan to a nonmember of the corporation, is guilty of a misdemeanor. Penalties

14601. Any officer, director, or member of a committee violating Section 14600 is primarily liable to the corporation for the amount of the loan. The illegality of the loan is no defense in an action by the corporation to recover the amount of the loan. Liability for illegal loan

Chapter 4. Corporate Activities

Article 1. Corporate Powers

14800. Every credit union may: Powers

(a) Admit to membership, those persons qualified for membership, upon payment of an entrance fee.

(b) Issue shares to any qualified member and issue such shares in joint tenancy to the member and any person designated by such member. If the shares are issued in joint tenancy with a member and any other person not a member, there shall be printed on the certificate or other evidence of shares, the words "Transferable only to qualified members."

(c) Charge a reasonable fee for the transfer of its shares.

14801. Every credit union may: Accumulate and deposit money

(a) Receive money and accumulate funds to be loaned and execute certificates for the money received. The certificates shall specify the date, amount, rate of interest, and when the principal and interest are payable.

(b) Deposit and invest any money received as provided in Chapter 5 of this division.

(c) Borrow money as provided in Section 15103.

14802. Every credit union may make loans to its members upon such terms and conditions as the by-laws provide and as the credit committee approves. Make loans

14803. Every credit union may: Fining members, etc.

(a) Fine members for failure to meet punctually obligations to such credit union.

(b) Expel members as provided in Chapter 6 of this division.

(c) Impress a lien upon the shares and dividends of any member to the extent of any loans made to him and for any dues or fines payable by him.

(d) Cancel the shares of any member who withdraws or is expelled, and apply the value of the shares to the liquidation of the member's indebtedness to the credit union.

Lot and building

14804. Every credit union may purchase and hold, either individually or jointly with other credit unions or affiliated organizations, a lot and building necessary for the transaction of business. The credit union may sell such lot and building.

(Amended by Stats. 1951, Ch. 497.)

[ORIGINAL SECTION]

14804 Every credit union may purchase and hold, either individually or jointly with other credit unions of affiliated organizations, a lot and building necessary for the transaction of business. The credit union may sell such lot and building

Personal property

14805. Every credit union may purchase and hold, either individually or jointly with other credit unions or affiliated organizations, furniture, fixtures, vaults, and other personal property necessary or proper to carry on its business. The credit union may sell such personal property.

(Amended by Stats. 1951, Ch 497.)

[ORIGINAL SECTION]

14805. Every credit union may purchase and hold, either individually or jointly with other credit unions of affiliated organizations, furniture, fixtures, vaults, and other personal property necessary or proper to carry on its business The credit union may sell such personal property.

Limitation

14806. After September 19, 1947, no credit union shall invest more than one-fifth of its paid-in and unimpaired capital and surplus in the property permitted to be purchased and held by Sections 14804 and 14805.

General Corp C., §100, ff

14807 In addition to the powers enumerated in this division, every credit union has the general powers conferred upon corporations by the General Corporation Law of this State unless restricted by this division.

Article 2. Restrictions on Corporate Powers

Restrictions

14850. No credit union shall make any gift or donation unless such gift or donation is first approved by a resolution of the board of directors and approved by a vote of the majority of the members of the credit union.

Commissions

14851. No credit union shall pay any commission or compensation for securing members or for the sale of its shares.

Fine limitation

14852. No credit union shall impose fines in case of failure of members to make payments on shares, loans or other accounts when due, in excess of 1 percent per month or fraction of a month on amounts due, except that no fine shall be less than five cents ($0.05).

(Amended by Stats. 1951, Ch. 419.)

[ORIGINAL SECTION]

14852 No credit union shall impose a fine, in case of failure of a member to make payment on shares, exceeding 1 percent per month or fraction of a month on accounts due A minimum fine of five cents ($0 05) per month or fraction thereof may be imposed.

14853. No credit union shall issue shares or accept funds in trust, except in the name of the trustee, as such, for a specified beneficiary whose residence shall be disclosed to the credit union by the trustee. Trust funds.

14854. No credit union shall issue shares to anyone not qualified for membership under its by-laws, except shares issued in joint tenancy as provided in Section 14800. Limitation

Article 3. Loan Restrictions

14900. Applications for loans shall be in writing and shall state the purpose for which the loan is desired and the security offered. Loan applications

14901. No credit union shall charge more than one percent (1%) per month interest, for any loan, including all charges incident to the making of the loan. The cost of any insurance and any cost of acknowledgment, certification, registration, or recordation actually paid by a credit union in connection with a loan is not a charge incident to the making of such loan Interest

14902. A service charge not to exceed twenty-five cents ($0.25) may be made for any loan of fifty dollars ($50) or less which is repaid before the end of the first full month Service charge

14903. No credit union shall make any loan in excess of five hundred dollars ($500) without security. Unsecured loans

14904. No credit union shall make a loan in excess of three thousand dollars ($3,000) or 10 percent of its paid-in and unimpaired capital, whichever is greater, but not to exceed ten thousand dollars ($10,000). Maximum loans

14905. Any loan in excess of three thousand dollars ($3,000) shall be secured by real or personal property to the extent that the loan exceeds three thousand dollars ($3,000). Secured loans

14906. Comakers, other than the borrower are endorsers for the purposes of this article. Comakers

14907. "Security" includes, but is not limited to the following: "Security"

(a) A note endorsed by any member of the credit union or by any other person.

(b) Any obligation wherein the payment of interest and principal is guaranteed by any municipal government, state government, the Government of the United States, or by any instrumentality of the United States.

(c) The amounts which a member has invested in the credit union, either in the form of shares or in funds received. If the amount invested by a member is equal to the loan made to that member, he shall not be required to give further security.

14908. A credit union may make simultaneously to any member different classes of loans, either secured or unsecured. Simultaneous loans

14909. Whenever the directors or the credit committee deem any loan unsafe they may require additional security to be given by the borrower, and if such security is not furnished Additional security

as required, they may declare the loan due and take action to collect the same.

Restrictions

14910. No credit union shall:

(a) Make loans to any director, officer, member of the credit committee, or member of the supervisory committee directly or indirectly which results in such person owing an amount greater than the amount invested by him in the credit union.

(b) Permit any director, officer, member of the credit committee, or member of the supervisory committee to become surety for any loan or advance made by the credit union.

Reduction of indebtedness

14911. Any person elected to the office of director, officer, or committee member who at the time of his election is obligated as provided in Section 14910, shall reduce such indebtedness according to the tenor of his obligation without default or delay. Failure of such director, officer or committee member to reduce the indebtedness renders the office to which he was elected vacant.

Chapter 5. Corporate Finance

Article 1. Capital and Investment

Capital

15100. The capital of a credit union consists of the payments made by members on shares.

Permissible depositaries

15101. The capital funds, undivided profits, and guaranty fund of any credit union may be deposited in any of the following:

(a) Savings banks, state banks or trust companies, incorporated under the laws of this State.

(b) National banks located in this State.

(c) The Postal Savings System of the United States.

(d) Securities authorized by statute as investments for savings banks.

(e) Accounts with any building and loan association, which accounts are guaranteed or insured by the United States Government or instrumentality thereof.

(f) Shares or certificates for funds received or any form of evidence of interest or indebtedness issued by any credit union in this State, organized under the provisions of this division or the statutes of the United States relating to credit unions.

Purchase of conditional sale agreements

15102. Credit unions may purchase from the vendor of any personal property, conditional sale agreements covering the sale of such property to its members. The credit union may hold and retain any such conditional sale contract as an investment.

Borrowing

15103. A credit union may borrow money from any source in an aggregate amount not to exceed 50 percent of the paid-in and unimpaired capital and surplus of such credit union.

Distribution of loss to shareholders

15104. Whenever the losses of any such credit union resulting from a depreciation in the value of its securities or

otherwise exceed its undivided earnings and reserve fund so that the estimated value of its assets is less than the total amount due its shareholders, the credit union may, by a three-fourths vote of the entire membership at a meeting called to consider the matter order a reduction of the liability to each of its shareholders, so as to divide the loss equitably among such shareholders. If thereafter the credit union shall realize from such assets a greater amount than was fixed in the order of reduction, such excess shall be divided among the shareholders whose assets were reduced, but to the extent of such reduction only.

(Added by Stats. 1951, Ch. 497.)

Article 2. Reserves

Guaranty fund

15150. Every credit union shall create and maintain a guaranty fund as follows:

(a) All entrance fees and transfer fees remaining after the payment of organization expenses shall be set aside to such fund.

(b) At the close of each fiscal year, 20 percent of the net earnings of the corporation for the year shall be transferred to such fund. Upon the recommendation of the board of directors, the shareholders, at the annual meeting, may increase, or if such fund equals or exceeds 20 percent of its capital or gross assets, whichever is greater, may decrease the proportion of net earnings to be thus set aside.

(c) Any sums recovered on items previously charged to it shall be credited to such fund.

Charging losses

15151. Losses incurred by a credit union may be charged to its guaranty fund.

Article 3. Dividends

Dividend period

15200. The board of directors of any credit union may declare dividends semiannually or annually.

Restrictions

15201. The directors of any credit union may, at the close of each half year or fiscal year, declare such dividends from its undivided profits as provided by law, but no credit union shall declare, credit or pay any dividends to its shareholders until it has transferred to its guaranty fund such part of its net earnings as is required by Section 15150.

Determining profits

15202. To determine the undivided profits the credit union may credit the profit and loss account with the earnings from all sources during the half year or fiscal year. The credit union shall then deduct the following amounts for the half year or fiscal year:

(a) All expenses paid or incurred of whatever nature in the management of its affairs, the collection of its debts or the transaction of its business.

(b) The interest paid, or accrued and unpaid, on debts owing by it.

(c) All losses sustained by it in excess of its guaranty fund.

Undivided profit

15203. The credit balance of the profit and loss account as determined pursuant to Section 15202 constitutes the undivided profit of the credit union at the close of such period.

Proportionate dividends

15204. Shares which are fully paid by the first day of any calendar month of any period for which dividends are declared, are entitled to a proportionate part of the dividends calculated from the first day of such month

Same By-law provisions

15205. The by-laws of any credit union may provide that shares which are fully paid by the tenth day of any calendar month of any period for which dividends are declared are entitled to a proportionate part of such dividend calculated from the first day of such month. The by-laws of any credit union may provide that shares are entitled to dividends irrespective of the fact that any part or all the money paid upon such shares has been withdrawn during any portion of any dividend period.

Amounts paid or credited

15206. Amounts paid or credited by a credit union to its members or depositors on or before the thirtieth day after the close of its income year shall be deemed for all purposes as paid or credited by such union upon the last day of the income year. This section is applicable only to credit unions as entities and does not apply to the members or depositors thereof.

CHAPTER 6. MEMBERS

Annual meeting

15400. The members of a credit union shall hold an annual meeting for the election of directors, a credit committee and a supervisory committee upon such notice and at such time and place as the by-laws provide.

Special meetings

15401. At the request of 10 members of the credit union, or by order of the directors, special meetings may be held, after notice to the members as provided in the by-laws.

Votes per member

15402. In credit unions formed on or after September 15, 1945, no member shall have more than one vote irrespective of the number of shares held by him.

Expulsion

15403. A member may be expelled by a two-thirds vote of the members present at a special meeting called to consider the matter, but only after a hearing. The following are causes for expulsion:

(a) Conviction of a criminal offense.

(b) Failure to carry out his engagements with the credit union.

(c) Refusal to comply with the provisions of this division, or of the by-laws.

Withdrawal

15404. Any member may withdraw from the credit union at any time. A withdrawing member shall give 60 days' notice of intention to withdraw shares and 30 days' notice of intention to withdraw certificates unless a longer period of notice is required by the commissioner.

Payment to separated members

15405 All amounts paid on shares or on certificates of an expelled or withdrawn member, with any dividends or interest credited thereto to the date of withdrawal or expulsion shall

be paid to such members as funds become available, and after deducting all amounts due from the member to the credit union. Withdrawing or expelled members have no further rights in the credit union, but are not by expulsion or withdrawal released from any liability to the credit union or its creditors.

Execution on shares, etc

15406. The shares and certificates for funds received of members of any credit union and all the accumulation on such shares and certificates are exempt from sale on execution and proceedings supplementary thereto, to the amount of one thou sand five hundred dollars ($1,500).

CHAPTER 7. MERGER AND DISSOLUTION

Article 1. Merger and Consolidation

Merger

15600. Any credit union may, with the approval of the commissioner, and in accordance with such rules as the commissioner makes, merge with another credit union of like community interest in membership, under the charter of such other credit union.

Plan

15601 The merger shall be made pursuant to any plan agreed upon by the majority of the board of directors of each credit union joining in the merger, and approved by the affirmative vote of at least 75 percent of the members of each such credit union, in person or by proxy, at meetings of the members called for that purpose.

Certificate

15602 After the agreement by the directors and approval by the members of each credit union of the plan of merger, a majority of the board of directors of each credit union shall execute a certificate, which shall be verified by their oath and shall set forth all of the following:

(a) The time and place of the meeting of the board of directors at which the plan was agreed upon, and a copy of the resolution or other action by which the plan was agreed upon.

(b) The vote in favor of adoption of the plan

(c) The time and place of the meeting of the members at which the plan agreed upon was approved.

(d) A statement of the mailing of notice of the time, place, and purpose of the meeting of the members.

(e) The vote by which the plan was approved by the members.

(f) The plan of merger agreed upon, and the written approval thereof by the commissioner.

Same Filing of

15603. The certificate of merger shall be filed in the office of the Secretary of State, and copies, certified by him, shall be filed in the office of the commissioner and in the office of the county clerk of the county in which the principal office of each credit union participating in the merger and consolidation is located.

Rights

15604. Upon any merger effectuated as provided in this article, all property, property rights, and interests of the merged credit union shall vest in the surviving credit union,

without deed, endorsement or other instruments of transfer, and all debts, obligations and liabilities of the merged credit union are assumed by the surviving credit union under whose charter the merger has been effected. Thereafter the charter of the merged credit union is void, and the existence of the merged credit union as a legal entity separate from the surviving credit union terminates.

Article 2. Dissolution

Dissolution

15650. Whenever the members of the board of directors by a three-fourths majority vote recommend the dissolution of any credit union, the members of the credit union, at any meeting specially called to consider the subject may elect to dissolve the credit union, by the vote or written consent of a majority of members.

Liquidation committee

15651. If the dissolution of the credit union is voted the members of the credit union shall elect a committee of three members to liquidate the assets of the credit union.

Certificate

15652. The committee in charge of liquidation of the assets shall immediately execute a certificate stating that the credit union has elected to wind up and dissolve and showing by what vote or consent such election was made. The certificate shall be signed and verified by the committee or a majority thereof. The certificate shall be filed in the office of the Secretary of State, and copies of the certificate certified by the Secretary of State shall be filed with the commissioner and the county clerk of the county in which the principal office of the credit union is located.

Termination of business

15653. After a vote to dissolve a credit union no business may be carried on by the credit union except in the proper course of liquidation.

Power of committee

15654. The committee in charge of liquidation may sue in the name and on behalf of the credit union, and may sell or otherwise dispose of the assets of the credit union, in whole or in part, at public or private sale, subject to confirmation by the board of directors.

Distributing assets

15655. After determining that all known debts and liabilities of the credit union have been paid or adequately provided for, the committee in charge of liquidation shall distribute all the remaining assets of the credit union among the members or shareholders. Each share is entitled to its proportionate amount of the assets according to the amount paid on that share.

Termination of corporate existence
Rev. & T. C., §23001, ff

15656. For the purpose of taxation pursuant to the Bank and Corporation Franchise Tax Law, the corporate existence of any credit union is terminated at the time of the filing of a certificate of election to dissolve with the Secretary of State.

Dissolution

15657. When a credit union has completely wound up, all of its known debts and liabilities actually paid or adequately provided for or paid as far as its assets permit, and its known assets distributed, a majority of the committee in charge of liquidation shall sign and acknowledge a certificate stating that

the credit union has been completely wound up, its known assets distributed, any tax or penalty due under the Bank and Corporation Franchise Tax Law paid, and its other known debts and liabilities actually paid or adequately provided for or paid as far as its assets permit and that the credit union is dissolved.

Certificate

15658. The certificate of dissolution shall be filed in the office of the Secretary of State and copies, certified by him, shall be filed in the office of the commissioner and in the office of the county clerk of the county in which the principal office of the credit union is located.

Liquidation by commissioner

15659 If the credit union is not completely liquidated and its assets distributed within three years after the filing of a certificate of election to dissolve with the Secretary of State, the commissioner may take possession of the books, records and assets and proceed to complete the liquidation in the manner provided in Division 1 of this code.

Chapter 8. Supervision

Supervision

15800. The powers of supervision and examination of all credit unions organized under the provisions of this division are vested in the commissioner.

Commissioner's rules

15801. The commissioner may establish such rules and regulations as may be reasonable or necessary to carry out the purposes and provisions of this division.

Annual report

15802. On or before 90 days after the thirty-first day of December of each year every credit union shall make a written report to the commissioner which shall contain a statement of its condition as of December 31st of that year. The report shall be in the form and contain the matters prescribed by the commissioner. Every such report shall be verified by the oath of the president and secretary of the credit union. The verification shall state that the report is true and correct in all respects to the best of the knowledge and belief of the persons verifying it.

Special reports

15803. Every credit union shall make other special reports to the commissioner as the commissioner may from time to time require. Such reports shall be in the form and filed at such date as prescribed by the commissioner, and shall if required by him, be verified in such manner as he prescribes.

Failure to report

15804. If any credit union fails to make any report required by this division on or before the day designated for the making thereof, or fails to include therein any matter required by the commissioner, such failure is grounds for the suspension or revocation of the certificate authorizing such credit union to act as a credit union, unless the time for filing the report is extended by the commissioner.

Annual examination

15805. The commissioner shall at least once in each year, visit and examine into the affairs of every credit union, and on such occasions shall have free access to all the books, records, securities and papers of the credit union and shall examine the books, property, transactions and affairs, and ascertain the financial condition and solvency of every such credit union.

Place of examination

15806. The commissioner upon the written request of any credit union may make any examination of the credit union in any regularly established office of the commissioner.

Extra examinations

15807. In addition to the annual examination required by this chapter, whenever in the judgment of the commissioner the condition of any credit union renders it necessary or expedient to devote any extraordinary attention to its affairs, the commissioner may make any extra examination or investigation and perform any necessary services in connection with its affairs. If such credit union considers such extra examination, investigation or services to be without cause, it may by written notice to the commissioner require a hearing to determine whether cause exists. After receipt of such notice the commissioner shall not proceed with such examination, investigation, or performance of services without first holding a hearing and determining that cause for such action exists.

Orders to cease business

15808. If the commissioner upon any examination, or from any report made to him, finds any credit union is violating the provisions of this division, or is insolvent, or is conducting its business in an unsafe or unauthorized manner, he may notify such credit union to, and such credit union shall cease such practices in the conduct of its business as the commissioner finds unsafe or finds is being conducted in an unauthorized manner. The commissioner may notify such credit union to, and the credit union shall temporarily suspend or entirely cease the transaction of any new business or such portion thereof as is ordered by the commissioner.

Certificates

15809. Each certificate issued under this division remains in full force and effect until suspended or revoked by the commissioner.

Revocation

15810. The commissioner may, upon reasonable opportunity to be heard, suspend or revoke any certificate if he finds that the credit union has violated any provisions of this division or any rule or regulation of the commissioner made pursuant to this division.

Impaired capital

15811. If the commissioner finds, after a hearing, that a credit union has impaired capital or is operating in an unsafe or unsound manner, he may take possession of the business and assets of the credit union and maintain possession until such time as he shall permit it to continue business, or its affairs are finally liquidated.

If such credit union submits a satisfactory plan to restore any impairment of capital and to proceed with business in a sound, businesslike manner, the commissioner may permit such credit union to resume possession of the business and assets and operate as a credit union under such conditions as may be imposed by the commissioner in the public interest.

(Amended by Stats 1951, Ch. 382.)

[ORIGINAL SECTION]

15811 If the commissioner finds, after a hearing, that a credit union has impaired capital or is operating in an unsafe or unsound manner, he

may notify such credit union to restore its capital in full or take the necessary steps to reduce its stated capital or cease any unsafe or unsound practice. If the credit union does not comply with such order within 30 days after service of the order or present a satisfactory plan for future operation, the commissioner may notify such credit union to cease business and dissolve in the manner provided in Article 2 of Chapter 7 of this division. If, for a period of 30 days after said notice, the credit union does not proceed to put such plan into effect, or does not commence proceedings to wind up and dissolve, or if thereafter, it does not diligently proceed with said plan or the liquidation, the commissioner may take possession of the business and assets of the credit union and maintain possession until such time as he shall permit it to continue business, or its affairs are finally liquidated.

Liquidation

15812. On taking possession of the business and assets of any credit union as provided in this chapter, the commissioner may proceed to liquidate the credit union in the manner provided by Division 1 of this code or he may appoint a liquidating committee of three members of the credit union to liquidate the business and assets of the credit union in the manner provided in Article 2 of Chapter 7 of this division. In the event the commissioner is unable to secure three members of the credit union able and willing to serve on such liquidating committee he may appoint any member of a credit union incorporated under this division to such committee.

(Amended by Stats. 1951, Ch. 382.)

[ORIGINAL SECTION]

15812. On taking possession of the business and assets of any credit union as provided in this chapter, the commissioner may proceed to liquidate the credit union in the manner provided by Division 1 of this code or he may appoint a liquidating committee of three members of the credit union to liquidate the business and assets of the credit union in the manner provided in Article 2 of Chapter 7 of this division. In the event the commissioner is unable to secure three members of the credit union able and willing to serve on such liquidating committee he may appoint any member of a state credit union to such committee.

Liquidating committee, bonds

15813. The commissioner shall supervise the acts of the liquidating committee appointed under this chapter and may remove any member thereof in his discretion. The members of the liquidating committee shall file with the commissioner a faithful performance bond in an amount to be determined by the commissioner. The premium for such bond shall be paid out of the assets of the credit union.

Retention of assets

15814. If the commissioner retains possession of the assets of such credit union for the purpose of liquidation, he shall use the services of civil service employees of his office and the Department of Justice shall render all necessary legal services.

CHAPTER 9. COSTS OF ADMINISTRATION

Costs of administration

16000. To defray the costs of administration of this division, including examinations and supervision, the commissioner shall require every credit union licensed by him or coming under his supervision to pay in advance to him for the ensuing year charges and assessments in accordance with the following schedule:

Assessment schedule

Total assets of credit union	Amount of assessment
Not more than $10,000	$8.00
Over $10,000 but not more than $15,000	13.00
Over 15,000 but not more than 22,500	18.00
Over 22,500 but not more than 30,000	25.00
Over 30,000 but not more than 37,500	32.50
Over 37,500 but not more than 47,500	40.00
Over 47,500 but not more than 60,000	50.00
Over 60,000 but not more than 72,500	60.00
Over 72,500 but not more than 85,000	70.00
Over 85,000 but not more than 100,000	82.50
Over 100,000 but not more than 125,000	100.00
Over 125,000 but not more than 150,000	125.00
Over 150,000 but not more than 175,000	150.00
Over 175,000 but not more than 200,000	175.00
Over 200,000 but not more than 250,000	200.00
Over 250,000 but not more than 300,000	250.00
Over 300,000 but not more than 350,000	300.00
Over 350,000 but not more than 400,000	350.00
Over 400,000 but not more than 450,000	400.00
Over 450,000 but not more than 500,000	450.00
Over 500,000	450.00 plus $0.25 for each $1,000, or portion of the last even thousand thereof, of assets in excess of $500,000

Notice, failure to pay assessment

16001. On or before the thirtieth day of November of each year the commissioner shall notify each credit union by mail of the amount assessed and levied against it and that amount shall be paid on or before the thirty-first day of December of that year. If payment is not made to the commissioner by that time, the certificate then in effect authorizing such credit union to act as a credit union is suspended as of that day. If the payment is not made on or before the thirty-first day of January of the following year, the certificate shall expire on the thirty-first day of January and the credit union shall thereafter have no right or authority to act as a credit union.

Permissible schedule changes

16002. If the commissioner determines that the charges and assessments set forth in this division for any year are in excess of the amount necessary, or are insufficient, to meet the expenses of administration of this division, including examinations and supervision, for that year, the assessment and charges for the following year shall be adjusted on a pro rata basis in accordance with the percentage of such excess or insufficiency in order to recover the actual costs of administration.

Extra charges

16003. If an extra examination or investigation is made or services performed, the credit union examined or investigated or to which services are rendered shall pay to the commissioner the actual cost thereof, including the actual amount of salary or

other compensation paid to the persons making such examination or investigation or rendering special services and overhead costs in connection therewith as fixed by the commissioner. If recovery of such costs cannot be made from the credit union, such costs may be added to the assessment provided for in Section 16000.

Fees collected

16004. All fees charged and collected under this division shall be paid at least once each week, accompanied by a detailed statement thereof, into the Treasury of the State to the credit of the General Fund.

DIVISION 6. ESCROW AGENTS

CHAPTER 1. APPLICATION OF THIS DIVISION

Short title

17000. This division is known and may be cited as the "Escrow Law."

Definitions

17001. Unless the context otherwise requires, the definitions set forth in this chapter govern the construction of this division.

"Commissioner"

17002. "Commissioner" means the Commissioner of Corporations.

"Escrow"

17003. "Escrow" means any transaction wherein any written instrument, money, evidence of title to real or personal property, or other thing of value is delivered to a person for the purpose of effecting the sale, transfer, encumbering, or leasing of real or personal property, to be held by that person until the happening of a specified event or the performance of a prescribed condition, when it is then to be delivered by such person to a grantee, grantor, promisee, promisor, obligee, obligor, bailee, bailor, or any agent or employee of any of the latter.

"Escrow agent"

17004. "Escrow agent" means any person engaged in the business of receiving escrows for deposit or delivery for compensation.

"Licensee"

17005. "Licensee" means any person holding a valid, unrevoked license as an escrow agent.

Exceptions

17006. This division does not apply to:

(a) Any person doing business under any law of this State or the United States relating to banks, trust companies, building and loan or savings and loan associations, or insurance companies.

(b) Any person licensed to practice law in California who is not actively engaged in conducting an escrow agency.

(c) Any person or persons whose principal business is that of preparing abstracts or making searches of title that are used as a basis for the issuance of a policy of title insurance by a company doing business under any law of this State relating to insurance companies.

(d) Any company, broker, or agent subject to the jurisdiction of the Real Estate Commissioner while performing acts in the course of or incidental to the real estate business.

(e) Any transaction in which money or other property is paid to, deposited with, or transferred to a joint control agent for disbursal or use in payment of the cost of labor, materials, services, permits, fees, or other items of expense incurred in the construction of improvements upon real property.

Foreign corporations

17007. No foreign corporation shall transact an escrow business in this State without first complying with all the requirements of this division.

Same Service of process

17008. No foreign corporation shall transact any escrow business in this State until it has executed and filed with the commissioner a written instrument appointing the commissioner its attorney upon whom all process in any action or proceeding by any resident of this State against it may be served with the same force and effect as if such corporation were formed under the laws of this State, and had been lawfully served with process in this State. Service of process by a resident of this State upon the commissioner constitutes personal service on the foreign corporation.

Forwarding of served papers

17009. The commissioner shall forward by prepaid registered mail a copy of every paper served under this chapter, to the secretary of the corporation at its last known post-office address as shown by the records and reports of the corporation filed in the office of the commissioner.

Plaintiff's fee for serving

17010. The commissioner shall collect from the plaintiff at the time of service, the sum of two dollars ($2) for each copy of process served on him pursuant to this chapter. This sum shall be recovered by the plaintiff as part of his taxable costs, if he succeeds in the suit or proceeding.

Violations

17011. The violation of any provision of this division is a misdemeanor, unless a different punishment is prescribed.

CHAPTER 2. LICENSING

License

17200. No person shall engage in the business of an escrow agent in this State unless he is licensed by the commissioner as an escrow agent.

Application

17201. An application for a license as an escrow agent shall be in writing and in such form as is prescribed by the commissioner. The application shall be verified by the oath of the applicant.

Bond

17202. At the time of filing an application for an escrow agent's license, the applicant shall deposit with the commissioner a bond satisfactory to the commissioner in the amount of five thousand dollars ($5,000), with one or more sureties whose liability as such sureties shall not exceed that amount in the aggregate. The bond shall run to the State for the use of the State and of any person who has a cause of action against the obligor of the bond under the provisions of this division.

Conditions of bonds

17203. The bond of an escrow agent shall be conditioned that the obligor will faithfully conform to and abide by the provisions of this division and all the rules and regulations made

by the commissioner under this division. The bond shall be conditioned that the licensee will honestly and faithfully apply all funds received and will faithfully and honestly perform all obligations and undertakings under this division, and will pay the State and any person all amounts which become due or owing to the State or to such person under the provisions of this division.

Same
Cancellation

17204. The bond of an escrow agent remains in force and effect until the surety is released from liability by the commissioner, or until the bond is canceled by the surety. The surety may cancel the bond and be relieved of further liability on the bond by delivering 30 days' written notice to the commissioner. Such cancellation does not affect any liability incurred or accrued on the bond prior to the termination of the 30-day period.

Limitation
on actions

17205 In addition to any other remedy, any person who sustains an injury covered by an escrow agent's bond may bring an action in his own name upon the bond for the recovery of any damages sustained by him. No action may be brought on the bond by any person after the expiration of two years from the time when the act or default complained of occurs.

New bond

17206. When an action is commenced on an escrow agent's bond the commissioner may require the filing of a new bond, and immediately upon the recovery of any action on the bond, the licensee shall file a new bond. Failure to file a new bond within 10 days of the recovery on a bond, or within 10 days after notification of the commissioner that a new bond is required constitutes sufficient grounds for the suspension or revocation of the license.

Fees

17207. The commissioner shall charge and collect the following fees:

(a) For filing an original or a renewal application for an escrow agent's license, one hundred dollars ($100) for the first office or location and thirty-five dollars ($35) for each additional office or location.

(b) For filing an application for a duplicate of an escrow agent's license lost, stolen, or destroyed, upon a satisfactory showing of such loss, theft, or destruction, ten dollars ($10).

(Amended by Stats 1951, Ch. 289.)

[ORIGINAL SECTION]

17207. The commissioner shall charge and collect the following fees

(a) For filing an original or a renewal application for an escrow agent's license, fifty dollars ($50) for the first office or location and ten dollars ($10) for each additional office or location

(b) For filing an application for a duplicate of an escrow agent's license lost, stolen, or destroyed, upon a satisfactory showing of such loss, theft, or destruction, ten dollars ($10).

Money
received

17208. All money received by the commissioner shall be paid by him into the State Treasury to the credit of the General Fund.

Issuance
of license

17209 Upon the filing of the application for an escrow agent's license, the acceptance of the bond, and the payment of the filing fee, the commissioner shall issue and deliver a license

to the applicant to engage in the business of an escrow agent at the location set forth in the license, if he finds that the experience, character, financial solvency, business reputation, and general fitness of the applicant or the members thereof, if the applicant is a copartnership or association, or the trustees thereof, if the applicant is a trust, or of the officers and directors thereof, if the applicant is a corporation, and employees of any applicant are such as to command the confidence of the community and to warrant the belief that the business proposed to be conducted will be operated honestly and fairly and for the protection and safety of the public within the purposes of this division.

(Amended by Stats. 1951, Ch. 290.)

[ORIGINAL SECTION]

17209. Upon the filing of the application for an escrow agent's license, the acceptance of the bond, and the payment of the filing fee, the commissioner shall issue and deliver a license to the applicant to engage in the business of an escrow agent at the location set forth in the license, if he finds that the experience, character, business reputation, and general fitness of the applicant or the members thereof, if the applicant is a copartnership or association, or the trustees thereof, if the applicant is a trust, or of the officers and directors thereof, if the applicant is a corporation, and employees of any applicant are such as to command the confidence of the community and to warrant the belief that the business proposed to be conducted will be operated honestly and fairly within the purposes of this division.

Denial of license

17210. If the commissioner finds that any applicant does not possess the requirements specified in this chapter, he shall deny the application for a license upon notice and reasonable opportunity to be heard.

Expiration

17211. Each escrow agent's license expires at noon on the thirty-first day of December of any calendar year if it is not renewed on or before the twentieth day of December of such year. A license may be renewed by filing an application and paying the annual license fee for the next succeeding calendar year.

Reinstatement

17212. An escrow agent's license which has not been renewed may be reinstated by a licensee at any time prior to the thirtieth day of January following the expiration, upon the payment to the commissioner of the annual license fee and a penalty equal to one-half of the annual license fee.

Transferability

17213. An escrow agent's license is not transferable or assignable except to a duly appointed, acting, and qualified administrator or executor of a licensee.

Offenses

17214. Any person who engages in business as an escrow agent, either directly as principal or indirectly as agent, employee, manager, fiduciary representative, or in any other capacity, without applying for and receiving the license required by this division, is guilty of a misdemeanor punishable by imprisonment in a county jail for not less than three (3) months and not exceeding twelve (12) months, or by a fine of not less than two hundred fifty dollars ($250) and not exceeding one thousand dollars ($1,000), or by both such fine and imprisonment.

CHAPTER 3. ESCROW REGULATIONS

Regulations

17400. The commissioner may adopt such rules and regulations as are reasonable and necessary for the enforcement of this division.

Use of true name

17401. Every person not a corporation engaging in the escrow business shall conduct such business under his true name, unless he has complied with the provisions of Chapter 2, Title 10, Part 4, Division 3, of the Civil Code.

Statements concerning capital

17402. No escrow agent or any officer thereof shall advertise in any manner or publish any statement of its capital, other than amounts fully paid in and accumulated surplus.

Advertising

17403. No person shall issue, circulate, or publish any advertisement by any means of communication, or make use of or circulate any letterheads, billheads, blank notes, blank receipts, blank escrow instructions, certificates, circulars, or any written, printed, partially written or printed paper containing any fictitious or corporate name or other words indicating that such person is in the escrow business, unless such person is a licensed escrow agent.

Records

17404. Every licensee shall keep and use in his business, books, accounts, and records which will properly enable the commissioner to determine whether the licensee is complying with the provisions of this division and with all rules and regulations made by the commissioner under this division.

Inspection

17405. The business, accounts and records of every person doing business as an escrow agent are subject to inspection by the commissioner.

Independent audit

17406. Every escrow agent at its own expense, shall submit to the commissioner on or before 105 days after the close of its fiscal year an independent audit of its books and records. The audit shall be made by a public accountant acceptable to the commissioner. The public accountant shall not be connected with the escrow agent. The audit shall be comprehensive in scope and shall include a direct verification from the person having in his possession or control any escrow funds, trust funds, or other property deposited in escrow. A verification of accounts of escrow depositors shall be made in accordance with generally accepted principles of accounting practice. The accountant making the independent audit shall render upon the completion of his audit a report containing at least an audited balance sheet and a statement of income and expenses for the fiscal year immediately preceding the date of the audit.

Failure to report

17407. If any escrow agent fails to make the reports required by law or by the commissioner within ten (10) days from the day designated for the making of the reports, or within any extension of time granted by the commissioner, or fails to include therein any matter required by law or by the commissioner, such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent.

(Amended by Stats. 1951, Ch. 289.)

[ORIGINAL SECTION]

17407 If any escrow agent fails to make the reports required by law or by the commissioner within ten (10) days from the day designated for the making of the reports, or within any extension of time granted by the commissioner, or fails to include therein any matter required by law or by the commissioner, such escrow agent shall pay the sum of five dollars ($5) for each day such report is delayed or withheld, and for each day it fails to report such omitted matter.

Examination

17408. If an escrow agent fails to make the report required from it by law or by the commissioner, the commissioner shall immediately cause the books, records, papers, and affairs of the agent to be thoroughly examined. The actual cost of such investigation, inspection or examination of a licensee under this section shall be paid to the commissioner by the licensee investigated, inspected, or examined and the commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

"Trust funds"

17409. All money deposited in escrow to be delivered upon the close of the escrow or upon any other contingency, shall be deposited in a bank and kept separate, distinct, and apart from funds belonging to the escrow agent. Such funds, when deposited, are to be designated as "trust funds," "escrow accounts," or under some other appropriate name indicating that the funds are not the funds of the escrow agent.

Execution, attachment

17410. Escrow or trust funds are not subject to execution or attachment on any claim against the escrow agent

Designation of funds

17411. No person shall knowingly keep or cause to be kept any funds or money in any bank under the heading of "trust funds" or "escrow accounts" or any other name designating such funds or money as belonging to the clients of any escrow agency, except actual escrow or trust funds deposited with such agency.

Bonding of employees

17412. All officers and employees of an escrow agent who have access to money or negotiable securities belonging to the escrow agent or in the possession of the escrow agent in the regular discharge of their duties, or persons who draw checks upon the escrow agent or upon the trust funds of the escrow agent in the regular discharge of their duties, before entering upon their duties and throughout the entire term of their office and employment and any subsequent term thereof, shall furnish to the escrow agent a good and sufficient bond indemnifying the escrow agent against loss of money or property. The commissioner shall prescribe the amount and form of the bond on each individual employee or officer, and the aggregate amount and the terms during which the bond runs. The sufficiency of the sureties on the bond are at all times subject to the approval of the commissioner. The bonds shall be filed in the commissioner's office.

Additional security

17413. The commissioner may at any time require a licensee to file in the office of the commissioner an additional bond or surety with respect to any officer or employee when in the commissioner's opinion, any bond then in force is insufficient for any reason.

Offenses

17414. Any director, officer, agent, or employee of any escrow agent who does any of the following is guilty of a felony:

(a) Knowingly receives or possesses himself of any property of the escrow agent otherwise than in payment for a just demand, and with intent to defraud omits to make or to cause or direct to be made a full and true entry thereof in the escrow agent's books and accounts, or knowingly concurs in omitting to make any material entry.

(b) Knowingly concurs in making or publishing any written report, exhibit or statement of the escrow agent's affairs or pecuniary condition containing any material statement which he knows to be false.

(c) Having the custody or control of the escrow agent's books, wilfully refuses or neglects to make any proper entry in such books as required by law, or to exhibit or allow the books to be inspected and extracts to be taken therefrom by the commissioner, or any of his deputies or examiners

Order to discontinue unsafe practices

17415. If the commissioner, as a result of any examination or from any report made to him, shall find that any escrow agent is in an insolvent condition or is conducting business in such an unsafe or injurious manner as to render its further operations hazardous to the public or to any of its customers, the commissioner may forthwith, by an order addressed to and served by registered mail on such escrow agent and on any other person having in his possession or control any escrowed funds, trust funds or other property deposited in escrow with said agent, direct discontinuance of the disbursement of trust funds by said parties or any of them, the receipt of trust funds, the delivery or recording of documents received in escrow, or other business operations. No person having in his possession any such funds or documents shall be liable for failure to comply with such order unless he has received written notice of such order. If, after such an order is made, a request for a hearing is filed in writing and hearing is not commenced within 15 days thereafter, the order is rescinded. The order shall otherwise remain in effect until set aside by the commissioner in whole or in part, the escrow agent has been adjudged bankrupt, or pursuant to a petition filed by the commissioner or other interested party a receiver has been appointed by a superior court.

Notice, duration

(Added by Stats. 1951, Ch. 400.)

Desist and refrain order

17416. Whenever in the opinion of the commissioner any person is engaged in the business of receiving escrows for deposit or delivery for compensation as defined in this division, without a license from the commissioner the commissioner may order said person to desist and to refrain from engaging in such business. If, after such an order is made, a request for a hearing is filed in writing and hearing is not held within 60 days thereafter, the order is rescinded.

(Added by Stats. 1951, Ch. 288.)

CHAPTER 4. REVOCATION OF LICENSE

Duration of license

17600. An escrow agent's license remains in effect until surrendered, revoked, suspended, or until it expires.

Violations

17601. If the commissioner has reason to believe that an escrow agent is violating the provisions of this division, he may investigate the escrow agent's business and examine the books, accounts, records, and files used in the business of every licensee and of every person who acts or claims to act as principal or agent under or without the authority of this division. For the purposes of examination the commissioner and his representatives shall have free access to the offices and places of business, books, accounts, records, papers, files, safes, and vaults of all persons examined.

Discontinuance order

17602. If it appears to the commissioner that any escrow agent has violated its articles of incorporation, or any law or rule binding upon it, he shall, by written order addressed to the agent direct the discontinuance of such violation.

Same

17603. If it appears to the commissioner that any escrow agent is conducting business in an unsafe or injurious manner, he shall, by written order addressed to the agent direct the discontinuance of such unsafe or injurious practices.

Hearing

17604. An order issued pursuant to Sections 17602 or 17603 shall require the agent to show cause before the commissioner, at a time fixed by the commissioner, why the order should not be observed. If upon the hearing, it appears to the commissioner that the agent is conducting business in an unsafe and injurious manner or is violating its articles of incorporation or any law of this State, or any rule binding upon it, the commissioner shall make the order of discontinuance final and the escrow agent shall immediately discontinue the practices named in the order.

Restraining enforcement

17605. The escrow agent has ten (10) days after an order is made final in which to commence action to restrain enforcement of such order, and unless such action is commenced, and the enforcement of such order is enjoined within ten (10) days by the court in which such suit is brought, the escrow agent shall comply with the order.

Revocation of license

17606. The commissioner shall immediately revoke the escrow agent's license if he fails to comply with a final order, unless the escrow agent secures a court order restraining the enforcement of the commissioner's order.

Actions by commissioner

17607. The commissioner may commence and prosecute actions and proceedings to enjoin violations of this division or violations of orders or decisions of the commissioner rendered pursuant to this division, and for the enforcement of any and all civil penalties provided for by this division.

Suspension or revocation

17608. The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:

(a) The licensee has failed to maintain in effect a bond required under the provisions of this division.

(b) The licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division.

(c) Any fact or condition exists which, if it had existed at the time of the original application for such license, reasonably would have warranted the commissioner in refusing originally to issue such license.

Effect on existing escrows

17609. The revocation, suspension, surrender or expiration of an escrow agent's license does not impair or affect pre-existing escrows lawfully contracted.

Oaths, etc

17610. The commissioner, and all persons designated by him, may administer oaths, take the testimony of witnesses, and issue subpenas requiring the attendance of witnesses and the production of books, documents, and other things under their control, at any examination, investigation, or hearing in any part of the State.

Evidence

17611. All of the provisions of Chapter 2, Title 3, Part 4 of the Code of Civil Procedure relating to the means of production of evidence out of court are applicable to any examination, investigation, or hearing under this division.

Delegation of authority

17612. The authority to make or conduct any examination, investigation, or hearing, including the authority to administer oaths and to subpena witnesses, and to take their testimony may be delegated by the commissioner to any deputy, investigator, or auditor appointed by him for that purpose. The appointment shall be made by an instrument in writing, signed by the commissioner. Upon any examination, investigation, or hearing the instrument shall be produced by the deputy, investigator, or auditor at any time upon demand.

Conduct of hearings

17613. All hearings provided for in this division shall be conducted in accordance with the provisions of Chapter 5, Part 1, Division 3, Title 2, of the Government Code, and the commissioner has all the powers granted therein.

Review of orders, etc

17614. Every order, decision, license or other official act of the commissioner is subject to review, in accordance with law.

DIVISION 7. INDUSTRIAL LOAN COMPANIES

CHAPTER 1. GENERAL PROVISIONS

Article 1. Definitions

Short title

18000. This division is known and may be cited as the "Industrial Loan Law."

Definitions

18001. The definitions given in this article govern the construction of this division unless the context otherwise requires.

"Commissioner"

18002. "Commissioner" means the Commissioner of Corporations of the State of California.

"Industrial loan company"

18003. "Industrial loan company" or "company" means any corporation which in the regular course of business loans money and issues its own choses in action under the provisions of this division.

(Amended by Stats. 1951, Ch. 421.)

[ORIGINAL SECTION]

18003. "Industrial loan company" or "company" means any corporation which in the regular course of business loans money and issues its own installment investment certificates with loans under the provisions of this division.

Article 2. Application of Division

Applicability of other law

18050. Corporations subject to this division are subject to the provisions and regulations of the Corporate Securities Law, Division 1, Title 4, of the Corporations Code.

Same

18051. Corporations subject to this division are not subject to the provisions or regulations of the Personal Property Brokers Law, Division 9 of this code, or the California Small Loan Law, Division 10 of this code.

Taxation

18052. All corporations formed under the provisions of this division are taxed in the same manner and at the same rates as other corporations are taxed pursuant to Section 16 of Article XIII of the Constitution of this State.

Fees collected

18053. All fees collected under this division shall be deposited in the State Treasury to the credit of the General Fund. The administration of this division shall be supported out of the General Fund.

Violations

18054. Any person who wilfully violates or wilfully participates in the violation of any of the rules, orders, and regulations of the commissioner, or the provisions of this division is guilty of a misdemeanor.

CHAPTER 2. FORMATION

Incorporation

18200. Corporations may be incorporated under this division in the same manner as corporations are incorporated under Division 1, of Title 1, of the Corporations Code, except as otherwise provided in this division.

Articles of incorporation

18201. The articles of incorporation of a corporation formed under this division shall include a statement that such corporation is incorporated under this division.

Amending articles

18202. Any corporation organized under any law of this State and not expressly stating in its articles of incorporation that it is incorporated under this division, may be brought under the provisions of this division by amending its articles of incorporation to expressly state that it is subject to the provisions of this division. Upon compliance with this chapter the corporation will be organized under this division and is entitled to the benefits of this division.

Required capital stock

18203. The capital stock of any corporation incorporated under this division shall not be less than the following amounts:

(a) Twenty-five thousand dollars ($25,000) when the corporation is transacting business in any city having a population of 25,000 inhabitants or more, and less than 50,000 inhabitants.

(b) Fifty thousand dollars ($50,000) when the corporation is transacting business in any city having 50,000 or more inhabitants, and less than 100,000 inhabitants.

(c) One hundred thousand dollars ($100,000) when the corporation is transacting business in any city having 100,000 or more inhabitants.

18204 For the purposes of this chapter the population is as determined by the last official census. Population

18205. The capital stock of any company transacting business in more than one city shall not be less than the aggregate capital stock required for the transaction of business by separate corporations in each of such cities, but the aggregate need not exceed one hundred thousand dollars ($100,000). Capital stock

18206. The establishment and operation of an office outside of an incorporated city area within five miles of the city limits of an incorporated city or cities shall require the same minimum capital for the outside office as would be required if the office were located within the incorporated city or cities. Location of office

18207. The capital stock of a company shall be divided into shares of the par value of one hundred dollars ($100) each or such other par value as is approved by the commissioner. Par value shares

18208. Before a company commences business, there must be paid in cash for the benefit of the corporation, 100 percent of the amount of the minimum capital stock required under this chapter and a paid-in surplus or reserve equal to 25 percent of the required minimum capital stock. Capital required

18209. No company shall create more than one class of stock. Classes of stock

18210. No company shall reduce its capital stock to an amount less than is required by this chapter to be maintained by such company or less than any indebtedness of such company other than its investment certificates Reduction of stock

CHAPTER 3. CORPORATE POWERS

18400. Industrial loan companies have the powers specified in this chapter. The powers granted, including the general powers granted by the General Corporation Law, are subject to the supervision and control of the commissioner. Powers

Corp C., §100, ff.

18401. An industrial loan company may: Loans

(a) Loan money, secured or unsecured, with or without the pledge of its installment investment certificates.

(b) Collect and receive charges for loans in advance or otherwise.

(Amended by Stats. 1951, Ch 421.)

[ORIGINAL SECTION]

18401 An industrial loan company may:

(a) Loan money on personal property security including the pledge of its installment investment certificates

(b) Loan money without security other than the pledge of its installment investment certificates

(c) Loan money in the amount of over three hundred dollars ($300) with or without the pledge of its installment investment certificates.

(d) Loan money on real property security with or without the pledge of its installment investment certificates.

(e) Collect and receive charges for loans in advance or otherwise

Investment certificates

18402. An industrial loan company may, in addition to the sale of installment investment certificates with loans, sell or negotiate investment certificates either in certificates, or in receipt book form. The certificates may provide for the payment of money at any time, either fixed or uncertain. The company may receive payments therefor in installments or otherwise, with or without an allowance of interest upon such installments.

Restrictions

18403. Nothing in this division authorizes an industrial loan company to receive deposits or issue certificates of deposit. Every investment certificate issued pursuant to this division shall bear the endorsement on the face of the instrument, "this is not a certificate of deposit."

Offices

18404. An industrial loan company may establish offices or places of business within the State.

Choses in action, etc

18405. An industrial loan company may purchase, sell or discount bona fide trust receipts, secured or unsecured choses in action, chattel mortgages or conditional sales contracts, which have a maturity within three years from the date of purchase.

(Amended by Stats. 1951, Ch. 421.)

[ORIGINAL SECTION]

18405. An industrial loan company may purchase, sell or discount bona fide trust receipts, secured or unsecured choses in action, chattel mortgages or conditional sales contracts, which have a maturity within two years from the date of purchase.

Insured loans

18406. An industrial loan company may make loans, purchase or discount notes, mortgages, contracts or other commercial paper insured by the Federal Housing Administrator, Veterans Administration, or other federal agency. Loans so insured may be made for a term up to but not to exceed 20 years.

Real property

18407. An industrial loan company may purchase, hold and convey real property for the following purposes only:

(a) Real property conveyed to it in satisfaction of debts previously contracted in the course of its business.

(b) Real property purchased at sale under judgments, decrees or mortgage foreclosures or foreclosures of or trustees' sales under deeds of trust under securities held by it. No company shall bid at any such sale a larger amount than is necessary to satisfy its debt and costs.

(c) Real property necessary as premises for the transaction of its business No company shall invest directly or indirectly an amount exceeding one-third of its paid-up capital and surplus in the lot and building in which the business of the company is carried on, furniture and fixtures, and vaults, necessary and proper to carry on its business.

Real estate Holding period

18408. No real estate acquired pursuant to subdivision (a) or (b) of Section 18407 shall be held for a longer period than five years.

Authority to purchase

18409. The authority of a three-fourths vote of all the directors is necessary to authorize the purchase of a lot and building necessary as premises for the transaction of business or to authorize the construction of such building.

18410. Real estate held by a company shall be conveyed by an instrument under the corporate seal of the corporation, signed by the president or vice president, and the manager or treasurer. Conveyances

18411. In addition to the powers enumerated in this chapter, every company has, except as otherwise restricted by this division, the general powers conferred upon corporations by the General Corporation Law. Other powers

Corp C, §100, ff

CHAPTER 4. INDUSTRIAL LOAN REGULATIONS

Article 1. General Regulations

18600. An industrial loan company's application for a permit to issue securities shall set forth, in addition to the information required by the Corporate Securities Law: Application to issue securities Contents

Corp C, §25000, ff

(a) The addresses of all offices at which business is proposed to be transacted.

(b) The names, residence addresses and business addresses of all officers and directors.

(c) The names and addresses of subscribers to its capital stock, the amount of capital stock subscribed, the amount paid thereon, the balance due, and copies of the subscription agreements.

(d) Statements as to the experience, character, general fitness, and financial responsibility of the officers, directors and managers.

18601. At the time of filing an application for a permit to issue securities, the applicant shall file with the commissioner a bond in the sum of one thousand dollars ($1,000), to be approved by the commissioner in which the applicant is the obligor, with one or more sureties approved by the commissioner, whose liability as sureties need not exceed that amount in the aggregate. Bond

18602. The bond shall run to the State for the use of the State and any person who has a cause of action against the obligor of the bond under the provisions of this division. Same

18603. The bond shall be conditioned that the obligor will faithfully conform to and abide by the provisions of this division and of the Corporate Securities Law, and of all rules and regulations made by the commissioner under either this division or the Corporate Securities Law. The bond shall be conditioned that the obligor shall pay to the State and to any person all money that becomes due or owing to the State or to such person from the obligor under the provisions of this division or of the Corporate Securities Law. Bond conditions

18604. If the commissioner finds at any time that the bond is insecure or exhausted in whole or in part or otherwise doubtful, the company shall file within 10 days after written notice, an additional bond in the sum of not more than one thousand dollars ($1,000), approved by the commissioner, with one or Additional bond

more sureties approved by him and of the character specified in this chapter.

Same
Limitation

18605. If an applicant has a bond or additional bond on file, he shall not be required to file any further bond with subsequent applications to issue securities, unless the commissioner requires additional bonds pursuant to Section 18604.

Investigation

18606. In addition to the duty of the commissioner to examine the application pursuant to the provisions of the Corporate Securities Law, he shall investigate the matters and facts required by this article to be set forth in the application for a permit to issue securities and conduct such further investigation as he deems necessary.

Denial of permit

18607. If the commissioner finds that the financial responsibility, experience, character, and general fitness of the applicant, and of the officers and directors thereof, are not such as to command the confidence of the community and to warrant the belief that the business will be operated honestly, fairly, and efficiently within the purposes of this division, he shall deny the application and refuse the permit.

Books, records, etc

18608. Each industrial loan company shall keep and use in its business, books, accounts, and records which will enable the commissioner to determine if the company is complying with the provisions of this division and with the rules and regulations made by the commissioner.

Preservation of books, etc

18609. Each industrial loan company shall preserve the books, accounts, and records, including cards used in the card system, if any, for at least two years after making the final entry on any loan recorded therein.

Annual report

18610. On or before the fifteenth day of March of each year, each company shall file a report with the commissioner giving such relevant information as the commissioner reasonably requires concerning the business and operations of the preceding calendar year for each place of business within the State conducted by such company. The report shall be made under oath and shall be in the form prescribed by the commissioner. The commissioner may make available to any inquirer information contained in the annual report

(Amended by Stats. 1951, Ch. 267.)

[ORIGINAL SECTION]

18610. On or before the fifteenth day of March of each year, each company shall file a report with the commissioner giving such relevant information as the commissioner reasonably requires concerning the business and operations of the preceding calendar year for each place of business within the State conducted by such company. The report shall be made under oath and shall be in the form prescribed by the commissioner.

Composite of reports

18611. The commissioner shall make and file annually with the Division of Corporations as a public record a composite of reports filed by companies, and any comments thereon that he deems in the public interest.

Deposits

18612. No industrial loan company shall deposit any of its funds with any other moneyed corporation, unless such corporation has been designated as a depositary by a majority vote

of the directors or the executive committee, exclusive of any director who is an officer, director, or trustee of the depositary so designated.

Investments

18613. No industrial loan company shall invest any of its funds, except as authorized in this division. Companies may invest their funds in such investments as are legal investments for savings banks, or in the choses in action issued by any other industrial loan company.

Outstanding investment certificates

18614. No industrial loan company shall have outstanding at any time its investment certificates in an aggregate sum in excess of 10 times the aggregate amount of its paid-up capital, surplus, and undivided profits, exclusive of those hypothecated with the company issuing them.

Dividends

18615. An industrial loan company shall not declare a dividend upon its capital stock unless not less than 10 percent of the net profits of the company for the preceding half year, or for such period as is covered by the dividend is credited to surplus. This section does not apply if the company maintains a surplus at least equal to 25 percent of its paid-up capital stock.

Reserves

18616. The commissioner may require companies to establish and maintain reasonable reserves for loans made, trust receipts, choses in action, chattel mortgages, conditional sales contracts, contracts, accounts receivable, or commercial paper purchased in accordance with standard accounting and business practice prevailing in the banking business.

Advertising False or misleading

18617. No person shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for making or negotiating loans, which is false, misleading, or deceptive, or which refers to the supervision of such business by the State or any department or official thereof.

Rates of charge, discount

18618. The commissioner may require that rates of charge or discount, if stated by an industrial loan company, be stated fully and clearly in such manner as he deems necessary to prevent misunderstanding thereof by prospective borrowers.

Same Advertising

18619. If any person engaged in the business regulated by this division refers in any advertising to rates of interest, discount, charges, or costs of loans, the commissioner shall require that they are stated fully and clearly in such manner as he deems necessary to give adequate information to prospective borrowers. If the rates or costs advertised do not apply to loans of all classes made or negotiated by such person, this fact shall be clearly indicated in the advertisement.

Advertising prohibited

18620. No advertising copy shall be used after its use has been disapproved by the commissioner and the industrial loan company is notified in writing of such disapproval.

File of copy

18621. The commissioner may require any company to maintain a file of all advertising copy for a period of 90 days from the date of its use. The file shall be available to the commissioner upon request.

Loan offices

18622. No industrial loan company shall conduct the business of making loans under this division, within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except as is authorized in writing by the commissioner upon the commissioner's finding that the character of the other business is such that the granting of the authority would not facilitate evasions of this division or of the rules and regulations made pursuant to this division.

Name

18623. No industrial loan company shall transact business or make any loan provided for by this division under any other name than that set forth in the articles of incorporation as filed with the commissioner.

Place of business

18624. No industrial loan company shall transact business or make any loan provided for by this division at any other place of business than that designated in its application filed with the commissioner, without having obtained the prior written approval of the commissioner.

Article 2. Loan Regulations

Void contract

18650. If any amount in excess of the charges permitted by this article, including interest, is charged, contracted for, or received in the making or collection of a contract of loan, except as a result of an accidental and bona fide error in computation, such contract is void and no person has any right to collect or receive the principal, interest, or charges.

(Amended by Stats 1951, Ch. 420.)

[ORIGINAL SECTION]

18650 If any amount in excess of the charges permitted by this article, including interest, is charged, contracted for, or received in the making or collection of a contract of loan, such contract is void and no person has any right to collect or receive the principal, interest, or charges

"Charges"

18651. "Charges" as used in this division, include the aggregate interest, fees, bonuses, commissions, brokerage, discounts, expenses, and other forms of costs charged, contracted for, or received by an industrial loan company or any other person in connection with the investigating, arranging, negotiating, procuring, guaranteeing, making, servicing, collecting, or enforcing of a loan, or for forbearance of money, credit, goods, things in action, or any other service or services rendered.

"Charges"

18652. "Charges" also include any profit or advantage of any kind that any person may contract for, collect, receive, or in any manner obtain by a collateral sale, purchase, or agreement, in connection with the negotiating, arranging, making, or otherwise in connection with any loan, except commissions received on insurance sold as provided in Section 18661.

"Unpaid principal balance"

18653. "Unpaid principal balance" as used in this division means the net amount of money, credit, goods, or things in action received by the borrower at the time of entering into the transaction and the decreasing balances thereof after application of each payment made on the obligation.

18654. No charge shall be collected unless a loan is made. Charges without loan

18655. The charges by an industrial loan company, broker, and all other persons on any loan, forbearance of money, credit, goods, or things in action under this division, shall not exceed in the aggregate: Allowable charges

(a) Two and one-half percent per month on that portion of the unpaid principal balance up to, including but not in excess of one hundred dollars ($100).

(b) Two percent per month on that portion of the unpaid principal balance in excess of one hundred dollars ($100) up to, including but not in excess of three hundred dollars ($300).

(c) Ten percent per annum on that portion of the unpaid principal balance in excess of three hundred dollars ($300).

18656. If in connection with any loan, insurance is taken in favor of the industrial loan company, the total amount which may be contracted for and received for interest, brokerage and all other charges shall not exceed in the aggregate:

(a) Two percent per month on that portion of the unpaid principal balance up to, including but not in excess of three hundred dollars ($300).

(b) Ten percent per annum on that portion of the unpaid principal balance in excess of three hundred dollars ($300).

18657. For the purpose of computing the charges set forth in this article, a month is any period of 30 consecutive days. Computing charges

18658. Each industrial loan company shall display prominently in each place of business a full and accurate schedule of the maximum charges to be made and the method of computing the same. The schedule is subject to the approval of the commissioner. Display of schedule

18659. The payment of money, credit, goods, or things in action as consideration for any sale or assignment of, or order for, the payment of wages, salary, commissions, or other compensation for services, whether earned or to be earned, is, for the purposes of regulation under this division, a loan secured by such assignment, and the amount by which the assigned compensation exceeds the amount of consideration actually paid is interest and charges upon or for such loan from the date of payment to the date the compensation is payable. This section does not modify or affect existing statutes governing wage assignments in this State, or authorize such assignments. Wage assignments

18660. An industrial loan company may contract for, collect, and receive at the time of making the loan or at any time thereafter, the statutory fee paid by it to any public officer for acknowledging, filing, recording, or releasing in any public office any instrument securing the loan or executed in connection with a loan. Such fees are not included in computing the maximum charges which may be made under this division. Fees

18661. An industrial loan company may collect the costs for insurance of tangible personal or real property offered as security for a loan, reasonably insured against loss for a reasonable term considering the circumstances of the loan, when the Insurance costs

policy of insurance is made payable to the borrower or any member of his family, even though the customary mortgagee clause is attached, and if the insurance is sold at standard rates through duly licensed insurance agents. Such costs are not included in computing the maximum charges which may be made under this division.

Delinquent loan collection

18662. Regardless of any other provisions of this article, an industrial loan company in the collection of a delinquent loan of an unpaid principal balance in excess of three hundred dollars ($300) may:

(a) Collect and receive the court costs and reasonable attorneys' fees allowed by a court in a judgment against a defaulting debtor.

(b) Contract for, collect and receive the bona fide expenses actually incurred and paid by the industrial loan company, not exceeding 10 percent of the unpaid principal balance of the loan where no judgment at law is sought.

Investment certificates

18663. A certificate of investment may be issued with each loan, at the option of the industrial loan company.

(Amended by Stats. 1951, Ch. 421.)

[ORIGINAL SECTION]

18663. A certificate of investment shall be issued with each loan, except that the issuance of installment investment certificates with real estate loans or loans over three hundred dollars ($300) is optional with the industrial loan company

Uniform payments

18664. Loan contracts of three hundred dollars ($300) or less or certificates of investment executed or issued in connection with such loans shall require substantially uniform weekly, semimonthly, or monthly payments over the period of the loan, with the final payment not payable until the maturity date of the loan.

(Amended by Stats. 1951, Ch. 421.)

[ORIGINAL SECTION]

18664. Certificates of investment issued in connection with loans shall require uniform weekly, semi-monthly, or monthly payments over the period of the loan, with the final payment not payable until the maturity date of the loan

Pledging certificates

18665. The borrower may purchase certificates of investment issued in connection with loans of a face value not exceeding the face amount of the loan simultaneously with each loan transaction and shall pledge the certificate with the corporation as security for the loan.

(Amended by Stats. 1951, Ch. 421.)

[ORIGINAL SECTION]

18665. The borrower shall purchase certificates of investment issued in connection with loans of a face value not exceeding the face amount of the loan simultaneously with each loan transaction and shall pledge the certificate with the corporation as security for the loan

Payments on

18666. All payments made by the borrower on the installment investment certificates purchased by the borrower in connection with the making of the loan shall be regarded as payments on the loan and shall be applied, first, to interest and all

other charges within the maximum rate provided in this article, and, second, to the reduction of the unpaid principal balance of the loan.

Refund of excess payments

18667. Whenever the interest or charges, or interest and charges deducted in advance exceed the maximum provided by this article, by reason of subsequent repayment of the loan or any portion thereof prior to maturity or prepayment of installments on the investment certificate purchased with the loan, such excess shall be refunded to the borrower or credited on any balance owing by the borrower to the company.

Amount of loans

18668. No industrial loan company shall hold at any one time the obligation or obligations of any person as primary debtor, in excess of 5 percent of the amount of the capital stock of such industrial loan company actually paid in and unimpaired and 5 percent of its unimpaired surplus fund. If such obligations are secured by collateral of a market value at no time less than 115 percent of the face amount of the obligations an industrial loan company may hold such obligations to the extent of 20 percent of such capital and surplus.

Loan period

18669. No industrial loan company shall make any loan for a longer period than two years from the date of making the loan, except as provided in Section 18406.

Mandatory acts in connection with loans

18670. Each industrial loan company shall:

(a) Deliver or cause to be delivered to the borrowers, or any one thereof, at the time the loan is made, a written statement showing in clear and distinct terms the name and address of such company and the broker, if any. The statement shall show the date, amount, and maturity of the loan contract, how and when repayable, the nature of the security, if any, for the loan, and the agreed rate of charge.

(b) Obtain from the borrower a signed statement as to whether any person has performed any act as a broker in connection with the making of the loan. If such statement discloses a broker or other person has participated, the company shall obtain a full statement of all sums paid or payable to the broker or other person. The industrial loan company shall keep the statements required by this section for a period of two years from and after the date the loan has been paid in full, or has matured according to its terms, or has been charged off.

(c) Permit payment to be made in advance in any amount on any contract of loan at any time. The industrial loan company shall apply such payment first to all interest and charges due at the agreed rate up to the date of such payment, not to exceed the maximum rate permitted by this article.

(d) Deliver or cause to be delivered to the person making any payment in person in cash at any office of the company, at the time such payment is made on account of any loan, a plain and complete receipt showing the total amount received and identifying the loan contract upon which such payment is applied, and showing the unpaid principal balance of the loan.

(e) Upon repayment of any loan in full, cancel or plainly mark "paid" and return to the borrower or person making

final payment, the note evidencing the loan. If such borrower is not otherwise obligated to such company, the company shall release all security for such loan, indorse and return any certificate of ownership, and return to the borrower any chattel mortgage, assignment, or order signed by the borrower, except such as are a part of the court record in any action, or such as have been delivered to a third person for the purpose of carrying out the terms thereof.

Splitting loans, etc

18671. No industrial loan company shall induce or permit any borrower to split up or divide any loan.

Joint obligations

18672. No industrial loan company shall induce or permit any person, nor any husband and wife jointly or severally, to become obligated, directly or contingently or both, under more than one contract of loan at the same time, with the result of obtaining a higher rate of charge than would otherwise be permitted by this article.

Confession of judgment

18673. No industrial loan company shall take any confession of judgment or any power of attorney, except a power of attorney taken to effectuate the transfer of the ownership of any motor vehicle or the transfer of the ownership of securities, at the time of making the loan.

Incomplete instruments

18674. No industrial loan company shall take any note, promise to pay, or security that does not accurately disclose the actual amount of the loan, the time for which it is made, and the agreed rate of charge, nor any instrument in which blanks are left to be filled in after execution.

Incidental contracts

18675. No person in connection with or incidental to the making of any loan under this division, shall require the borrower to contract for, purchase, or agree to purchase anything in connection with the loan, other than an installment investment certificate of a face value equal to the face amount of the loan.

Pledge contract

18676. An industrial loan company may require the borrower to sign a contract of pledge, assignment, mortgage, deed of trust, or trust receipt relating to real or personal property given by the borrower as security for the repayment of the loan and interest and charges thereon. No person shall require a borrower to enter into any collateral sales agreement or contract except as expressly permitted by this article.

Loans to officers

18677. An industrial loan company shall not, directly or indirectly, make any loan of money or property to or guarantee the obligation of any of its directors or officers.

Loans on capital stock

18678. An industrial loan company shall not make any loan of money or property to or guarantee the obligation of any person upon the security of the shares of capital stock of the company.

Officer's liability

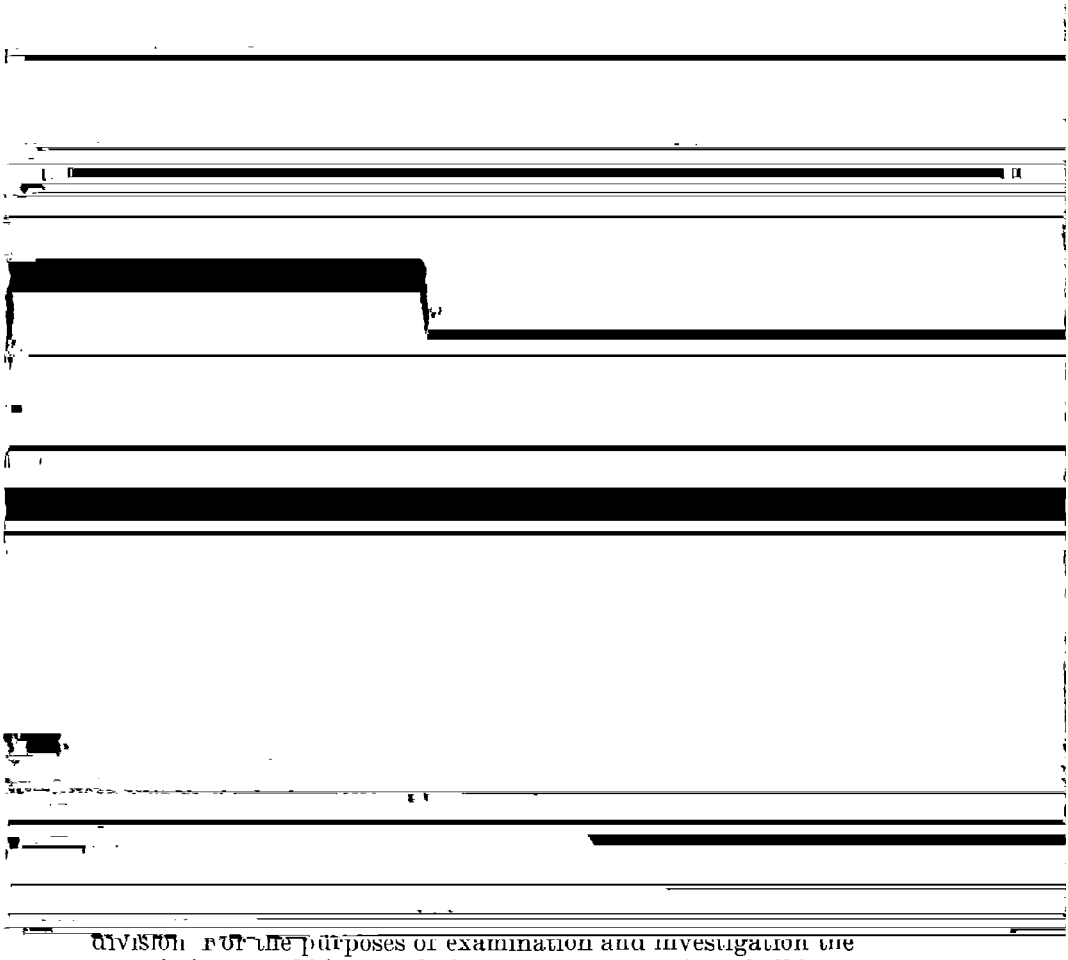
18679. If any loan or guaranty is made in violation of Sections 18677 or 18678, the directors and officers who authorize it or assent thereto are jointly and severally liable to the company as guarantors for the repayment or return of the sum or value so loaned with interest thereon at the rate of 6 percent per year until paid.

(d) Amend, alter, or revoke for cause any permit issued by him.

(e) Refuse to issue any permit or otherwise authorize the issuance of securities.

18802. For the purpose of discovering violations of this division or securing information required by him, the commissioner may at any time investigate the affairs and examine the books, accounts, records, and files used in the business of every corporation engaged in the business of an industrial loan company or broker, whether such corporation acts or claims to act

Examinations



division for the purposes of examination and investigation the commissioner and his duly designated representatives shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all such corporations.

18803. The commissioner may require the attendance of witnesses and examine under oath all persons whose testimony he requires relative to the affairs of an industrial loan company or to the subject matter of any examination, investigation, or hearing.

Witnesses

18804. The commissioner shall make an examination of the affairs and records of each industrial loan company at least once each year.

Annual examination

18805. Whenever, after an examination, investigation or hearing under this division, the commissioner deems it of public

Certification for prosecution

interest or advantage, he may certify a record to the proper prosecuting official of the county or city in which the act complained of, examined, or investigated, occurred.

Desist orders

18806. The commissioner may order any industrial loan company to desist from any conduct which he finds in violation of this division, or of the Corporate Securities Law, or the rules of the commissioner made pursuant to this division or the Corporate Securities Law.

Extra examinations

18807. Whenever in the judgment of the commissioner the condition of any industrial loan company renders it necessary or expedient to devote any extraordinary attention to its affairs, the commissioner may make any extra examination or investigation and perform any necessary services in connection with its affairs.

Costs

18808. The company examined shall pay to the commissioner the actual cost of the extra examination, investigation or services, including the actual amount of salary or other compensation paid to the persons making such examination or investigation or rendering services, and overhead costs in connection therewith as fixed by the commissioner.

Annual examination costs

18809. To defray the costs of the annual examinations required by this chapter, the commissioner shall charge the company examined the actual amount of the salary or other compensation paid to the person or persons making the examination, and the company shall pay that amount on receipt of invoice.

Proration of costs etc

18810. Each industrial loan company shall pay to the commissioner in advance its pro rata share of all costs and expenses, reasonably incurred in the administration of this division, as estimated by the commissioner for the ensuing year. The pro rata share shall be the proportion which a company's assets bear to the aggregate assets of all companies as shown by the latest annual reports of such companies to the commissioner. The pro rata share shall not include the costs of annual or special examinations provided for in Sections 18808 and 18809, unless they cannot be collected from the company examined.

Annual assessment

18811. On or before the thirtieth day of November in each year, the commissioner shall notify each company by mail of the amount assessed and levied against it and that amount shall be paid within 20 days thereafter. If payment is not made within 20 days, the commissioner shall assess and collect a penalty in addition to the assessment, of 1 percent of the assessment for each month or part of a month that the payment is delayed or withheld.

Same Minimum

18812. In the levying and collection of an assessment pursuant to Section 18810, no industrial loan company shall be assessed for nor be permitted to pay less than ten dollars ($10) per year, or not less than one dollar ($1) per month or fraction of a month for the unexpired year ending December 31st following its incorporation.

Suspension, revocation, etc., of permit

18813. The commissioner may amend, alter, revoke, or suspend any permit to issue securities if he finds any fact or condition which, if it had existed at the time of filing the application for the permit, would have warranted the commissioner in refusing to issue the permit.

Discontinue order

18814. If it appears to the commissioner that any company has violated or failed to comply with the provisions of its articles of incorporation, or with any law of this State, or whenever it appears from the report of any company, or the commissioner has reason to conclude, that the capital of any company is impaired or reduced below the amount required by law, the commissioner may by written order addressed to such company, direct that company to discontinue such violation and to comply with the law, or to make good the alleged deficiency or impairment of capital within 60 days after the date of such requisition.

Same
Injurious practices

18815. If it appears to the commissioner that any company is conducting business in an unsafe or injurious manner, he may, by written order, direct the discontinuance of any such unsafe or injurious practices.

Show cause order

18816. The orders given pursuant to Sections 18814 and 18815 shall require such company to show cause before the commissioner, at a time and place to be fixed by the commissioner, why the order should not be observed. If upon the hearing it appears to the commissioner that the order should be made final he shall do so.

Restraining of orders

18817. After any order is made final, the company shall have 10 days in which suit may be commenced to restrain enforcement of such order and unless such action is commenced and enforcement of the final order is enjoined within 10 days by the court in which such suit is brought, the company shall comply with the final order.

Possession by commissioner

18818. The commissioner may take possession of the property, business, and assets of a company and retain such possession until its affairs are finally liquidated or until the company resumes business with the consent of the commissioner, if any of the following occur:

(a) The company fails to comply with a final order of the commissioner.

(b) The company refuses to submit its books, papers, and concerns to the inspection or examination of the commissioner, or to anyone authorized by him to make such examination.

(c) Any officer of the company refuses to be examined upon oath touching the concerns of the company.

(d) The company neglects or refuses to observe any order made by the commissioner pursuant to his supervision as authorized by this division.

Liquidation

18819. When the commissioner takes possession of the property and business of any company, he may liquidate the company in the manner provided by the Division 1 of this code.

Injunctions

18820. If the commissioner believes that any industrial loan company or its directors, officers, agents, or employees

have violated or are about to violate any of the provisions of this division, or any provision of an order, license, permit, decision, demand, or requirement of the commissioner, the commissioner may bring an action against such persons to enjoin those persons from continuing the violation or the attempt to violate this division, or doing any act in furtherance thereof. The commissioner shall bring such action in the name of the people in the superior court, and the court may enter an order or judgment awarding a preliminary or final injunction as is proper.

Suspension of payments

18821. The commissioner may order a company to suspend the payment of the liabilities of the company or limit the payment of the liabilities in such manner as he prescribes, if it appears to the commissioner that such action is necessary for the protection of the company, its investors or creditors, or in the public interest. The order is effective upon receipt of notice by the company and continues in effect until rescinded or modified by the commissioner in a writing delivered to the manager or executive officer of the company.

Payments during suspension

18822. Section 18821 does not affect the right of any company to pay its current operating expenses and liabilities incurred during the period of suspension or limitation.

Assignments during suspension

18823. After an order of suspending or limiting the payment of liabilities is effective and until that order is rescinded, the company shall make no assignment or hypothecation of any indebtedness due to it from an investor without first crediting thereon the investment liability of the company to such investor-borrower.

Commissioner's authority

18824. The authority granted to the commissioner by Section 18821, may be exercised by him in conjunction with all other powers granted by this chapter, or independently from them.

Review of commissioner's acts

18825. Every order, decision, license, or other official act of the commissioner is subject to review in accordance with law. Upon review, the burden of proof lies upon the appellant, and the court shall receive and consider any pertinent evidence which was introduced in the formal hearing before the commissioner, whether oral or documentary, concerning the action of the commissioner under review. The review is limited to a consideration and determination of the question of whether there has been an abuse of discretion on the part of the commissioner in making such order, decision, finding, requirement, or rule.

DIVISION 8 PAWNBROKERS

CHAPTER 1. GENERAL PROVISIONS

Article 1. Definitions

Definition

21000. Every person engaged in the business of receiving goods in pledge as security for a loan is a pawnbroker within the meaning of this division.

21001. "Compensation" includes expenses, interest, disbursements, storage charges, and all other charges of any nature in connection with a loan or forbearance. "Compensation"

Article 2. Exceptions to This Division

21050. This division does not apply to any of the following: Scope

(a) Any corporation organized for the purpose of securing credit from any federal intermediate credit bank organized and existing pursuant to the provisions of an act of Congress entitled "Agricultural Credits Act of 1923."

(b) Any nonprofit cooperative corporation or association with or without capital stock, organized or existing pursuant to the provisions of Chapter 4, Division 6 of the Agricultural Code.

(c) Any person, corporation, association, syndicate, joint stock company, or partnership, engaged exclusively in the business of marketing agricultural, horticultural, viticultural, dairy, livestock, poultry, and bee products on a cooperative nonprofit basis.

CHAPTER 2. PAWNBROKER REGULATIONS

21200. No pawnbroker shall charge or receive compensation at a rate in excess of two percent (2%) per month on that portion of the unpaid principal balance of any loan not exceeding one hundred dollars ($100), and one percent (1%) per month on the remainder of the unpaid principal balance of the loan. A minimum charge of fifty cents ($0 50) a month may be made in any case where the monthly charge permitted by this section would otherwise be less than fifty cents ($0.50). Allowable compensation

21201. Every pawnbroker shall retain in his possession every article pledged to him for a period of six months after the last date fixed for redemption by the loan contract. Redemption of pledged articles

21202. Every pawnbroker shall enter at the time of the transaction, in a register kept by him for that purpose, the date, duration, amount, and rate of interest of every loan made by him, an accurate description of the property pledged, the name and residence address of the pledgor. Every pawnbroker shall deliver to the pledgor a written copy of such entry. Register

21203. Every pawnbroker shall keep an account in writing of all sales made by him. Written account

21204. If a pawnbroker sells pledged property he shall, on request, disclose to the pledgor or his agent the name of the purchaser and the amount received for the sale. Sale of pledged property

21205. If a pawnbroker sells pledged property, he shall, on demand, refund to the pledgor any amount received from the sale in excess of the sum of the following: Same Accounting

(a) The balance of the loan.

(b) Four percent (4%) of the balance of the loan for expenses of the sale.

(c) The interest due on the loan.

21206. Every pawnbroker shall produce his register, account of sales, and all pledged property, for inspection by the following persons: Inspection of register

(a) Any officer holding a warrant authorizing him to search for personal property.

(b) Any person appointed by the sheriff of any county or appointed by the head of the police department of any city.

(c) Any officer holding a court order directing him to examine such register, account of sales, or pledged property.

Restrictions

21207. No pawnbroker shall receive in pledge from any person under the age of 16 years, any junk, metal, mechanical tools, or implements.

Violations

21208. The violation of Sections 21200, 21202, 21203, 21204, 21205, 21206, or 21207, is a misdemeanor.

DIVISION 9. PERSONAL PROPERTY BROKERS

CHAPTER 1. GENERAL PROVISIONS

Article 1. Definitions

Short title

22000. This division is known and may be cited as the "Personal Property Brokers Law."

Construction

22001. Unless the context otherwise requires, the definitions given in this article govern the construction of this division.

"Broker"

22002. "Broker" includes all who are engaged in the business of negotiating or performing any act as broker in connection with loans made by a personal property broker.

"Charges"

22003. "Charges" include the aggregate interest, fees, bonuses, commissions, brokerage, discounts, expenses, and other forms of costs charged, contracted for, or received by a licensee or any other person in connection with the investigating, arranging, negotiating, procuring, guaranteeing, making, servicing, collecting, and enforcing of a loan or forbearance of money, credit, goods, or things in action, or any other service rendered.

Same

22004. "Charges" include any profit or advantage of any kind that any licensee may contract for, collect, receive or obtain by a collateral sale, purchase, or agreement, in connection with the negotiating, arranging, making or otherwise in connection with any loan.

Same

22005. "Charges" do not include commissions received as a licensed insurance agent or broker in connection with insurance written as provided in Section 22458.

"Commissioner"

22006. "Commissioner" means the Commissioner of Corporations of the State of California.

"Conditional contracts of sale"

22007. "Conditional contracts of sale" includes flooring contracts.

"Licensee"

22008. "Licensee" means any personal property broker or broker who receives a license in accordance with this division.

"Personal property broker"

22009. "Personal property broker," includes all who are engaged in the business of lending money and taking in the name of the lender, or in any other name, in whole or in part, as security for such loan, any contract or obligation involving the forfeiture of rights in or to personal property, the use and possession of which property is retained by other than the mort-

gagee or lender, or any lien on, assignment of, or power of attorney relative to wages, salary, earnings, income, or commission.

22010. The terms "personal property broker" and "broker" do not include employees regularly employed at the particular location specified in the license of the personal property broker or broker. Same. Exceptions

Article 2. Exemptions

22050. This division does not apply to any person doing business under any law of this State or of the United States relating to banks, trust companies, building and loan associations, industrial loan companies, credit unions, or licensed pawnbrokers. Exemptions

22051. This division does not apply to the following: Same

(a) Any nonprofit cooperative association organized under Chapter 4 of Division 6 of the Agricultural Code, in loaning or advancing money in connection with any activity mentioned therein.

(b) Any corporation, association, syndicate, joint stock company, or partnership engaged exclusively in the business of marketing agricultural, horticultural, viticultural, dairy, livestock, poultry, or bee products on a cooperative nonprofit basis in loaning or advancing money to the members thereof or in connection with any such business.

(c) Any corporation securing money or credit from any federal intermediate credit bank organized and existing pursuant to the provisions of an act of Congress entitled "Agricultural Credits Act of 1923," in loaning or advancing money or credit so secured. 12 U S C. §1151

22052. This division does not apply to bona fide conditional contracts of sale involving the disposition of personal property, when such forms of sales agreements are not used for the purpose of evading this division. Same. Conditional sale contracts

22053. The following sections of this division do not apply to any bona fide loan of a principal amount of five thousand dollars ($5,000) or more or to a duly licensed personal property broker in connection with any such loan, if the provisions of this section are not used for the purpose of evading this division: Sections 22004, 22005, 22451, 22452, 22453, 22454, 22455, 22456, 22457, 22458, 22459, 22460, 22461, 22462, 22463, 22464, 22465, 22466, 22470, 22472, 22473, 22474, 22650, 22651, and 22652. Same. Maximum amounts

Chapter 2. Licensing

Article 1. Generally

22200. No person shall engage in the business of a personal property broker or broker without obtaining a license from the commissioner. License

22201. Applications for a license shall be in writing, under oath, and in the form prescribed by the commissioner, and shall contain the following and such further information as the commissioner requires: Application

(a) The name of the applicant, and if a partnership or association, the names of the members; and if a corporation, the names of each officer and director.

(b) The names of the persons who are to make loans and the names of the persons who are to be in charge of the place of business of the applicant.

(c) The residence and business addresses of each person named in subdivisions (a) and (b) of this section.

(d) The county and municipality, with the street number, if any, where business is to be conducted.

Same Fee

22202. At the time of making the application, the applicant shall pay to the commissioner the sum of one hundred dollars ($100) as a fee for investigating the application and the additional sum of two hundred dollars ($200) as an annual license fee for a period terminating on the last day of the current calendar year. If the application is filed after June 30th in any year the additional sum paid as an annual license fee shall be only one hundred dollars ($100).

Application bond

22203. The applicant shall file with the application a bond in the sum of one thousand dollars ($1,000), approved by the commissioner, in which the applicant is the obligor, with one or more sureties approved by the commissioner whose liability as sureties need not exceed that amount in the aggregate.

Same Conditions

22204. The bond shall run to the State for the use of the State and of any person who has a cause of action against the obligor of the bond under the provisions of this division. The bond shall be conditioned that the obligor will faithfully conform to and abide by the provisions of this division and of all rules and regulations made by the commissioner pursuant to this division, and will pay to the State and to any person all money that becomes due or owing to the State or to such person from the obligor under the provisions of this division.

Additional bond

22205. If the commissioner finds at any time that a bond is insecure or exhausted, in whole or in part, or otherwise doubtful, the licensee shall file an additional bond in the sum of not more than one thousand dollars ($1,000), approved by the commissioner, with one or more sureties approved by the commissioner, and of the character specified in this article for an original bond. The bond shall be filed within 10 days after written demand upon the licensee by the commissioner.

Investigation

22206. Upon the filing of the application and the payment of the fees and the approval of the bond, the commissioner shall investigate the facts, and if he finds that the financial responsibility, experience, character, and general fitness of the applicant, and its members if the applicant is a copartnership or association, and its officers and directors if the applicant is a corporation, are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this division, he shall issue and deliver a license to the applicant to engage in business in accordance with the provisions of this division, at the location specified in the application.

22207. The license shall state the address at which the business is to be conducted and shall state fully the name of the licensee, and if the licensee is a copartnership or association, the names of its members, and if a corporation, the date and place of its incorporation. The license shall state whether the licensee is licensed as a personal property broker or a broker. Contents

22208. Each licensee shall pay to the commissioner on or before the twentieth day of each December, the sum of two hundred dollars ($200) as an annual license fee for the next succeeding calendar year and shall at the same time file with the commissioner a bond in the same amount and of the same character as required by this article for an original bond. Annual fee

22209. Licenses expire at noon on the thirty-first day of December of any calendar year if, on or before the twentieth day of December of that year, the licensee fails to file an application to renew it and to pay the annual license fee for the next succeeding calendar year. Expiration

22210. If the commissioner finds that any applicant does not possess the requirements specified in this article, he shall, upon reasonable opportunity to be heard, deny the application and return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the one hundred dollars ($100) investigation fee to cover the costs of investigating the application. The commissioner shall within 60 days from the filing of the application for a license with the fees and the approved bond, either issue a license or file a statement of issues prepared in accordance with the provisions of Chapter 5, Part 1, Division 3, Title 2, of the Government Code. Denial

(Amended by Stats. 1951, Ch 266.)

[ORIGINAL SECTION]

22210 If the commissioner finds that any applicant does not possess the requirements specified in this article, he shall, upon reasonable opportunity to be heard, deny the application and return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the one hundred dollars ($100) investigation fee to cover the costs of investigating the application. The commissioner shall approve or deny each application for a license within 60 days from the date the application with the fees and the approved bond is filed.

22211. The proceedings for a denial of a license shall be conducted in accordance with Chapter 5, Part 1, Division 3, Title 2, of the Government Code, and the commissioner has all the powers granted therein. Same Proceedings

22212. All money paid or collected under this division shall be deposited in the State Treasury to the credit of the General Fund. The administration of this division shall be supported out of the General Fund. Disposition of money

Article 2. Persons in Military Services

22250. "Military service," "period of military service" and "persons in the military service of the United States," as used in this article, have the meaning ascribed to them by Section 101 of the "Soldiers' and Sailors' Civil Relief Act of 1940." "Military service"

50 U S C App §501

Waiver of fee

22251. No licensee who on August 4, 1943 was in the military service of the United States, or who thereafter entered such service is required, on his honorable discharge from service, to pay the sum of one hundred dollars ($100) as a fee for investigating his application for a license under this division.

Collection of outstanding loans

22252. A person in the military service of the United States may collect all outstanding loans contracted for pursuant to this division, to which he is a party, either in person or through an agent, without obtaining a license.

CHAPTER 3. REGULATIONS

Article 1. General Regulations

Promulgation of rules etc

22400. The commissioner may make general rules and regulations and specific rulings, demands, and findings for the enforcement of this division, in addition to, and within the general purposes of this division.

Posting of licenses

22401. Licenses shall be conspicuously posted in the place of business of the licensee and are not transferable nor assignable.

Single place of business

22402. A licensee shall maintain only one place of business under the same license. The commissioner may issue more than one license to the same licensee upon compliance with all the provisions of this division governing an original issuance of a license.

Change of location

22403. If a licensee desires to change his place of business to a street address other than that designated in his license, he shall give written notice to the commissioner, who shall attach to the license in writing his approval of the change and the date of approval.

Place of business

22404. No licensee shall conduct the business of making loans under this division within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except as is authorized in writing by the commissioner upon the commissioner's finding that the character of the other business is such that the granting of the authority would not facilitate evasions of this division or of the rules and regulations made pursuant to this division. An authorization once granted remains in effect until revoked by the commissioner.

Transacting business

22405. No licensee shall transact the business licensed or make any loan provided for by this division under any other name or at any other place of business than that named in the license.

Books, records, etc

22406. Licensees shall keep and use in their business, books, accounts, and records which will enable the commissioner to determine if the licensee is complying with the provisions of this division and with the rules and regulations made by the commissioner.

Preservation of books

22407. Licensees shall preserve their books, accounts, and records, including cards used in the card system, if any, for at

least two years after making the final entry on any loan recorded therein.

Annual report

22408. Each licensee shall file a report with the commissioner annually on or before the fifteenth day of March, giving such relevant information as the commissioner reasonably requires concerning the business and operations during the preceding calendar year of each licensed place of business within the State conducted by the licensee.

Loans less than $5,000

22409. The commissioner shall require that information pertaining to loans of less than five thousand dollars ($5,000) is stated separately in the annual report from the information pertaining to any other business conducted by the licensee including the business of making loans of five thousand dollars ($5,000) or more. The report shall be made under oath and in the form prescribed by the commissioner.

Composite report

22410. The commissioner shall make and file annually with the Division of Corporations as a public record a composite of the annual reports and any comments on the reports that he deems in the public interest.

Advertising

22411. No person shall advertise, print, display, publish, distribute, or broadcast or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for making or negotiating loans, which is false, misleading, or deceptive, or, in the case of a licensee, which refers to the supervision of such business by the State or any department or official of the State.

Rates of charge

22412. The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the commissioner deems necessary to prevent misunderstanding by prospective borrowers.

Same Advertising

22413. If any person engaged in the business regulated by this division refers in any advertising to rates of interest, charges, or cost of loans, the commissioner shall require that they are stated fully and clearly in such manner as he deems necessary to give adequate information to prospective borrowers. If the rates or costs advertised do not apply to loans of all classes made or negotiated by such person, this fact shall be clearly indicated in the advertisement.

Disapproved advertising copy

22414. No advertising copy shall be used after its use has been disapproved by the commissioner and the licensee is notified in writing of such disapproval.

Advertising copy file

22415. The commissioner may require licensees to maintain a file of all advertising copy for a period of 90 days from the date of its use. The file shall be available to the commissioner upon request.

Article 2. Loan Regulations

Charges

22450. No licensee shall directly or indirectly charge, contract for, or receive any interest or charge of any nature unless a loan is made.

Rates

22451. Every licensee who lends any sum of money may contract for and receive charges at a rate not exceeding the sum of the following:

(a) Two and one-half percent (2½%) per month on that part of the unpaid principal balance of any loan up to, including, but not in excess of one hundred dollars ($100).

(b) Two percent (2%) per month on that portion of the unpaid principal balance in excess of one hundred dollars ($100) up to, including, but not in excess of five hundred dollars ($500)

(c) Five-sixths of one percent (⅚ of 1%) per month on any remainder of such unpaid principal balance in excess of five hundred dollars ($500).

Insured loans

22452. If any property securing a loan made by a licensee is insured against loss in favor of the licensee, the licensee may only contract for and receive thereon charges at a rate not exceeding two percent (2%) per month on that portion of the unpaid principal balance of the loan up to, including but not in excess of five hundred dollars ($500), and five-sixths of one percent (⅚ of 1%) per month on that portion of the unpaid principal balance of the loan in excess of five hundred dollars ($500).

Total charges

22453. No amount in excess of that allowed by this article shall be directly or indirectly charged, contracted for, or received by any person, and the total charges of the personal property broker and broker and any other person in the aggregate shall not exceed the maximum rate provided for in this article.

Computation of charges

22454. Except as provided in Article 3 of this chapter, all charges on loans made under this division shall be computed and paid only as a percentage per month of the unpaid principal balance or portions thereof, and shall be so expressed in every obligation signed by the borrower. The charges on loans shall be computed on the basis of the number of days actually elapsed, for the purpose of which computations a month is any period of 30 consecutive days. The loan contract may provide for payment of the aggregate amount contracted to be paid in substantially equal periodical installments

Charges collected in advance

22455. Except as provided in Article 3 of this chapter no charges on loans made pursuant to this division shall be paid, deducted, or received in advance, or compounded. The licensee shall deliver to the borrower at the time of making the loan an amount to be retained by the borrower equal to the face value of the loan and the note evidencing the loan.

Incidental contracts

22456. No person in connection with or incidental to the making of any loan regulated by this division may require the borrower to contract for, purchase, or agree to purchase any other thing in connection with the loan A policy of insurance of the type specified in Section 22458 is not prohibited by this section.

Collateral agreements

22457. No person in connection with or incidental to the making of such loan shall require the borrower to enter into

any collateral sales agreements or contracts, other than the contract of pledge, assignment, or mortgage of personal property by the borrower to the lender as security for the repayment of the loan and charges thereon.

Insurance on pledged property

22458. Insurance on tangible personal property offered as security shall not be deemed to be a collateral sale, purchase, or agreement within the terms of Sections 22456 or 22457, when all the following are met:

(a) The insurance is sold at standard rates through licensed insurance brokers or agents.

(b) The policy is written to cover the property offered as security for a loan.

(c) The property is reasonably insured against loss for a reasonable term considering the circumstances of the loan.

(d) The policy is made payable to the borrower or any member of his family even though the customary mortgagee clause is attached or the mortgagee is a coassured.

Out-of-state loans Enforcement

22459. A loan lawfully made outside the State may be enforced in this State as to the unpaid principal balance of the loan together with the interest, consideration, brokerage, and all other charges, to the extent of but not to exceed the unpaid principal balance and the aggregate amount of interest, consideration, brokerage, and all other charges permitted by this division in connection with a loan of the same amount made within this State.

Collection

22460. Any person who collects or attempts to collect in this State the unpaid principal balance of a loan made outside the State, and a greater aggregate amount of interest, consideration, brokerage, and all other charges in connection with such loan than is permitted by this division in connection with a loan of the same amount made within this State, is subject to the provisions of this division.

Contracting for

22461. Any person who contracts for or negotiates in this State a loan to be made outside the State for the purpose of evading or avoiding this division is subject to the provisions of this division.

Display of schedule

22462. Every licensee shall display prominently in each licensed place of business a full and accurate schedule of the charges to be made and the method of computing the charges. The schedule is subject to the approval of the commissioner.

Discounting

22463. No person, except as authorized by this division, shall directly or indirectly charge, contract for, or receive any interest, discount, or consideration greater than the lender would be permitted by law to charge if he were not a licensee hereunder upon the loan, use, or forbearance of money, goods, or things in action, or upon the loan, use, or sale of credit. This section applies to any person, who by any device, subterfuge, or pretense charges, contracts for, or receives greater interest, consideration, or charges than is authorized by this division for any loan, use, or forbearance of money, goods, or things in action or for any loan, use, or sale of credit.

Splitting loans, etc.

22464. No licensee shall induce or permit any borrower to split up or divide any loan.

Joint obligations

22465. No licensee shall induce or permit any person, nor any husband and wife jointly or severally, to become obligated, directly or contingently or both, under more than one contract of loan at the same time, with the result of obtaining a higher rate of charge than would otherwise be permitted by this article.

Liens on real property

22466. No licensee shall take a lien upon real estate as security for any loan made under this division, except such lien as is created by law upon the recording of an abstract of judgment.

Confession of judgment

22467. No licensee shall take any confession of judgment or any power of attorney, except a power of attorney taken to effectuate the transfer of the ownership of any motor vehicle at the time of making the loan.

Disclosure of amount

22468. No licensee shall take any note, promise to pay, or security that does not accurately disclose the actual amount of the loan, the time for which it is made, and the agreed rate of charge.

Incomplete instruments

22469. No licensee shall take any instrument in which blanks are left to be filled in after execution.

Contract period

22470. No licensee shall enter into any contract for a loan for a period longer than 24 months after making the loan.

Loan secured by assignment

22471. The payment by any person in money, credit, goods, or things in action as consideration for any sale or assignment of, or order for, the payment of wages, salary, commissions, or other compensation for services, whether earned or to be earned, is for the purposes of regulation under this division, a loan secured by such assignment, and the amount by which the assigned compensation exceeds the amount of the consideration actually paid is interest and charges upon or for the loan from the date of payment to the date the compensation is payable. This section shall not be construed as modifying or affecting existing statutes governing wage assignments in the State, or as authorizing such assignments.

Statutory fees

22472. This article does not prohibit any licensee from contracting for, collecting, or receiving the statutory fee paid by the licensee to any public officer for acknowledging, filing, recording, or releasing in any public office any instrument securing the loan or executed in connection with the loan. Such fees are not included in determining the maximum charges which may be made under this article.

Mandatory acts in connection with loans

22473. Each licensed personal property broker shall:

(a) Deliver or cause to be delivered to the borrower, or any one thereof, at the time the loan is made, a statement showing in clear and distinct terms the name, address, and license number of the personal property broker and the broker, if any. The statement shall show the date, amount, and maturity of the loan contract, how and when repayable, the nature of the security for the loan, and the agreed rate of charge.

(b) Obtain from the borrower a signed statement as to whether any person has performed any act as a broker in con-

nection with the making of the loan. If such statement discloses that a broker or other person has participated, then the personal property broker shall obtain a full statement of all sums paid or payable to the broker or other person. The personal property broker shall keep such statements for a period of two years from and after the date the loan has been paid in full, or has matured according to its terms, or has been charged off.

(c) Permit payment to be made in advance in any amount on any contract of loan at any time. The licensee may apply such payment first to all charges due at the agreed rate up to the date of payment, not to exceed the maximum rate permitted by this article.

(d) Deliver or cause to be delivered to the person making any payment, at the time each payment is made on account of any loan, a plain and complete receipt showing the total amount received, identifying the loan contract upon which the payment is applied, and stating the unpaid principal balance of the loan.

(e) Upon repayment of any loan in full, release all security for the loan, endorse and return any certificate of ownership, cancel or plainly mark "paid" and return to the borrower or person making final payment, any note, chattel mortgage, assignment, or order signed by the borrower, except such as are a part of the court record in any action, or such as have been delivered to a third person for the purpose of carrying out their terms.

Same
Brokers

22474. Each licensed broker shall:

(a) Deliver to the borrower, or any one thereof, at the time the final negotiation or arrangement is made, a statement showing in clear and distinct terms the name, address, and license number of the broker and the personal property broker. The statement shall show the date, amount, and terms of the agreement with such broker, and all amounts paid or to be paid to such broker and to any person other than the personal property broker.

(b) Deliver to the personal property broker making the loan a copy of the statement referred to and described in subdivision (a) of this section.

(c) Deliver to the person making any payment to the broker to be retained by the broker, a plain and complete receipt for each payment made, at the time it is made, showing the total amount received, identifying the brokerage agreement and the loan contract upon which such payment is applied, and showing the application thereof. If the payment is made by a person other than the personal property broker, a copy of the receipt shall be delivered to the personal property broker.

(d) When the borrower pays the loan in full, see to it that the personal property broker fully complies with subdivision (e) of Section 22473.

Chattel
mortgage

22475. Nothing contained in this article shall be construed to deny to any licensee hereunder the right of taking and using a chattel mortgage which, in addition to securing an original obligation, may secure the repayment of sums that may be

advanced to, or expenditures that may be made at the direction of, the borrower subsequent to the execution of such mortgage and prior to the satisfaction thereof up to a maximum to be expressed in said mortgage.

(Added by Stats. 1951, Ch. 264.)

Article 3. Charges on Scheduled Balances

Equal and consecutive monthly installments

22480. This article applies only to loan contracts payable in substantially equal and consecutive monthly installments, the first of which is due not less than 15 days nor more than 45 days from the date the loan is made. In lieu of computing charges and applying payments as provided in Section 22454, a licensee may precompute charges and apply payments as follows:

Alternate computation

(a) The total charges which would be earned if the contract were repaid exactly according to its terms, at the monthly rate stated in the contract not exceeding the maximum provided in Article 2 of this chapter, may be precomputed when the loan is made by applying each payment first to charges and then to principal.

(b) If the contract is prepaid in full either by cash, renewal, or refinancing, on or after the third installment date or more than 15 days before final maturity, the portion of the precomputed charges which applies to the period of the contract and principal balances scheduled to follow the installment date nearest the date of prepayment in full shall be refunded or credited to the borrower.

(c) If prepayment in full occurs before the third installment date, or if on the installment date immediately preceding prepayment in full the total amount which has been paid on the contract exceeds by more than three scheduled payments the total of the payments scheduled to be made by that date, the charges shall be recomputed and collected as provided in Article 2 of this chapter, and any excess shall be refunded or credited to the borrower.

(d) The number and amount of installments required to pay the principal and precomputed charges shall be stated in the contract and all payments received thereon may be applied to the aggregate amount contracted to be repaid. The statement to be given to the borrower as provided in subdivision (a) of Section 22473 and the contract shall disclose in addition to other required information the principal amount of the loan exclusive of charges and the basis for computing the refund of precomputed charges in case of prepayment in full or acceleration of maturity. The delivery of a receipt for each payment showing the total amount of each payment is compliance with subdivision (d) of Section 22473.

(e) If the maturity of the contract is accelerated for any reason, the licensee shall make the same refund or credit as would be required for prepayment in full.

(f) If the contract so provides, the licensee may recompute and collect the charges, at the rate agreed for due performance,

on the basis provided in Article 2 of this chapter in lieu of all charges under this section.

(g) Notwithstanding any other provision of this article, the charges by a personal property broker, broker, and all other persons on any loan, forbearance of money, credit, goods or things in action under this article shall not exceed in the aggregate the maximum charges permitted by Article 2 of this chapter.

Chapter 4. Revocation and Penalties

Article 1. Revocation and Suspension of Licenses

Duration of licenses

22600. Licenses issued under this division remain in force and effect until they are surrendered, revoked, suspended or until they expire.

Violations examination for

22601. For the purpose of discovering violations of this division or securing information required by him in the administration and enforcement of this division, the commissioner may at any time investigate the loans and business and examine the books, accounts, records, and files used in the business, of every person engaged in the business of a personal property broker or broker, whether such person acts or claims to act as principal or agent, or under or without the authority of this division. For the purpose of examination the commissioner and his representatives shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all such persons.

Possession by commissioner

22602. In making any examination or investigation the commissioner may, for a reasonable time, not exceeding 30 days, take possession of the books, records, accounts, and other papers pertaining to the business and place a keeper in exclusive charge and custody of the books, records, accounts, and other papers in the office or place where they are usually kept. During such possession no person shall remove or attempt to remove any of the books, accounts, papers, records, files, safes, and vaults, or any part thereof, except in compliance with a court order or written consent of the commissioner.

Examination of books, etc

22603. The officers, employees, partners, directors and stockholders may inspect and examine the books, accounts, papers, records, files, safes and vaults while they are in the custody of the commissioner and employees may make entries therein reflecting current operations or transactions.

Duration of commissioner's powers

22604. The power of investigation and examination by the commissioner is not terminated by the surrender, expiration, suspension, or revocation of any license issued by him.

Same

22605. Whenever the commissioner deems it necessary for the general welfare of the public, he has continuous authority to exercise the powers set forth in this division whether or not an application for a license has been filed with the commissioner, any license has been issued, or if issued, has been suspended, revoked, or has expired.

Witnesses

22606. The commissioner may require the attendance of witnesses and examine under oath all persons whose testimony

he requires relative to loans or business regulated by this division or to the subject matter of any examination, investigation, or hearing.

Annual examination

22607. The commissioner shall make an examination of the affairs, business, office, and records of each licensee at least once in each year.

Costs of examination

22608. The actual cost of each examination shall be paid to the commissioner by each licensee examined, and the commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

Prosecution

22609. After an examination, investigation or hearing under this division, if the commissioner deems it of public interest or advantage, he may certify a record to the proper prosecuting official of the county or city in which the act complained of, examined, or investigated, occurred.

Examination of supporting data

22610. The commissioner may require the production for examination in this State of all books, records and supporting data used by the licensee in the preparation of reports to the commissioner. The books, records, and supporting data shall be made available for examination by the commissioner in this State within 10 days after written demand.

Suspension of license

22611. The commissioner may upon three days' notice and a hearing, suspend any license for a period not exceeding 30 days, pending investigation.

Surrender of license

22612. Any licensee may surrender any license by delivering to the commissioner written notice that he surrenders his license, but surrender of the license does not affect the licensee's civil or criminal liability for acts committed prior to surrender of the license.

Desist and refrain orders

22613. Whenever in the opinion of the commissioner any person is engaged in business as a broker, or personal property broker as defined in this division without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order said person or licensee to desist and to refrain from engaging in such business or further violating this division If, after the order is made, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

(Amended by Stats. 1951, Ch. 265.)

[ORIGINAL SECTION]

22613. Whenever in the commissioner's opinion the business of a licensee, or a portion of the business is not being operated honestly, fairly, and efficiently within the purposes of this division, the commissioner may order the licensee to desist and refrain from any acts or omissions to act which result in such unfairness, dishonesty, or inefficiency If, after the order is made, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded

Injunctions

22614. Whenever the commissioner believes from evidence satisfactory to him that any person has violated or is about to violate any provision of this division, or any provision of any order, license, decision, demand, or requirement, the commissioner may bring an action in the name of the people against that person, to enjoin him from continuing such violation or

engaging therein or doing any act in furtherance thereof. In the action the court may enter an order or judgment awarding such preliminary or final injunction as is proper.

Suspension or revocation of license

22615. The commissioner shall suspend or revoke any license, upon notice and reasonable opportunity to be heard, if he finds any of the following:

(a) That the licensee has failed to pay the annual license fee, to maintain in effect the bonds required under this division, or to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.

(b) That the licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division.

(c) That any fact or condition exists which, if it had existed at the time of the original application for such license reasonably would have warranted the commissioner in refusing originally to issue the license.

(Amended by Stats. 1951, Ch. 264.)

[ORIGINAL SECTION]

22615. The commissioner shall revoke any license, upon notice and reasonable opportunity to be heard, if he finds any of the following:

(a) That the licensee has failed to pay the annual license fee, to maintain in effect the bonds required under this division, or to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.

(b) That the licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division.

(c) That any fact or condition exists which, if it had existed at the time of the original application for such license reasonably would have warranted the commissioner in refusing originally to issue the license.

Pre-existing contracts

22616. The revocation, suspension, or surrender of any license does not impair or affect the obligation of any pre-existing lawful contract between the licensee and any borrower.

Proceedings

22617. Except in cases in which the time for setting the hearing is shortened as provided in this division, the proceedings under this article shall be conducted in accordance with Chapter 5, Part 1, Division 3, Title 2, of the Government Code, and in all cases the commissioner has all the powers granted therein.

Judicial review

22618. Every order, decision, license, or other official act of the commissioner is subject to judicial review in accordance with law.

Article 2. Penalties

Excessive charges

22650. No loan made within this State, for which a greater rate of interest, consideration, brokerage, and charges than is permitted by this division has been charged, contracted for, or received, shall be enforced in this State, and every person participating in the making, contracting, or collecting of such loan in this State is subject to the provisions of this division.

Void loans

22651. If any amount other than or in excess of the charges permitted by this division is charged, contracted for, or received, except as the result of an accidental and bona fide error in

computation, the contract of loan is void, and no person has any right to collect or receive any principal, charges, or recompense in connection with the transaction.

Same Exception

22652. Except as provided in Section 22651, if any provision of this division is violated in the making or collection of a loan, the contract of loan is void, and no person has any right to collect or receive any principal, interest, or charges in connection with the transaction.

Violations

22653. Any person including the several members, officers, directors, agents, and employees of licensees, who violates or participates in the violation of any provision of the rules, orders, and regulations of the commissioner, or the provisions of this division is guilty of a misdemeanor.

DIVISION 10. SMALL LOANS

CHAPTER 1. GENERAL PROVISIONS

Article 1. Definitions

Short title

24000. This division is known and may be cited as the "California Small Loan Law."

Definitions

24001. Unless the context otherwise requires, the definitions given in this article govern the construction of this division.

"Broker"

24002. "Broker" includes all who are engaged in the business of negotiating or performing any act as broker in connection with a loan to be made by a lender.

"Charges"

24003. "Charges" includes the aggregate fees, bonuses, commissions, brokerage, discounts, expenses, and other forms of costs, except interest charged, contracted for or received by a lender or a broker, or any other person in connection with the investigating, arranging, negotiating, brokering, guaranteeing, making, servicing, collecting, and enforcing of a loan or a forbearance of money, credit, goods, or things in action, or any other service rendered.

"Charges"

24004. "Charges" include any profit or advantage of any kind that any licensee may contract for, collect, receive, or obtain by a collateral sale, purchase, or agreement, in connection with the negotiating, arranging, making, or otherwise in connection with any loan of three hundred dollars ($300) or less.

Same Exclusion

24005. "Charges" do not include commissions received as a licensed insurance agent or broker in connection with insurance written as provided in Section 24466.

"Commissioner"

24006. "Commissioner" means the Commissioner of Corporations of the State of California.

"Lender"

24007. "Lender" includes all persons who are engaged in the business of lending their own money, credit, goods, or things in action.

"Lender," "broker"

24008. "Lender" and "broker," do not include employees of the lender or broker regularly employed at the particular location specified in the license of the lender or broker.

"Licensee"

24009. "Licensee" means any lender or broker licensed under this division.

Article 2. Exemptions

Exemptions

24050. This division does not apply to any person doing business under any law of this State or of the United States relating to banks, trust companies, building and loan associations, industrial loan companies, credit unions, or licensed pawnbrokers.

Same

24051. This division does not apply to the following:

(a) Any nonprofit cooperative association organized under Chapter 4, Division 6, of the Agricultural Code, in loaning or advancing money in connection with any activity mentioned therein.

(b) Any corporation, association, syndicate, joint stock company, or partnership engaged exclusively in the business of marketing agricultural, horticultural, viticultural, dairy, livestock, poultry, or bee products on a cooperative nonprofit basis in loaning or advancing money to the members thereof or in connection with any such business.

(c) Any corporation securing money or credit from any federal intermediate credit bank organized and existing pursuant to the provisions of an act of Congress entitled "Agricultural Credits Act of 1923," in loaning or advancing money or credit so secured.

Same Conditional sale contracts

24052. This division does not apply to bona fide conditional contracts of sale involving the disposition of personal property, when such forms of sales agreements are not used for the purpose of evading this division.

Same Personal property brokers

24053. This division does not apply to any personal property broker or broker licensed under the Personal Property Brokers Law, when transacting business as authorized by that law.

Same Real estate brokers

24054. This division does not apply to any broker licensed under the Real Estate Law, Part 1, Division 4, of the Business and Professions Code, when transacting business as authorized by that law.

Chapter 2. Licensing

License

24200. No person shall engage in the business of making or negotiating, for himself, or another, loans of money, credit, goods, or things in action, in the amount or of the value of three hundred dollars ($300) or less, without first obtaining a license from the commissioner.

Application for license

24201. Application for a license shall be in writing, under oath, and in the form prescribed by the commissioner, and shall contain the following and such further information as the commissioner requires:

(a) The name of the applicant, and if a partnership or association, the names of the members; and if a corporation, the names of each officer and director.

(b) The residence and business addresses of each person named in subdivision (a) of this section.

(c) The county and municipality with the street numbers if any, where business is to be conducted.

Fee

24202. At the time of making the application, the applicant shall pay to the commissioner the sum of one hundred dollars ($100) as a fee for investigating the application and the additional sum of two hundred dollars ($200) as an annual license fee for a period terminating on the last day of the current calendar year. If the application is filed after June 30th in any year the additional sum paid as an annual license fee shall be only one hundred dollars ($100).

Bond

24203. The applicant shall file with the application a bond in the sum of one thousand dollars ($1,000) approved by the commissioner in which the applicant is the obligor, with one or more sureties approved by the commissioner whose liability as sureties need not exceed that amount in the aggregate.

Same conditions

24204. The bond shall run to the State for the use of the State and of any person who has a cause of action against the obligor of the bond under the provisions of this division. The bond shall be conditioned that the obligor will faithfully conform to and abide by the provisions of this division and of all rules and regulations made by the commissioner, and will pay to the State and to any person all money that becomes due or owing to the State or to such person from the obligor under the provisions of this division.

Additional bond

24205. If the commissioner finds at any time that a bond is insecure or exhausted, in whole or in part, or otherwise doubtful, the licensee shall file an additional bond in the sum of not more than one thousand dollars ($1,000), approved by the commissioner, with one or more sureties approved by the commissioner, and of the character specified in this article for an original bond. The bond shall be filed within 10 days after written demand upon the licensee by the commissioner.

Investigation, issuing license

24206. Upon the filing of the application and the payment of the fees and the approval of the bond, the commissioner shall investigate the facts and if he finds that the financial responsibility, experience, character, and general fitness of the applicant, and its members if the applicant is a copartnership or association, and its officers and directors if the applicant is a corporation, are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this division, he shall issue and deliver a license to the applicant to engage in business in accordance with the provisions of this division at the location specified in the application.

Contents of license

24207. The license shall state the address at which the business is to be conducted and shall state fully the name of the licensee, and if the licensee is a copartnership or association, the names of its members, and if a corporation, the date and place of its incorporation. The license shall state whether the licensee is licensed as a lender or as a broker.

License fee

24208. Each licensee shall pay to the commissioner on or before the twentieth day of each December, the sum of two hundred dollars ($200) as an annual license fee for the next succeeding calendar year and shall at the same time file with the

commissioner a bond in the same amount and of the same character as required by this article for an original bond.

Expiration of license

24209. Licenses expire at noon on the thirty-first day of December of any calendar year if, on or before the twentieth day of December of that year, the licensee fails to file an application to renew it and to pay the annual license fee for the next succeeding calendar year.

Denial of license

24210. If the commissioner finds that any applicant does not possess the requirements specified in this chapter, he shall, upon reasonable opportunity to be heard, deny the application and return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the one hundred dollars ($100) investigation fee to cover the costs of investigating the application. The commissioner shall within 60 days from the filing of the application for a license with the fees and the approved bond, either issue a license or file a statement of issues prepared in accordance with the provisions of Chapter 5, Part 1, Division 3, Title 2 of the Government Code.

(Amended by Stats. 1951, Ch. 262.)

[ORIGINAL SECTION]

24210 If the commissioner finds that any applicant does not possess the requirements specified in this chapter, he shall, upon reasonable opportunity to be heard, deny the application and return to the applicant the bond and the sum paid by the applicant as a license fee, retaining the one hundred dollars ($100) investigation fee to cover the costs of investigating the application The commissioner shall approve or deny each application for a license within 60 days from the date the application with the fees and the approved bond is filed.

Proceedings

24211. The proceedings for a denial of a license shall be conducted in accordance with Chapter 5, Part 1, Division 3, Title 2, of the Government Code, and the commissioner has all the powers granted therein.

Disposition of money

24212. All money paid or collected under this division shall be deposited in the State Treasury to the credit of the General Fund. The administration of this division shall be supported out of the General Fund.

CHAPTER 3. REGULATIONS

Article 1. General Regulations

Promulgation of rules, etc

24400. The commissioner may make general rules and regulations and specific rulings, demands, and findings for the enforcement of this division, in addition to and within the general purposes of this division.

Posting of licenses

24401. Licenses shall be conspicuously posted in the place of business of the licensee and are not transferable or assignable.

Place of business

24402. A licensee shall maintain only one place of business under the same license. The commissioner may issue more than one license to the same licensee upon compliance with all the provisions of this division governing an original issuance of a license.

Change of location

24403. If a licensee desires to change his place of business to a street address other than that designated in his license, he

shall give written notice to the commissioner. The commissioner shall attach to the license in writing his approval of the change and the date of approval. The approval is authority for the operation of such business under the license at the new location.

Business site

24404. No licensee shall conduct the business of making loans under this division within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except as is authorized in writing by the commissioner upon the commissioner's finding that the character of the other business is such that the granting of the authority would not facilitate evasions of this division or of the rules and regulations made pursuant to this division. An authorization once granted remains effective until revoked by the commissioner.

Transacting business

24405. No licensee shall transact the business licensed or make any loan provided for by this division under any other name or at any other place of business than that named in the license.

Keeping of books, records, etc

24406. Licensees shall keep and use in their business books, accounts, and records which will enable the commissioner to determine if the licensee is complying with the provisions of this division and with the rules and regulations made by the commissioner.

Preservation of books

24407. Licensees shall preserve their books, accounts, and records, including cards used in the card system, if any, for at least two years after making the final entry on any loan recorded therein.

Annual report

24408. Each licensee shall file a report with the commissioner annually on or before the fifteenth day of March, giving such relevant information as the commissioner reasonably requires concerning the business and operations during the preceding calendar year of each licensed place of business within the State conducted by the licensee. The report shall be made under oath and in the form prescribed by the commissioner.

Composite report

24409. The commissioner shall make and file annually with the Division of Corporations as a public record a composite of the annual reports and any comments on the reports that he deems in the public interest.

Advertising

24410. No person shall advertise, print, display, publish, distribute, or broadcast or cause to permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for making or negotiating loans, which is false, misleading, or deceptive, or, in the case of a licensee, which refers to the supervision of such business by the State or any department or official of the State.

Statement of rates of charge

24411. The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the commissioner deems necessary to prevent misunderstanding by prospective borrowers.

Advertising of interest rates

24412. If any person engaged in the business regulated by this division refers in any advertising to rates of interest,

charges, or cost of loans, the commissioner shall require that they are stated fully and clearly in such manner as he deems necessary to give adequate information to prospective borrowers. If the rates or costs advertised do not apply to loans of all classes made or negotiated by such person, this fact shall be clearly indicated in the advertisement.

Disapproved advertising

24413. No advertising copy shall be used after its use has been disapproved by the commissioner and the licensee is notified in writing of such disapproval.

File of copy

24414. The commissioner may require licensees to maintain a file of all advertising copy for a period of 90 days from the date of its use. This file shall be available to the commissioner upon request.

Article 2. Loan Regulations

Charges

24450. No licensee shall directly or indirectly charge, contract for, or receive any interest or charge unless a loan is made.

Interest rates

24451. No licensee shall make any loan of three hundred dollars ($300), or less, and contract or receive thereon interest at a rate exceeding ten percent (10%) per year, computed on the unpaid balance of the loan.

Same Actual outlay

24452. No licensee shall contract for or receive any service or expense charges beyond the actual outlay. The charges for actual outlay, when added to interest computed at the rate permitted by this article, shall not exceed an aggregate amount of two and one-half percent (2½%) per month on that portion of the unpaid principal balance of any loan not in excess of one hundred dollars ($100), and two percent (2%) per month on any remainder of such unpaid principal balance.

Insured security

24453 If any property securing a loan made by a licensee is insured against loss in favor of the licensee, the service or expense charges for actual outlay, when added to interest computed at the rate permitted by this article, shall in no event exceed an aggregate amount of two percent (2%) per month on the unpaid principal balance of the loan.

Maximum charges

24454. No amount in excess of that expressly permitted by this article shall be directly or indirectly charged, contracted for, or received, by any person, and the total charges including interest, of the lender, the broker, and any other person, in the aggregate, shall not exceed the amount permitted by this article on any one loan for the negotiating, making, collecting, and enforcing of the loan.

Permissive charges

24455. This article does not prohibit any licensee from contracting for, collecting, or receiving the statutory fee paid by the licensee to any public officer for acknowledging, filing, recording, or releasing in any public office any instruments securing the loan or executed in connection with the loan. Such fees are not included in determining the maximum charges which may be made under this article.

Computing charges

24456 All charges and interest on loans made under this division shall be computed and paid only as a percentage per

month of the unpaid principal balance or portions thereof, and shall be so expressed in every obligation signed by the borrower. The charges and interest on loans shall be computed on the basis of the number of days actually elapsed, for the purpose of which computations a month is any period of 30 consecutive days. The loan contract may provide for payment of the aggregate amount contracted to be paid in substantially equal periodical installments.

Advance deductions

24457. No charges or interest on loans made pursuant to this division shall be paid, deducted, or received in advance, or compounded. The licensee shall deliver to the borrower at the time of the making of the loan an amount to be retained by the borrower equal to the face value of the loan and the note evidencing the loan.

Out-of-state loans

24458. A loan lawfully made outside the State of the amount or value of three hundred dollars ($300) or less, may be enforced in this State as to the unpaid principal balance of the loan together with the interest, consideration, brokerage, and all other charges, to the extent of but not to exceed the unpaid principal balance and the aggregate amount of interest, consideration, brokerage, and all other charges permitted by this division in connection with a loan of the same amount made within this State.

Collections

24459. Any person who collects or attempts to collect in this State the unpaid principal balance of a loan made outside the State, and a greater aggregate amount of interest, consideration, brokerage, and all other charges in connection with such loan than is permitted by this division in connection with a loan of the same amount made within this State, is subject to the provisions of this division.

Negotiations for

24460. Any person who contracts for or negotiates in this State a loan to be made outside the State for the purpose of evading or avoiding this division is subject to the provisions of this division.

Display of schedule

24461. Each licensee shall display prominently in each licensed place of business a full and accurate schedule of the charges to be made and the method of computing the charges. The schedule is subject to the approval of the commissioner.

Excessive charges

24462. No person by any device, subterfuge, or pretense shall charge, contract for, or receive greater interest, consideration, or charges than is authorized by this article for any loan, use, or forbearance of money, goods, or things in action, or upon the loan, use, or sale of credit.

Splitting loans

24463. No licensee shall induce or permit any borrower to split up or divide any loan.

Joint obligations

24464. No licensee shall induce or permit any person, nor any husband and wife jointly or severally, to become obligated, directly or contingently or both, under more than one contract of loan at the same time, for the purpose or with the result of obtaining a higher rate of charge than would otherwise be permitted by this article.

Incidental contracts

24465. No licensee or any other person in connection with or incidental to the making of any loan shall require the borrower to contract for, purchase, or agree to purchase, any other thing in connection with the loan, nor to enter into any collateral sales agreements or contracts. A policy of insurance of the type specified in Section 24466 is not prohibited by this section.

Insurance on secured property

24466. Insurance on tangible personal property offered as security shall not be deemed to be a collateral sale, purchase, or agreement within the meaning of this division when all the following are met:

(a) The insurance is sold at standard rates through licensed insurance brokers or agents.

(b) The policy is written to cover the property offered as security for a loan.

(c) The property is reasonably insured against loss for a reasonable term considering the circumstances of the loan.

(d) The policy is made payable to the borrower or any member of his family even though the customary mortgagee clause is attached or the mortgagee is a coassured.

Liens

24467. No licensee shall take a lien upon real estate as security for any loan made under this division, except such lien as is created by law upon the recording of an abstract of judgment.

Confession of judgment

24468. No licensee shall take any confession of judgment or any power of attorney, except a power of attorney taken to effectuate transfer of the ownership of any motor vehicle at the time of making the loan.

Disclosure of rates

24469. No licensee shall take any note, promise to pay, or security that does not accurately disclose the actual amount of the loan, the time for which it is made, and the agreed rate of charge.

Incomplete instruments

24470. No licensee shall take any instrument in which blanks are left to be filled in after execution.

Contract period

24471. No licensee shall enter into a contract for a loan for a longer period than 24 months after the making of the loan.

Loan secured by assignment

24472. The payment of three hundred dollars ($300) or less by a lender or broker in money, credit, goods, or things in action as consideration for any sale or assignment of, or order for, the payment of wages, salary, commissions, or other compensation for services, whether earned or to be earned, is for the purposes of regulation under this division, a loan secured by such assignment, and the amount by which the assigned compensation exceeds the amount of the consideration actually paid is interest and charges upon or for the loan from the date of payment to the date the compensation is payable. This section shall not be construed as modifying or affecting existing statutes governing wage assignments in the State, or as authorizing such assignments.

Mandatory acts in connection with loans

24473. Each licensed lender shall:

(a) Deliver or cause to be delivered to the borrower, or any one thereof, at the time the loan is made, a statement show-

ing in clear and distinct terms the name, address, and license number of the lender and the broker, if any. The statement shall show the date, amount, and maturity of the loan contract, how and when repayable, the nature of the security for the loan, and the agreed rate of charge.

(b) Obtain from the borrower a signed statement as to whether any person has performed any act as a broker in connection with the making of the loan. If such statement discloses that a broker or other person has participated, then the lender shall obtain a full statement of all sums paid or payable to the broker or other person. The lender shall keep such statements for a period of two years from and after the date the loan has been paid in full, or has matured according to its terms, or has been charged off.

(c) Permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply such payment first to all charges due at the agreed rate up to the date of such payment, not to exceed the maximum rate permitted by this article.

(d) Deliver or cause to be delivered to the person making any payment, at the time each payment is made on account of any loan, a plain and complete receipt showing the total amount received, identifying the loan contract upon which the payment is applied, and stating the unpaid principal balance of the loan.

(e) Upon repayment of any loan in full, release all security for the loan, endorse and return any certificate of ownership, cancel or plainly mark "paid" and return to the borrower or person making final payment, any note, chattel mortgage, assignment, or order signed by the borrower, except such as are a part of the court record in any action, or such as have been delivered to a third person for the purpose of carrying out their terms.

Same
Brokers

24474. Each licensed broker shall:

(a) Deliver to the borrower, or any one thereof, at the time the final negotiation or arrangement is made, a statement showing in clear and distinct terms the name, address, and license number of the broker and the lender. The statement shall show the date, amount, and terms of the agreement with such broker, and all amounts paid or to be paid to such broker and to any person other than the lender.

(b) Deliver to the lender making the loan a copy of the statement referred to and described in subdivision (a) of this section.

(c) Deliver to the person making any payment to the broker to be retained by the broker, a plain and complete receipt for each payment made, at the time it is made, showing the total amount received, identifying the brokerage agreement and the loan contract upon which such payment is applied, and showing the application thereof. If the payment is made by a person other than the lender, a copy of the receipt shall be delivered to the lender.

(d) When the borrower pays the loan in full, see to it that the lender fully complies with subdivision (e) of Section 24473.

CHAPTER 4. REVOCATION AND PENALTIES

Article 1. Revocation and Suspension of License

Duration of license

24600. Licenses remain in force and effect until they are surrendered, revoked, suspended, or until they expire.

Violations, examination for

24601. For the purpose of discovering violations of this division, or securing information required by him in the administration and enforcement of this division, the commissioner may at any time investigate the loans and business and examine the books, accounts, records, and files used in the business of every person engaged in the business of a lender or broker, whether such person acts or claims to act as principal or agent, or under or without the authority of this division. For the purpose of examination the commissioner and his representatives shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all such persons.

Witnesses

24602. The commissioner may require the attendance of witnesses and examine under oath all persons whose testimony he requires relative to loans or business regulated by this division or to the subject matter of any examination, investigation, or hearing.

Annual examination

24603. The commissioner shall make an examination of the affairs, business, office, and records of each licensee at least once each year.

Costs of examination

24604. The actual cost of each examination shall be paid to the commissioner by each licensee examined, and the commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

Suspension of license

24605. The commissioner may, upon three days' notice and a hearing, suspend any license for a period not exceeding 30 days, pending investigation.

Surrender of license

24606. Any licensee may surrender any license by delivering to the commissioner written notice that he surrenders his license, but surrender of the license does not affect the licensee's civil or criminal liability for acts committed prior to surrender of the license.

Desist and refrain orders

24607. Whenever in the opinion of the commissioner any person is engaged in business as a lender or broker as defined in this division, without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order said person or licensee to desist and to refrain from engaging in such business or further violating this division. If, after the order is made, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

(Amended by Stats. 1951, Ch. 263.)

[ORIGINAL SECTION]

24607. Whenever in the commissioner's opinion the business of a licensee, or a portion of the business, is not being operated honestly, fairly, and efficiently within the purposes of this division, the commissioner may order the licensee to desist and refrain from any acts or omissions to act which result in such unfairness, dishonesty or inefficiency. If, after the order

is made, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded

Injunctions

24608. Whenever the commissioner believes from evidence satisfactory to him that any person has violated or is about to violate any provision of this division, or any provision of any order, license, decision, demand, or requirement, he may bring an action in the name of the people against that person, to enjoin him from continuing such violation or engaging therein or doing any act in furtherance thereof. In the action the court may enter an order or judgment awarding such preliminary or final injunction as is proper.

Suspension or revocation

24609. The commissioner shall, upon notice and reasonable opportunity to be heard, suspend or revoke any license if he finds any of the following:

(a) That the licensee has failed to pay the annual license fee, to maintain in effect the bond or bonds required under this division, or to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.

(b) That the licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division.

(c) That any fact or condition exists which, if it had existed at the time of the original application for such license reasonably would have warranted the commissioner in refusing originally to issue the license.

(Amended by Stats 1951, Ch. 262)

[ORIGINAL SECTION]

24609 The commissioner shall, upon notice and reasonable opportunity to be heard, revoke any license if he finds any of the following:

(a) That the licensee has failed to pay the annual license fee, to maintain in effect the bond or bonds required under this division, or to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division

(b) That the licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division

(c) That any fact or condition exists which, if it had existed at the time of the original application for such license reasonably would have warranted the commissioner in refusing originally to issue the license.

Pre-existing contracts

24610. The revocation, suspension, or surrender of any license does not impair or affect the obligation of any pre-existing lawful contract between the licensee and any borrower.

Proceedings

24611. Except in cases in which the time for setting the hearing is shortened as provided in this division, hearing proceedings under this article shall be conducted in accordance with Chapter 5, Part 1, Division 3, Title 2, of the Government Code, and in all cases the commissioner has all the powers granted therein.

Judicial review

24612. Every order, decision, license, or other official act of the commissioner is subject to judicial review in accordance with law.

Article 2. Penalties

Violations

24650. If any provision of this division is violated in the making or collection of a loan, the contract of loan is void and no person has any right to collect or receive any principal, interest, or charges in connection with the transaction.

Offenses

24651. Any person including the several members, officers, directors, agents, and employees of licensees, who violate or participate in the violation of any provision of this division, or any provision of the rules, orders, and regulations of the commissioner, is guilty of a misdemeanor.

DIVISION 11. NATIONAL HOUSING ACT LOANS

CHAPTER 1. INVESTMENTS

Liens

27000. Insurance companies, personal finance companies, mortgage companies, mortgage insurance companies, building and loan associations, trust companies, fiduciaries, or fiduciary institutions may invest in, or purchase such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of real estate, including any part of an issue of notes or bonds secured by such first liens, which have been accepted for insurance by the Federal Housing Administrator. The investment or purchase may be made with their funds or the money in their custody or possession, including but not being restricted to, all trust funds or funds the investment of which is regulated by law.

Obligations of national mortgage associations

27001. Insurance companies, personal finance companies, mortgage companies, mortgage insurance companies, building and loan associations, trust companies, fiduciaries, fiduciary institutions, or public or private agencies may invest in, or purchase obligations of national mortgage associations. The investment or purchase may be made with their funds or the money in their custody or possession, including but not being restricted to, all trust funds, or funds the investment of which is regulated by law.

Loans, etc., insured by Federal Housing Administrator

27002. Insurance companies, personal finance companies, mortgage companies, or mortgage insurance companies may make, invest in, or purchase loans or advances of credit insured by the Federal Housing Administrator.

Real property insured by Federal Housing Administrator

27003. Insurance companies, personal finance companies, mortgage companies, mortgage insurance companies, building and loan associations, or trust companies may make such loans secured by real property or leasehold, as the Federal Housing Administrator insures, or makes a commitment to insure, and may obtain such insurance.

Scope of chapter

27004. No law of this State, prescribing the nature, amount or form of security or requiring security upon which loans or investments may be made, or prescribing or limiting interest rates upon loans or advances of credit or prescribing or limiting the period for which loans or investments may be

made, applies to loans or investments made pursuant to this chapter.

CHAPTER 2. SECURITIES FOR DEPOSIT

Collateral, eligible securities

27050. Wherever, by statute of this State, collateral is required as security for the deposit of public or other funds, or deposits are required to be made with any public official or department, or an investment of capital or surplus, or a reserve or other fund, is required to be maintained consisting of designated securities, the notes, and bonds secured by mortgages insured, and debentures issued, by the Federal Housing Administrator, and obligations of national mortgage associations are eligible securities for such purposes.

DIVISION 20

Repeals

Repeals

50000. The following acts and sections are repealed:

General Laws

Year:	Ch.:	Pg.	Year:	Ch.:	Pg.
1851:	13 :	171	1909:	634:	969
1855:	105:	128	1917:	496:	581
1861:	192:	184	1917:	522:	658
1861:	503:	567	1921:	772:	1341
1862:	187:	199	1927:	36:	51
1863-4:	444:	492	1931:	654:	1392
1869-70:	380:	523	1935:	6:	54
1873-4:	365:	525	1935:	538:	1613
1891:	190:	271	1939:	1044:	2874
1891:	264:	490	1939:	1045:	2886
1903:	266:	365	1947:	914:	2113
1905:	354:	422	1947:	921:	2126
1905:	550:	711			

Civil Code

290a	562	572	577	583
557	563	573	578	583a
558	564	574	579	583b
559	565	575	581	
560	566	576	582	
561	571			

Penal Code

338	561a	562
339	561b	563a
342	561c	563b
561	561d	563d

Code of Civil Procedure

1043 1044

Repeals

50001. The Banking Code is repealed.

CHAPTER 365

An act to amend Section 18004 of, and to add Section 18004.1 to, the Education Code, relating to improvement of public streets and places by school boards, the construction of sewers, water pipes, pedestrian walks and tunnels, the acquisition of easements and rights of way for such purposes and appropriating money for such purposes, declaring the urgency of this act and providing that it shall take effect immediately.

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 18004 of the Education Code is amended to read as follows:

18004. The governing board of any school district may grade, pave, construct sewers, or otherwise improve streets and other public places in front of real property owned or controlled by it, and also may construct in immediate proximity to any school of the district, pedestrian tunnels, sewers and water pipes when required for school purposes, and may appropriate money to pay the cost and expense of the improvements, whether made by the board under contract executed by the board, or under contracts made in pursuance of any of the general laws of the State respecting street improvements, or under other contracts made in pursuance of the charter of any county or municipality. School district board's powers

SEC. 2. Section 18004.1 is added to said code, to read:

18004.1. Any provision to the contrary notwithstanding, the governing board of any school district, other than a city school district, may construct pedestrian walks, foot bridges, and pedestrian tunnels when required for the safety of pupils attending the schools of the district, may acquire easements and rights of way for such purposes, and may appropriate money to acquire such easements and rights of way and to pay the cost and expense of the improvements, whether made by the board under contract executed by the board, or under contracts made in pursuance of any of the general laws of the State respecting street improvements, or under other contracts made in pursuance of the charter of any county or municipality. Such pedestrian walks, foot bridges, and pedestrian tunnels shall be constructed, and such easements or rights of way for such purposes shall be acquired, within one mile of the school for the pupils of which such walks, bridges, and tunnels are necessary. Same

SEC. 3. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution of the State of California and shall take effect immediately. A statement of the facts constituting such necessity is as follows: Urgency

Many of the school districts of the State have had tremendous population increases with the resulting increase in the

number of children of school age. This tremendous increase in the number of children eligible and required to attend the schools of the State, requires the immediate acquisition of suitable sites and the construction thereon of suitable buildings and facilities for school purposes. In the acquisition of such sites and the construction of said buildings and facilities, the health and safety of the school children require that the school districts have the authority to cause the construction of sewers, water pipes and pedestrian walks and tunnels, and to acquire easements and rights of way for such purposes where public streets or roads are not available or suitable therefor. The acquisition of suitable sites and the construction of such school buildings and facilities is and will be seriously impeded by the lack of power in school districts to acquire such easements and rights of way and to construct such improvements therein.

In order that the benefits arising from this measure may inure to the benefit of the children of the State at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 366

An act to add Section 790.1 to the Fish and Game Code, relating to the possession and sale of crabs and crab meat, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 790.1 is added to the Fish and Game Code, to read:

Crab meat

790.1. Crab meat and cooked frozen whole crabs or parts thereof, taken during the open season, may be possessed, transported, and sold at any time, subject to the rules and regulations of the commission. The cost of inspection and marking, under the rules and regulations of the commission, shall be paid by the owner or seller of such crab meat, crabs, or parts thereof.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

At present the United States is in a state of national emergency necessitating a tremendous increase in food production.

The use of the crab (Genus Cancer, species magister) as a source of food is a necessary and vital part of the food production of this State. Since the open season for catching crabs is from November 15th to July 31st, it is imperative that this act become operative now, so that the production and distribution

of this important food can be increased during the present open season.

It is therefore necessary that this act take effect immediately.

CHAPTER 367

An act to amend Section 1159 of the Fish and Game Code, relating to the establishment of cooperative hunting areas.

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1159 of the Fish and Game Code is amended to read:

1159. To provide added protection for landowners and lessees from depredations of trespassers and to provide greater access for the public to hunt on privately owned or controlled lands, the commission may contract with the owners or lessees of lands for the establishment of cooperative hunting areas upon such terms as the respective parties may agree subject to the following conditions. Cooperative hunting areas

Each cooperative hunting area shall be at least 5,000 acres in size and may consist of the adjoining lands of one or more owners. The boundaries of such areas shall be posted by the Fish and Game Commission with a sign stating that legal hunting will be allowed in the area if written permission is obtained from the owner or lessee or his duly authorized agent. The Fish and Game Commission shall enforce the trespass provisions of the Penal Code and the provisions of this code within such areas.

The commission may establish rules and regulations for the management and control of the hunting on such areas; provided, that such rules and regulations shall not conflict with or modify the provisions of this code or its orders of the commission made pursuant to Sections 14 to 19.6 thereof, and that the open season and bag limits for any cooperative hunting area shall not differ from the open season and bag limits as prescribed for the district wherein the cooperative hunting area lies. The owners or owner or lessees or lessee of a cooperative hunting area may collect a daily fee not to exceed two dollars ($2) per day per area from each permit hunter.

CHAPTER 368

An act to amend an act entitled "An act to provide for the rights, powers, privileges, exemptions and immunities of federal savings and loan associations, incorporated under the provisions of the Home Owners' Loan Act of 1933, which are doing business in the State of California, and Stats 1939, p 1910, amended 12 U S C §1461

for the rights, powers, privileges, exemptions and immunities of the holders of shares or share accounts issued by any such association," approved June 13, 1939, as amended, by amending Sections 2, 3, and 4 thereof, and adding to said act three new sections, to be numbered respectively Sections 5, 6, and 7, and to amend Sections 11200, 11203, 11204 and 11205 of, and to add Sections 11208, 11209, 11210 and 11211 to the Financial Code, all relating to federal savings and loan associations.

In effect September 22, 1951

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

Shares or share accounts Purchase by minors and married women

SECTION 1. Section 2 of the act cited in the title hereof is hereby amended to read as follows:

Sec. 2. Shares or share accounts of a federal savings and loan association may be purchased by minors or married women, and when so purchased such shares or share accounts shall be held for the exclusive right and benefit of such married woman or minor, and free from the control or lien of all other persons, except creditors. The receipt or acquittance of such married woman, or minor shall be a valid and sufficient release and discharge of the association for any payment or delivery to such married woman or minor of, or on account of, any such shares or share accounts.

SEC. 2. Section 3 of said act is hereby amended to read as follows:

Same Purchase by administrator, etc

Sec. 3. Shares or share accounts of a federal savings and loan association may be purchased and held by any person as administrator, executor, guardian, or as trustee or other fiduciary, in trust for a named beneficiary or beneficiaries. Any such fiduciary shall have power to vote as a member as though the shares or share accounts were held absolutely, to make payments upon and to repurchase any such shares or share accounts, in whole or in part. The repurchase value of any such shares or share accounts, and dividends thereon, or other rights relating thereto, may be paid or delivered, in whole or in part, to such fiduciary. The payment or delivery to any such fiduciary, or a receipt or acquittance signed by any such fiduciary, to whom any such payment, or any such delivery of rights, is made, shall be a valid and sufficient release and discharge of any such association for the payment or delivery so made. Whenever a person holding shares or share accounts as trustee or other fiduciary, in trust for a named beneficiary, or beneficiaries, dies, and no written notice of the revocation or termination of the trust relationship shall have been given to any such association, the repurchase value of such shares or share accounts, and dividends thereon, or other rights relating thereto, may, at the option of the association, be paid or delivered, in whole or in part, to the named beneficiary or beneficiaries of such trust.

The payment or delivery to any such beneficiary or beneficiaries, or a receipt or acquittance signed by any such beneficiary or beneficiaries for any such payment or delivery, whether or not such person is a minor, shall be a valid and sufficient release and discharge of any such association for the payment or delivery so made.

SEC. 3. Section 4 of said act is hereby amended to read as follows:

Same. Joint tenancy

Sec. 4. When shares or share accounts in a federal savings and loan association are issued in the name of two or more persons, whether minor or adult, as joint tenants or in form to be paid to any of them or the survivor or survivors of them, such shares or share accounts shall become the property of such persons as joint tenants. Such shares or share accounts, together with all dividends thereon, shall be held for the exclusive use of such joint tenants and may be paid to either or any of them, or to the survivor or any one of the survivors of them after the death of one or more of them. By written instructions of all such joint tenants given to the association, they may require the signatures of more than one of such persons during their lifetimes or of more than one of the survivors after the death of any one of them on any request for withdrawal, check endorsement or receipt, in which case the association shall pay withdrawals and dividends only in accordance with such instructions, but no such instructions shall limit the right of the sole survivor or of all of the survivors to receive withdrawal payments or dividends.

Payment as provided in the preceding paragraph and the receipt or acquittance of the person or persons to whom such payment has been made shall be a valid and sufficient release and discharge of the association for any such payment made on account of such shares or share accounts prior to the receipt by such association of notice in writing from any one of them not to make payments in accordance with the terms of such shares or share accounts or of such instructions. After receipt of such notice an association may refuse, without liability, to pay withdrawals or dividends pending determination of the rights of the parties.

The purchase or acceptance of shares or share accounts in such form shall, in the absence of fraud or undue influence, be conclusive evidence, in any action or proceeding to which either the association or the surviving share or share account holder or holders may be a party, of the intention of such share or share account holders to vest title to such shares or share accounts and payments made on account thereof and dividends thereon in such survivor or survivors.

Shares, or share accounts issued in the joint names of two or more persons, whether as joint tenants or as tenants in common, shall create but a single membership in the association.

SEC. 4. Section 5 is added to the act cited in the title, to read:

Same
Attachment
procedure

Sec. 5. In the case of any attachment levied upon any shares or share accounts of any federal savings and loan association or upon any debts owing by any such association, the copy of writ and notice must be left, if such association maintains branches, with the manager or any other officer of such association at the office or branch thereof at which such shares or share accounts were issued or such debt incurred if such office or branch is still being maintained, and otherwise at the principal office of such association; and no attachment not served as aforesaid shall be effective as to any share or share account issued by any such association or as to any debt owing by any such association if such share or account was issued or such debt incurred at an office or branch thereof not so served. No attachment or execution shall be issued against any such association or its property in any suit, action or proceeding arising out of the claim of any holder of shares or share accounts to withdraw before final judgment that such holder of shares or share accounts is presently entitled to payment of such withdrawal.

SEC. 5. Section 6 is added to the act cited in the title, to read:

Same
Transfer or
encumbrance

Sec. 6. No transfer or encumbrance of shares or share accounts issued by a federal savings and loan association shall be effective as to such association until written notice of such transfer or encumbrance shall have been given to the office of the association at which such shares or share accounts were issued, or at which the account of such association as to such shares or share accounts is kept, or to the principal office of such association. Until such notice shall have been so given, such association may conclusively presume that shares and share accounts have not been transferred or encumbered, and may, in the absence of such notice, make any and all payments or issue new shares or share accounts to or in the name or names of the person or persons in whose name or names its shares or share accounts are issued, whether or not such shares or share accounts are presented at the time of such payment or issuance, and shall have no responsibility to a transferee or lienholder with respect to any shares or share accounts, or parts thereof, so paid or reissued.

SEC. 6. Section 7 is added to the act cited in the title, to read:

Same
Adverse claim

Sec. 7. Notice to any federal savings and loan association of an adverse claim (the person making such adverse claim being hereafter in this section called "adverse claimant") to shares or share accounts standing on its books to the credit of, or to personal property held for the account of, any person may be disregarded until and unless the adverse claimant shall (a) procure and serve upon the association at the office at which the account is carried or the property held a

restraining order, injunction or other appropriate order against the association from a court of competent jurisdiction in an action in which the adverse claimant and all persons in whose name such account stands or for whose account such property is held are parties; or (b) execute and deliver to the association at the office at which the account is carried or the property held a bond in form and with surety acceptable to it and in an amount fixed by the association, but which amount in no event need be more than twice the value of the shares or share accounts or more than twice the market value of the property against which the adverse claim is made, indemnifying it and also all persons in whose names such account stands or for whose account such property is held, against all liability, loss, damage, costs and expenses arising out of the refusal to permit withdrawal from such account or to pay dividends thereon or to deliver such property. Unless such restraining order, injunction or other appropriate order is obtained, or such bond is given, the association, notwithstanding such notice, may honor notices of intention to withdraw and may pay withdrawals and dividends to the person or persons to whose credit the account stands or may deliver such property to or upon the order of the person for whose account such property is held, without any liability on the part of the association. If an adverse claimant delivers to the association at the office at which the account is carried or the property held his affidavit stating that of his own knowledge the person to whose credit the account stands or for whose account the property is held is a fiduciary for the adverse claimant and that such fiduciary is about to misappropriate the account or the property and stating the facts upon which the claim of a fiduciary relationship is based, the association may refuse to pay withdrawals or dividends on the account or may refuse to deliver such property until the adverse claim is finally adjudicated or released, without liability on its part and without liability for the sufficiency or truth of the facts alleged in the affidavit. The provisions of this section shall be applicable even though the name of the person appearing on the association's books to whose credit the account stands or for whose account the property is held is modified by a qualifying or descriptive term such as "agent," "trustee" or other word or phrase indicating that such person may not be the owner in his own right of the account or property

NOTE: The sections of the Financial Code affected by this chapter appear in their proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 16. Sections 8 to 15, inclusive, of this act become operative only if Division 2 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 2 takes effect, at which time Sections 2, 3, and 4 of the act cited in the title, as amended by this act, and Sections 5, 6, and 7 of said act, as added by this act are repealed.

Effect
Stats 1951, Ch 364

CHAPTER 369

An act to repeal Section 18431.1 of, and to add Section 19405 to the Revenue and Taxation Code, relating to personal income taxes, and providing for the imposition of criminal penalties on persons filing false returns.

In effect September 22, 1951

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 18431.1 of the Revenue and Taxation Code is hereby repealed.

SEC. 2. Section 19405 is added to the Revenue and Taxation Code, to read:

Penalty for false return

19405. (a) Any person who wilfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be fined not more than two thousand dollars ($2,000) or imprisoned in the state prison not more than five years, or both.

(b) The fact that an individual's name is signed to a return, statement, or other document filed shall be prima facie evidence for all purposes that the return, statement, or other document was actually signed by him.

CHAPTER 370

An act to amend Section 17014 of the Revenue and Taxation Code, relating to personal income taxes, and providing that this act shall take effect immediately.

In effect immediately

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 17014 of the Revenue and Taxation Code is amended to read:

"Nonresident"

17014. "Nonresident" means every individual other than a resident.

Tax levy

SEC. 2. This act, inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately.

Operative dates

SEC. 3. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions

and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended

CHAPTER 371

An act to amend Sections 19082 and 19083 of, and to repeal Section 19084 of, the Revenue and Taxation Code, relating to personal income taxes.

[Approved by Governor May 9, 1951 Filed with Secretary of State May 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 19082 of the Revenue and Taxation Code is amended to read:

19082. Except as provided in Section 19085, after payment of the tax and denial by the Franchise Tax Board of a claim for refund, any taxpayer claiming that the tax computed and assessed against him under this part is void in whole or in part may bring an action, upon the grounds set forth in his claim for refund, against the Franchise Tax Board for the recovery of the whole or any part of the amount paid. Action for void tax

SEC. 2. Section 19083 of the Revenue and Taxation Code is amended to read:

19083. The action provided by Section 19082 shall be filed within four years from the last date prescribed for filing the return or within one year from the date the tax was paid, or within 90 days after (a) notice of action by the Franchise Tax Board upon any claim for refund, or (b) notice of action by the State Board of Equalization on an appeal from the action of the Franchise Tax Board on a claim for refund, whichever period expires the later. Limitation

SEC. 3. Section 19084 of the Revenue and Taxation Code is repealed. Repeal

CHAPTER 372

An act to amend Sections 26102, 26103, and 26103a of the Revenue and Taxation Code, relating to taxation of banks, corporations, Massachusetts trusts and associations.

[Approved by Governor May 9, 1951 Filed with Secretary of State May 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 26102 of the Revenue and Taxation Code is hereby amended to read:

26102. Except as provided in Section 26103a, after payment of the tax and denial by the Franchise Tax Board of a claim for refund, any taxpayer claiming that the tax computed Action for void tax

and assessed against it under this part is void in whole or in part may bring an action, upon the grounds set forth in its claim for refund, against the Franchise Tax Board for the recovery of the whole or any part of the amount paid.

SEC. 2. Section 26103 of the Revenue and Taxation Code is hereby amended to read:

Limitation

26103. The action provided by Section 26102 shall be filed within four years from the last date prescribed for filing the return or within one year from the date the tax was paid, or within 90 days after (a) notice of action by the Franchise Tax Board upon any claim for refund, or (b) notice of action by the State Board of Equalization on an appeal from the action of the Franchise Tax Board on a claim for refund, whichever period expires the later.

SEC. 3. Section 26103a of the Revenue and Taxation Code is hereby amended to read:

Disallowances

26103a. If the Franchise Tax Board fails to mail notice of action on any refund claim within six months after the claim was filed, the taxpayer may, prior to mailing of notice of action on the refund claim, consider the claim disallowed and bring an action against the Franchise Tax Board on the grounds set forth in the claim for the recovery of the whole or any part of the amount claimed as an overpayment.

CHAPTER 373

An act to amend Section 25961 of, and to add Section 25962 to the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations, and providing for the imposition of criminal penalties upon persons wilfully filing false returns for such organizations.

In effect September 22, 1951

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 25961 of the Revenue and Taxation Code is hereby amended to read:

Penalty Failure etc., to furnish return

25961. Any taxpayer failing or refusing to furnish any return required to be made under this part or failing or refusing to furnish a supplemental return or other data required by the Franchise Tax Board, shall be guilty of a misdemeanor and subject to a fine of not exceeding one thousand dollars ($1,000) for each offense.

SEC. 2. Section 25962 is added to the Revenue and Taxation Code, to read:

Same False return

25962. (a) Any person who wilfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be

true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be fined not more than two thousand dollars ($2,000) or imprisoned in the state prison not more than five years, or both.

(b) The fact that an individual's name is signed to a return, statement, or other document filed shall be prima facie evidence for all purposes that the return, statement, or other document was actually signed by him.

CHAPTER 374

An act to amend Sections 23004, 23031, 23041, 23184, 23301, 23363, 23562, 23851, 23851a, 23852a, 23881b, 24121c, 24301, 24303, 25071s, 25232b, 25232c, 25232d, 25261, 25403, 25664, 25666, 25702, 25731a, 25901a, 25901c, 26078, 26104, 26131, 26422, 26423, 26434 of, and to renumber and amend Section 25203b of, and to add Sections 23043, 23854, 23854.1, 25101d to, and to repeal Sections 24302 and 26131a of, the Revenue and Taxation Code, relating to taxation of banks, corporations, associations and Massachusetts trusts, and providing that this act shall take effect immediately.

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 23004 of the Revenue and Taxation Code is hereby amended to read:

23004. Whenever this part refers to "regulations of the Franchise Tax Board," or makes similar reference, the reference authorizes the Franchise Tax Board to make rules and regulations as to the subject matter concerning which the reference is made. "Regulations of the Franchise Tax Board"

SEC. 2. Section 23031 of the Revenue and Taxation Code is hereby amended to read:

23031. "Franchise Tax Board" means the Franchise Tax Board created by Statutes of 1949, Chapter 1188. "Franchise Tax Board"

"Board" means the State Board of Equalization. "Board"

SEC. 3. Section 23041 of the Revenue and Taxation Code is hereby amended to read:

23041. "Taxable year" means: "Taxable year"

(a) For the purposes of the tax imposed under Chapter 2, the calendar year, or the fiscal year for which the tax is payable.

(b) For the purposes of the tax imposed under Chapter 3, the calendar year or the fiscal year upon the basis of which the net income is computed.

(c) For the purpose of the taxes imposed under this part, a period of 12 months or less.

SEC. 4. Section 23184 of the Revenue and Taxation Code is hereby amended to read:

Financial corporations offset

23184. Financial corporations may offset against the franchise tax the amounts paid during the income year to this State or to any county, city, town, or other political subdivisions of the State as personal property taxes, or as license fees for the following privileges:

(a) Operating as personal property brokers or brokers as defined in the Personal Property Brokers Act.

(b) Operating motor vehicles under Part 5 of this division

(c) Engaging in the business of loaning money, advancing credit, or loaning credit or arranging for the loan of money or advancing of credit or loaning of credit.

The tax on financial corporations after the allowance of offset shall not be less than 4 percent of its net income for the preceding income year nor less than the minimum tax of twenty-five dollars ($25).

SEC. 5. Section 23301 of the Revenue and Taxation Code is hereby amended to read:

Suspension and forfeiture of corporate powers

23301. Except for the purpose of amending the articles of incorporation to set forth a new name, the corporate powers, rights and privileges of a domestic taxpayer shall be suspended, and the exercise of the corporate powers, rights and privileges of a foreign taxpayer in this State shall be forfeited if any of the following conditions occur:

(a) If any tax, penalty or interest, or any portion thereof, which is due and payable either at the time the return is required to be filed, or on or before the fifteenth day of the ninth month following the close of the income year, is not paid on or before 6 o'clock p.m. on the last day of the twelfth month after the close of the income year; or

(b) If any tax, penalty or interest, or any portion thereof, other than jeopardy or fraud assessments, due and payable upon notice and demand from the Franchise Tax Board, is not paid on or before 6 o'clock p.m on the last day of the eleventh month following the due date of said tax; or

(c) If any jeopardy or fraud assessment, or any interest or penalty thereon, is not paid within 40 days from the date such tax, penalty and interest are due and payable upon notice and demand from the Franchise Tax Board, unless the bond required by Section 25761a is filed to stay the collection of said tax, penalty and interest, and said tax, interest and penalty are paid within 60 days after notice by the Franchise Tax Board on the taxpayer's petition for reassessment.

SEC. 6. Section 23363 of the Revenue and Taxation Code is hereby amended to read:

Regulations

23363. The Franchise Tax Board shall prescribe such regulations as it may deem necessary in order that the tax liability of any affiliated group of corporations making a consolidated return and of each corporation in the group, both during and after the period of affiliation, may be determined, computed, assessed, collected, and adjusted in such manner as to reflect the proper income.

SEC. 7. Section 23562 of the Revenue and Taxation Code is hereby amended to read:

Suspension of corporate powers

23562. The corporate powers, rights and privileges of a domestic taxpayer shall be suspended and shall not be exercised for any purpose or in any manner in this State:

(a) If any tax, penalty or interest, or any portion thereof, which is due and payable either at the time the return is required to be filed, or on or before the fifteenth day of the ninth month following the close of the income year, is not paid on or before 6 o'clock p.m. of the last day of the twelfth month after the close of the income year; or

(b) If any tax, penalty or interest, or any portion thereof, other than jeopardy or fraud assessments, due and payable upon notice and demand from the Franchise Tax Board, is not paid on or before 6 o'clock p.m. on the last day of the eleventh month following the due date of said tax; or

(c) If any jeopardy or fraud assessment, or any interest or penalty thereon, is not paid within 40 days from the date such tax, penalty and interest are due and payable upon notice and demand from the Franchise Tax Board, unless the bond required by Section 25761a is filed to stay the collection of said tax, penalty and interest, and said tax, interest and penalty are paid within 60 days after notice by the Franchise Tax Board on the taxpayer's petition for reassessment.

SEC. 8. Section 23851 of the Revenue and Taxation Code is hereby amended to read:

"Gross income"

23851. For the purposes of the tax imposed under Chapter 2, "gross income" includes all interest received from federal, state, municipal or other bonds.

SEC. 9. Section 23851a of the Revenue and Taxation Code is hereby amended to read:

"Gross income"

23851a. For the purposes of the tax imposed under this part "gross income" includes gains, profits, and income derived from salaries, wages, or compensation for personal service, of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest and dividends (except as provided in this part), rent, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever, including interest which now or hereafter constitutionally may be taxed.

SEC. 10. Section 23852a of the Revenue and Taxation Code is hereby amended to read:

Cancellation of debt

23852a. If a stockholder or stockholders of a taxpayer cancels any indebtedness owing to the stockholder or stockholders by the taxpayer, such cancellation shall not constitute income to the taxpayer except to the extent that the taxpayer received a tax benefit, under this part, from such indebtedness.

SEC. 11. Section 23881b of the Revenue and Taxation Code is hereby amended to read:

Transfer of life insurance, etc., contract

23881b. Amounts received other than amounts paid by reason of the death of the insured under life insurance, endowment or annuity contracts, either during the term or at maturity or upon surrender of the contract, equal to the total amount of premiums paid thereon. In the case of a transfer for a valuable consideration by assignment or otherwise, of a life insurance, endowment or annuity contract or any interest therein, only the actual value of such consideration and the amount of the premiums and other sums subsequently paid by the transferee shall be excluded from gross income under Section 23881a or this section. The preceding sentence shall not apply in the case of such a transfer if such contract or interest therein has a basis for determining gain or loss in the hands of a transferee determined in whole or in part by reference to such basis of such contract or interest therein in the hands of the transferor.

SEC. 12. Section 24121c of the Revenue and Taxation Code is hereby amended to read:

Exceptions

24121c. (1) Taxes or licenses paid or accrued during the income year except:

(A) Taxes paid to the State under this part.

(B) Taxes on or according to or measured by income or profits paid or accrued within the income year imposed by the authority of

(i) The Government of the United States or any foreign country; or

(ii) Any state, territory, county, school district, municipality, or other taxing subdivision of any state or territory.

(C) Taxes assessed against local benefits of a kind tending to increase the value of the property assessed, but shall not exclude the allowance as a deduction of so much of the taxes assessed against local benefits as is properly allocable to maintenance or interest charges.

(2) (A) In this subdivision, "retail sales tax" means a tax imposed by any state, territory, district, or possession of the United States, or any political subdivision thereof, upon persons engaged in:

(i) Selling tangible personal property at retail, which is measured by the gross sales price or the gross receipts from the sale or which is a stated sum per unit of the property sold.

(ii) Furnishing services at retail, which is measured by the gross receipts for furnishing the services.

(B) If the amount of a retail sales tax is separately stated, to the extent that the amount so stated is paid by the purchaser (otherwise than in connection with the purchaser's trade or business) the amount shall be allowed as a deduction in computing the net income of the purchaser as if the amount were a tax imposed upon and paid by the purchaser.

SEC. 13. Section 24301 of the Revenue and Taxation Code is hereby amended to read:

Income from sources within and without State

24301. When the income of a taxpayer subject to the tax imposed under this part is derived from or attributable to sources both within and without the State, the tax shall

be measured by the net income derived from or attributable to sources within this State. Such income shall be determined by an allocation upon the basis of sales, purchases, expenses of manufacture, pay roll, value and situs of tangible property or by reference to any of these or other factors or by such other method of allocation as is fairly calculated to determine the net income derived from or attributable to sources within this State. Income from business carried on partly within and partly without this State shall be allocated in such a manner as is fairly calculated to apportion such income among the states or countries in which such business is conducted. Income attributable to isolated or occasional transactions in states or countries in which the taxpayer is not doing business shall be allocated to the state in which the taxpayer has its principal place of business or commercial domicile.

If the Franchise Tax Board reallocates net income upon its examination of any return, it shall, upon the written request of the taxpayer, disclose to him the basis upon which its reallocation has been made.

SEC. 14. Section 24303 of the Revenue and Taxation Code is hereby amended to read:

24303. In the case of two or more taxpayers owned or controlled directly or indirectly by the same interests, the Franchise Tax Board may permit or require the filing of a combined report and such other information as it deems necessary and is authorized to impose the tax due under this part as though the combined entire net income was that of one taxpayer, or to distribute, apportion, or allocate the gross income or deductions between or among such taxpayers, if he determines that such consolidation, distribution, apportionment, or allocation is necessary in order to reflect the proper income of any such taxpayers. Combined report

SEC. 15. Section 25071s of the Revenue and Taxation Code is hereby amended to read:

25071s. Whenever a taxpayer has realized gain or loss upon the receipt after January 1, 1928, at a time when it was subject to a tax under this part, of all or substantially all of the business or property of a taxpayer over which it exercised control within the meaning of Section 25037, and such gain or loss actually was not taken into account in the computation of taxes imposed by this part, the basis of the property or business acquired shall be the same as it was in the hands of the transferor. Property acquired on which realized gain or loss not taken into account

SEC. 16. Section 25232b of the Revenue and Taxation Code is hereby amended to read:

25232b. The change to, and the use of, the method prescribed in Section 25232 shall be in accordance with such regulations as the Franchise Tax Board may prescribe as necessary in order that the use of such method may clearly reflect income. Regulations

SEC. 17. Section 25232c of the Revenue and Taxation Code is hereby amended to read:

Determining income

25232c. In determining income for the income year preceding the income year for which the method prescribed in Section 25232 is first used, the closing inventory of such preceding year of the goods specified in such application shall be at cost.

SEC. 18. Section 25232d of the Revenue and Taxation Code is hereby amended to read:

Subsequent income years

25232d. If a taxpayer, having complied with Section 25232a, uses the method prescribed in Section 25232 for any income year, then such method shall be used in all subsequent income years unless with the approval of the Franchise Tax Board a change to a different method is authorized; or the Franchise Tax Board determines that the taxpayer has used for any such subsequent income year some procedure other than that specified in subdivision (b) of Section 25232 in inventorying the goods specified in the application to ascertain the income, profit, or loss of such subsequent income year for the purpose of a report or statement covering such income year (A) to shareholders, partners, or other proprietors, or beneficiaries, or (B) for credit purposes; and requires a change to a method different from that prescribed in Section 25232 beginning with such subsequent income year or any income year thereafter. In either of the above cases, the change to, and the use of the different method shall be in accordance with such regulations as the Franchise Tax Board may prescribe as necessary in order that the use of such method may clearly reflect income.

SEC. 19. Section 25261 of the Revenue and Taxation Code is hereby amended to read:

Involuntary liquidation Adjustment of net income

25261. If, for any income year beginning after December 31, 1942, and prior to January 1, 1951, the closing inventory of a taxpayer inventorying goods under the method provided in this article or Article 2 reflects a decrease from the opening inventory of such goods for such year, and if, at the time of the filing of the taxpayer's return for such year, the taxpayer elects to have the provisions of this section apply and so notifies the Franchise Tax Board, and if, at the time of such election, it is established to the satisfaction of the Franchise Tax Board, in accordance with such regulations as the Franchise Tax Board may prescribe, that such decrease is attributable to the involuntary liquidation of such inventory as defined in Section 25261a, and if the closing inventory of a subsequent income year, ending not more than four years after January 1, 1951, reflects a replacement, in whole or in part, of the goods so previously liquidated, the net income of the taxpayer otherwise determined for the year of such involuntary liquidation shall be adjusted as follows:

(a) Increased by an amount equal to the excess, if any, of the aggregate cost of such goods reflected in the opening inventory of the year of involuntary liquidation over the aggregate replacement cost; or

(b) Decreased by an amount equal to the excess, if any, of the aggregate replacement cost of such goods over the aggre-

gate cost thereof reflected in the opening inventory of the year of the involuntary liquidation.

The taxes imposed by this part for the year of such liquidation and for all income years intervening between such year and the year of replacement shall be redetermined, giving effect to such adjustments. Any increase in such taxes resulting from such adjustments shall be assessed and collected as a deficiency but without interest, and any overpayment so resulting shall be credited or refunded to the taxpayer without interest.

SEC. 20. Section 25403 of the Revenue and Taxation Code is hereby amended to read:

Return

25403. Every return required by this part to be filed with the Franchise Tax Board shall be signed by the president, or other principal officer and the treasurer or chief accounting officer, of the taxpayer and contain or be verified by a written declaration that it is made under the penalties of perjury.

SEC. 21. Section 25664 of the Revenue and Taxation Code is hereby amended to read:

Protest

25664. Within 60 days after the mailing of each notice of additional tax proposed to be assessed the taxpayer may file with the Franchise Tax Board a written protest against the proposed additional tax, specifying in the protest the grounds upon which it is based.

SEC. 22. Section 25666 of the Revenue and Taxation Code is hereby amended to read:

Reconsideration

25666. If a protest is filed the Franchise Tax Board shall reconsider the proposed assessment, and if the taxpayer has so requested in its protest, shall grant the taxpayer, or its authorized representatives an oral hearing. After consideration of the protest and the evidence adduced in the event of such oral hearing, the Franchise Tax Board's action upon the protest is final upon the expiration of 30 days from the date when it mails notice of its action to the taxpayer unless within the 30-day period the taxpayer appeals in writing from the action of the Franchise Tax Board to the board.

SEC. 23. Section 25702 of the Revenue and Taxation Code is hereby amended to read:

Limitation for assessment of transferee

25702. The period of limitation for assessment of the liability of any bank, corporation or person other than the taxpayer who is a transferee or fiduciary of the taxpayer shall be as follows:

(a) In the case of the liability of an initial transferee of the property of the taxpayer, within one year after the expiration of the period of limitation for assessment against the taxpayer;

(b) In the case of the liability of a transferee of a transferee of the property of the taxpayer, within one year after the expiration of the period of limitation for assessment against the preceding transferee, but only if within three years after the expiration of the period of limitation for assessment against the taxpayer; except that if before the expiration of the period of limitation for the assessment of the liability of the

transferee of a transferee, a court proceeding for the collection of the tax or liability in respect thereof has been begun against the taxpayer or last preceding transferee, respectively, then the period of limitation for assessment of the liability of the transferee of a transferee shall expire one year after the return of execution in the court proceeding.

(c) In the case of the liability of a fiduciary, not later than one year after the liability arises or not later than the expiration of the period for collection of the tax in respect of which such liability arises, whichever is the later;

(d) Where before the expiration of the time prescribed in paragraph (a), (b) or (c) for the assessment of the liability, both the Franchise Tax Board and the transferee or fiduciary have consented in writing to its assessment after such time, the liability may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon

SEC. 24. Section 25731a of the Revenue and Taxation Code is hereby amended to read:

Protest, hearing and appeal

25731a. When any assessment is proposed under Section 25731 the taxpayer shall have the right to protest the same and to have an oral hearing thereon if requested; and to appeal to the board from the Franchise Tax Board's action on the protest The taxpayer must proceed under this section in the manner and within the time prescribed by Article 1.

SEC. 25. Section 25901a of the Revenue and Taxation Code is hereby amended to read:

Time of payment extended

25901a. If the time for the payment of the tax or any installment thereof is extended there shall be collected, as part of such tax, interest thereon at the rate of 6 percent per year from the date upon which such payment should have been made if no extension had been granted until the date the tax is paid.

SEC. 26. Section 25901c of the Revenue and Taxation Code is hereby amended to read:

Interest on unpaid amounts

25901c. Except in the case of a jeopardy assessment, the collection of which has been stayed under Article 4 of Chapter 11, where a deficiency, or any interest or additional amounts assessed in connection therewith, or any addition to the tax in case of delinquency provided for in Sections 25931 to 25933, inclusive, is not paid in full within 10 days from the date of notice and demand from the Franchise Tax Board, there shall be collected as a part of the tax, interest upon the unpaid amount at the rate of 6 percent a year from the date of such notice and demand until it is paid.

SEC. 27. Section 26078 of the Revenue and Taxation Code is hereby amended to read:

Payment before action on protest or appeal

26078. If, with or after filing a protest or an appeal to the board, a taxpayer pays the tax protested before the Franchise Tax Board acts upon the protest or the board on the appeal, the protest or appeal shall be treated as a claim for

refund or an appeal from the denial of a claim for refund filed under this article.

SEC. 28. Section 26104 of the Revenue and Taxation Code is hereby amended to read:

Action against board

26104. Whenever an action is commenced against the Franchise Tax Board under the provisions of this article, a copy of the complaint and the summons shall be served upon the Franchise Tax Board or the executive officer. A second copy of the complaint and summons shall be furnished to the Franchise Tax Board, but this requirement is not jurisdictional. At the time the Franchise Tax Board demurs or answers, it may demand that the action be tried in the Superior Court of the County of Sacramento, which demand shall be granted. The Attorney General or the counsel for the Franchise Tax Board shall defend the action. In any such action the court may render judgment for plaintiff for any part of the tax, interest, penalties or costs found to be void.

SEC. 29. Section 26131 of the Revenue and Taxation Code is hereby amended to read:

Withholding tax

26131. The Franchise Tax Board may, by regulation, require any bank or person, or any officer or agency of the State or any political subdivision or agency of the State, to withhold from payments of interest, other than interest coupons payable to bearer, dividends, rent, prizes, winnings, and compensation for services, including bonuses, the following amounts:

(a) If the payee is subject to the tax imposed under Chapter 2, a percentage equal to the rate of tax measured by income imposed by this part on the payee or

(b) If the payee is subject to the tax imposed under Chapter 3, an amount equal to the tax that would be imposed by this part upon such payments if they, together with all similar payments since the beginning of the calendar year, represented net income of the payee;

and to transmit the amounts withheld to the Franchise Tax Board at such time as it may designate. Any bank or person failing to withhold from any payments and transmit to the Franchise Tax Board any amounts required by such regulation to be withheld and transmitted is liable for any taxes due from the taxpayer to which the payments are made for the year in which made to an extent not in excess of the amounts required to be withheld, unless it is shown that the failure is due to reasonable cause.

SEC. 30. Section 26422 of the Revenue and Taxation Code is hereby amended to read:

Powers of board

26422. The Franchise Tax Board shall have the power and it shall be its duty to administer this part. It shall prescribe all such rules and regulations as are necessary and reasonable to carry out the provisions of this part and may prescribe the extent, if any, to which any ruling or regulation shall be applied without retroactive effect.

SEC. 31. Section 26423 of the Revenue and Taxation Code is hereby amended to read:

Same

26423. The Franchise Tax Board, for the purposes of administering its duties under this part, shall have the power to examine any books, papers, records, or memoranda, bearing upon the matters required to be included in the return of any taxpayer under this part. The Franchise Tax Board may also require the attendance of the taxpayer or of any other person having knowledge in the premises and may take testimony and require material proof for its information and administer oaths to carry out the provisions of this section. The Franchise Tax Board may issue subpenas or subpenas duces tecum, which subpenas must be signed by any member of the Franchise Tax Board and may be served on any person for any purpose.

SEC. 32. Section 26424 of the Revenue and Taxation Code is hereby amended to read:

Res judicata

26424. In the determination of any issue of law or fact under this part, neither the Franchise Tax Board, nor any officer or agency having any administrative duties under this part nor any court shall be bound by the determination of any other officer or administrative agency of the State. In the determination of any case arising under this part, the rule of res judicata is applicable only if the liability involved is for the same year as was involved in another case previously determined under this part.

SEC. 33. Section 25203b is renumbered and amended to read:

Separate return

25201b-2. Where a separate return is made under Section 25201b-1, on account of a change in the accounting period, the income shall be computed on the basis of the period for which the separate return is made. The due date of the separate return for such period is the fifteenth day of the third month following the close of that period.

SEC. 34. Section 23043 is hereby added to the Revenue and Taxation Code, to read:

"Assessment"

23043. "Assessment" includes "proposed additional assessment."

SEC. 35. Section 23854 is hereby added to the Revenue and Taxation Code, to read:

Loans from commodity credit corporation

23854. Amounts received as loans from the Commodity Credit Corporation shall, at the election of the taxpayer, be considered as income subject to tax under this part and shall be included in gross income for the taxable year in which received.

SEC. 36. Section 23854.1 is hereby added to the Revenue and Taxation Code, to read:

Same Method of computation

23854.1. If the taxpayer exercises the election provided in Section 23854 for any taxable year beginning after December 31, 1950, then the method of computing income so adopted shall be adhered to with respect to all subsequent taxable years, unless with the approval of the Franchise Tax Board, a change to a different method is authorized.

SEC. 37. Section 25101d is added to the Revenue and Taxation Code, to read:

25101d. Proper adjustment in respect of the property shall be made in the case of property pledged to the Commodity Credit Corporation, to the extent of the amount received as a loan from the Commodity Credit Corporation and treated by the taxpayer as income for the year in which received pursuant to Sections 23854 and 23854.1, and to the extent of any deficiency on such loan with respect to which the taxpayer has been relieved from liability. Same. Adjustment as to pledged property

SEC. 38. Section 24302 of the Revenue and Taxation Code is hereby repealed. Repeal

SEC. 39. Section 26131a of the Revenue and Taxation Code is hereby repealed. Same

SEC. 40. This act, inasmuch as it provides for a tax levy for the usual current expenses of the State, shall, under the provisions of Section 1 of Article IV of the Constitution, take effect immediately. Tax levy

SEC. 41. This act shall become operative upon the taking effect of the Bank and Corporation Tax Law, enacted by Chapter 557, Statutes of 1949, as amended, or upon the effective date of this act, whichever is later. Operative date

SEC. 42. The provisions of this act effecting changes in the computation of taxes shall be applied only in the computation of taxes, for the purpose of the taxes imposed under Chapter 2, of Part 11, Division 2 of the Revenue and Taxation Code, measured by income for income years beginning after December 31, 1950, and for the purpose of the tax imposed under Chapter 3, of Part 11, Division 2 of the Revenue and Taxation Code, for taxable years beginning after December 31, 1950, and the remaining provisions of this act shall become effective on the effective date of this act. Provisions effecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions, and credits. Any amendment to any section of the Revenue and Taxation Code shall not, of itself, be taken as an indication that a change of meaning is intended. Application

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CHAPTER 375

An act to repeal Sections 6654, 5105 5, and 5105 6 of the Welfare and Institutions Code, relating to reports by district attorneys and orders of committing courts concerning the financial ability of persons committed to state hospitals or their relatives to pay the cost of care, maintenance or transportation.

[Approved by Governor May 9, 1951 Filed with Secretary of State May 9, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Sections 6654, 5105 5, and 5105 6 of the Welfare and Institutions Code are repealed. Repeal

CHAPTER 376

An act to amend Section 4707 of the Labor Code, relating to workmen's compensation benefits.

In effect September 22, 1951

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 4707 of the Labor Code is amended to read:

State employees' retirement benefits

4707. No benefits, except reasonable expenses of burial, not exceeding four hundred dollars ($400) shall be awarded under this division on account of the death of an employee who is a member of the State Employees' Retirement System unless it shall be determined that a special death benefit, as defined in the State Employees' Retirement Law, will not be paid by the State Employees' Retirement System to the widow or children under 18 years of age, of the deceased, on account of said death, but if the total death allowance paid to said widow and children shall be less than the benefit otherwise payable under this division such widow and children shall be entitled, under this division, to the difference.

Gov C., §20000, ff

CHAPTER 377

Stats 1909, p 87, amended

An act to add Article 4.5 to Chapter 5, Division 1 of the Financial Code, relating to banks having no capital stock and prescribing a procedure for the issuance of such stock and the determination of the interests in the stock, and to repeal Sections 29 and 29a of the Bank Act (Chapter 76 of the Statutes of 1909).

In effect September 22, 1951

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

NOTE: The article of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Repeal

SEC. 2. Sections 29 and 29a of the Bank Act are repealed.

CHAPTER 378

Stats 1931, p 338, repealed

An act to add Article 1.5 to Chapter 17, Division 1, of the Financial Code, relating to the liability of stockholders in California state banks, and to provide for the enforcement and collection of such liability, and to repeal an act entitled "An act to define the liability of stockholders in California

state banks and to provide for the enforcement and collection of that liability by the Superintendent of Banks of the State of California" (Chapter 196 of the Statutes of 1931).

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

NOTE: The article of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 2. The act cited in the title hereof is repealed. Repeal

CHAPTER 379

An act to add Sections 274 and 275 to the Financial Code, relating to the State Banking Fund and the revolving fund in the State Banking Department.

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

NOTE. The sections of the Financial Code affected by this chapter appear in their proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

CHAPTER 380

An act to add Section 3166 to the Financial Code, relating to the payment of claims to trust property or money deposited with the State Treasurer.

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

CHAPTER 381

An act to amend and renumber Section 118 and to amend Section 3515 of the Financial Code, relating to banking.

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

NOTE. The sections of the Financial Code affected by this chapter appear in their proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

CHAPTER 382

Stats 1927, p. 51, amended

An act to amend Sections 15811 and 15812 of the Financial Code, and Section 23.4 of an act entitled "An act defining credit unions, providing for their incorporation, powers, management and supervision," approved March 31, 1927, relating to taking possession of and liquidating credit unions.

In effect September 22, 1951

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 23 4 of the act cited in the title hereof is amended to read:

Powers of commissioner

Sec. 23.4. If the commissioner shall find, after a hearing as provided in Section 15.4, that a credit union has impaired capital or is operating in an unsafe or unsound manner, he may take possession of the business and assets of said credit union and maintain such possession until such time as he shall permit it to continue business, or its affairs are finally liquidated. If such credit union submits a satisfactory plan to restore any impairment of capital and to proceed with business in a sound, business-like manner, the commissioner may permit such credit union to resume possession of the business and assets and operate as a credit union under such conditions as may be imposed by the commissioner in the public interest.

On taking possession of the business and assets of any such credit union as provided in this section or in Section 23.3, the commissioner may proceed to liquidate the same in the manner provided by the Bank Act or he may appoint a liquidating committee of three members of the credit union to liquidate the business and assets of said credit union in the manner provided in Section 23.2. In the event the commissioner is unable to secure three members of the credit union able and willing to serve on such liquidating committee he may appoint any member of a credit union incorporated under the laws of this State to such committee. The commissioner shall supervise the acts of the liquidating committee and may remove any member thereof in his discretion. The members of the liquidating committee shall file with the commissioner a faithful performance bond in an amount to be determined by the commissioner The premium for such bond shall be paid out of the assets of the credit union.

In the event the commissioner retains possession of the assets of such credit union for the purpose of liquidation, he shall use the services of civil service employees of his office and the Department of Justice shall render all necessary legal services.

NOTE: The sections of the Financial Code affected by this chapter appear in their proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code

Effect Stats 1951, Ch 364

SEC. 4 Sections 2 and 3 of this act become operative only if Division 5 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as

said Division 5 takes effect, at which time Section 1 of this act is repealed.

CHAPTER 383

An act to amend Sections 10051, 10052, and 10053 of the Education Code, relating to courses of study.

[Approved by Governor May 9, 1951 Filed with Secretary of State May 9, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 10051 of the Education Code is amended to read:

10051. In all public and private schools located within the State, there shall be given regular courses of instruction in the Constitution of the United States, and in American history, including the study of American institutions and ideals, and of the principles of state and local government established under the Constitution of this State.

Study of constitution, etc.

SEC. 2 Section 10052 of the Education Code is amended to read:

10052. Instruction in the courses required by Section 10051 shall begin not later than the opening of the eighth grade and shall continue in the high school course and in courses in state colleges, the universities, and educational departments of state, municipal, and private institutions, to an extent to be determined by the Superintendent of Public Instruction.

Same: Time

SEC. 3. Section 10053 of the Education Code is amended to read:

10053. No pupil shall receive a certificate of graduation from any school described in Section 10052 unless he has satisfactorily passed an examination on the courses required by Section 10051.

Same: Examination

A student of a college or university who after having completed a course of instruction prescribed by this article and successfully passed an examination on the courses required by Section 10051, transfers to another college or university shall not be required to complete another such course or pass such an examination as a condition precedent to his graduation from the college or university.

CHAPTER 384

An act to amend Section 9355.1 of, and to add Sections 9355.6 and 9356.2 to, the Government Code, relating to the retirement of state legislators and officers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 9, 1951 Filed with Secretary of State May 9, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 9355.1 of the Government Code is amended to read:

Termination of membership

9355.1. A person ceases to be a member of this system:

(a) Upon retirement pursuant to this chapter.

(b) Upon death.

(c) Except as provided in Section 9355.2 or while absent on military service, upon his ceasing to be a legislator.

(d) Upon resignation from membership in this system.

SEC. 2. Section 9355.6 is added to said code, to read:

Military service

9355.6. A member is absent on military service while serving with the armed forces of the United States, either during a war as defined in Section 18 of the Military and Veterans Code, or in any other national emergency or in time of peace if he is drafted for such service by the United States Government, and for six months thereafter.

SEC. 3. Section 9356.2 is added to said code, to read:

Same Credit for service

9356.2. Each member shall receive credit for service while absent on military service, provided he is a member at the time such absence commences or, in the case of military service prior to the effective date of this section, provided he was a legislator at the time such absence commenced. Contributions required for credit under this section shall be computed only upon compensation paid, if any, for the period of such absence on military service.

Urgency

SEC. 4. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The United States is now engaged in assisting the United Nations, in actions involving the use of armed force, to restore peace in Korea. A state of national emergency has recently been declared. Members of the Legislators' Retirement System have served in the armed forces of the United States, and many are in reserve status and may absent themselves in the immediate future. To afford to members of the system and their dependents immediate assurance of protection and benefits, similar to that heretofore afforded public employees under the various other retirement systems, and to encourage public officials to serve in the armed forces of the United States during the present actions and emergency, it is necessary that this act take effect immediately.

CHAPTER 385

An act to add Section 13920.1 to, and to amend Section 1094 of, the Government Code, relating to the powers of the State Board of Control and the use of certificates under penalty of perjury in lieu of affidavits.

In effect September 22, 1951

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 13920.1 is added to the Government Code, to read:

13920.1. In adopting such rules and regulations, the board may in lieu of requiring an affidavit on any claim or form require a certification under penalty of perjury in such form as it may prescribe, and any individual who wilfully makes and subscribes such certificate to a claim or form which he knows to be false as to any material matter shall be guilty of a felony and upon conviction thereof shall be subject to the penalties prescribed for perjury by the Penal Code of this State. Perjury

SEC. 2 Section 1094 of the Government Code is amended to read:

1094. Every officer whose duty it is to audit and allow the accounts of other state, county, or city officers shall, before allowing such accounts, require each of such officers to make and file with him an affidavit or certificate under penalty of perjury that he has not violated any of the provisions of this article, and any individual who wilfully makes and subscribes such certificate to an account which he knows to be false as to any material matter shall be guilty of a felony and upon conviction thereof shall be subject to the penalties prescribed for perjury by the Penal Code of this State. Same

CHAPTER 386

An act to amend Section 1183.5 of the Civil Code, relating to the acknowledgment of instruments.

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1183.5 of the Civil Code is amended to read:

1183.5. 1. Any officer of any component of the Army or Air Force of the United States on active duty in federal service commissioned in or assigned or detailed to duty with the Judge Advocate General's Department, any staff judge advocate or acting staff judge advocate, and the adjutant, assistant adjutant, personnel adjutant or commanding officer of any command; Army, etc., officers Acknowledgment of instruments

2. Any commanding officer or executive officer of a ship, shore station or establishment and any officer of or above the rank of lieutenant, senior grade, on active duty with the Navy or Coast Guard of the United States;

3. Any officer of or above the rank of captain on active duty with the United States Marine Corps;

Shall have the power if a commissioned officer to administer and certify oaths or affirmations, attest documents, take acknowledgments, and perform all other notarial acts, for any person serving in or with the armed forces of the United States, wherever located within or without this State.

Any instrument acknowledged by any such officer or any oath or affirmation made before such officer shall not be rendered invalid by the failure to state therein the place of execution or acknowledgment. No authentication of the officer's certificate

of acknowledgment or of any jurat signed by him shall be required but the officer taking the acknowledgment shall endorse thereon or attach thereto a certificate substantially in a form authorized by the laws of this State or in the following form:

On this the _____ day of _____, 19___, before me, _____, the undersigned officer, personally appeared _____ known to me (or satisfactorily proven) to be serving in or with the armed forces of the United States and to be the person whose name is subscribed to the within instrument and acknowledged that ____he____ executed the same. And the undersigned does further certify that he is at the date of this certificate a commissioned officer of the rank stated below and is in the active service of the armed forces of the United States.

_____

_____

Signature of officer and serial number, rank, branch of service and capacity in which signed.

To any affidavit subscribed and sworn to before such officer there shall be attached a jurat substantially in the following form:

Subscribed and sworn to before me on this _____ day of _____, 19____.

_____

_____

Signature of officer and serial number, rank, branch of service and capacity in which signed.

Recitals as evidence

The recitals contained in any such certificate or jurat shall be prima facie evidence of the truth thereof, and any certificate of acknowledgment, oath or affirmation purporting to have been made by any commissioned officer of the Army, Air Force, Navy, Marine Corps or Coast Guard shall, notwithstanding the omission of any specific recitals therein, constitute presumptive evidence of the existence of the facts necessary to authorize such acknowledgment, oath or affirmation to be taken by the certifying officer pursuant to this section

While this section is in effect it shall supersede any existing provisions of law which are in conflict with this section, but such provisions are not repealed by this section and after this section is no longer effective shall have the same force as though this section had not been enacted.

CHAPTER 387

An act to repeal Section 27289 of the Government Code, relating to the recording of documents.

In effect September 22, 1951

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Section 27289 of the Government Code is repealed.

CHAPTER 388

An act to amend Section 27293 of the Government Code, relating to the recording of instruments in foreign language.

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 27293 of the Government Code is amended to read:

27293. When an instrument intended for record is executed or certified in whole or in part in any language other than English, the recorder shall not accept the instrument for record. A translation in English of an instrument executed or certified in whole or in part in any language other than English may be presented to the judge of a court of record, and upon verification that the translation is a true translation the judge shall duly make certification of the fact under seal of the court, attach the certification to the translation, and attach the certified translation to the original instrument. For such verification and certification, a fee of fifty cents ($0.50) shall be paid for each folio contained in the translation. The attached original instrument and certified translation may be presented to the recorder, and upon payment of the usual fees the recorder shall accept and permanently file the instrument and record the certified translation. The recording of the certified translation gives notice and is of the same effect as the recording of an original instrument. Certified copies of the recorded translation may be recorded in other counties, with the same effect as the recording of the original translation; provided, however, that in those counties where photostatic or photographic method of recording is employed, the whole instrument, including the foreign language and the translation may be recorded, and the original instrument returned to the party leaving it for record or upon his order.

Recording of instruments Foreign language

CHAPTER 389

An act to add Section 14314 to the Education Code, relating to the membership of the State Teachers' Retirement System in the National Council on Teacher Retirement.

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 14314 is added to the Education Code, to read:

14314. Subject to the approval of the Department of Finance, the board may subscribe for membership for the State Teachers' Retirement System in the National Council on Teacher Retirement.

Teachers' retirement

CHAPTER 390

An act to add Division 13 to the Water Code, to consolidate and revise the law relating to California Water Districts, and to repeal certain acts specified herein.

In effect September 22, 1951

[Approved by Governor May 9, 1951 Filed with Secretary of State May 9, 1951]

The people of the State of California do enact as follows:

SECTION 1. Division 13 is added to the Water Code, to read:

DIVISION 13. CALIFORNIA WATER DISTRICTS

PART 1. INTRODUCTORY PROVISIONS

CHAPTER 1. SHORT TITLE

Short title

34000. This division shall be known and may be cited as the California Water District Law.

CHAPTER 2. DEFINITIONS

Construction

34010. Unless the context otherwise requires the provisions of this chapter shall govern the construction of this division.

Same

34011. The definition of a word applies to any of its variants.

"Include"

34012. "Include" except when used in relation to the inclusion of land into a district does not necessarily exclude matters not enumerated.

"District"

34013. "District" except as otherwise provided means a water district formed pursuant to the California Water District Act or to this division.

"Land"

34014. "Land" except in Chapter 2 of Part 8 means land in the district or proposed district involved.

"Principal county"

34015. "Principal county" means the county in which the greatest portion of the area of the land is situated at the time of the filing of the petition for formation of the district or to which district records are transferred pursuant to Chapter 6 of Part 2.

"Affected county"

34016. "Affected county" means any county in which land is situated.

"Office"

34017. "Office" means the office for the district selected by the board.

"Board"

34018 Except as otherwise provided, "board" means the board of directors of a district.

"Elective officers"

34019. "Elective officers," irrespective of the method of selection in any particular instance, are an assessor, a tax collector, a treasurer, and five directors

"President"

34020. "President" means the president of the board.

"Secretary"

34021. "Secretary" means the secretary of the district.

34022. "Assessor" means the assessor of the district. "Assessor"

34023. "Collector" means the tax collector of the district. "Collector"

34024. "Treasurer" means the treasurer of the district. "Treasurer"

34025. "General election" means the district election required to be held each second year after the year in which the district is formed. "General election"

34026. "Holder of title" includes a holder of evidence of title and also any holder of land under a possessory right acquired by entry or purchase from the United States or the State however evidenced. "Holder of title"

34027. "Voter" means a person who is a holder of title. "Voter"

34028. "Board of election" means a board consisting of an inspector and two judges. "Board of election"

34029. "Irrigation" includes subirrigation, percolation, underground storage, and well replenishment. "Irrigation"

34030. "Legal representative" means an official of a corporation owning land, and means a guardian, executor, or administrator of the estate of the holder of title to land who: "Legal representative"

(a) Is appointed under the laws of this State.

(b) Is entitled to the possession of the estate's land.

(c) Is authorized by the appointing court to exercise the particular right, privilege, or immunity which he seeks to exercise.

34031. "Property" embraces all real and personal property, including water, water rights, works, easements, and rights of way. "Property"

34032. "Contract" includes agreement, lease, conveyance, and obligation. "Contract"

34033. "Works" includes irrigation works, drainage works, reclamation works, distributing systems, dams, reservoirs, and canals. "Works"

34034. "Charges" includes tolls and rates. "Charges"

34035. "Bonds" includes both general obligation bonds and revenue bonds except as otherwise expressly provided. "Bonds"

CHAPTER 3. GENERAL PROVISIONS

34050. Nothing in this division changes or repeals any other law of this State. Construction

34051. The rights, privileges, and immunities created or continued in force by the California Water District Act or by this division in favor of any holder of title to land may for his benefit and on his behalf be exercised by his legal representative. Exercise of rights, etc

34052. Whenever an instrument is by this division required to be acknowledged, each signer shall acknowledge the instrument in the manner provided by law before his signature shall be effective. Acknowledgment

34053. No supervisor, recorder, auditor, or clerk of any county shall receive any fee for any service required to be performed by him under the provisions of this division. Fees

CHAPTER 4. INCLUSION IN IRRIGATION DISTRICTS

Inclusion in irrigation district

34075. The holders of title to any tract of land within any water district may petition for the inclusion of the land or to prohibit the land from being included within any irrigation district organized under the California Irrigation District Act or Division 11 of this code.

Same Conditions

34076. The inclusion provided for in this chapter shall not be made unless it appears and the board of directors of the irrigation district within which the land is to be included finds both:

(a) The water district within which the land is situated has been in existence not less than five years immediately preceding the date of the filing of the petition for inclusion with the secretary of the board of directors of the irrigation district.

(b) On the date of the filing of the petition the water district is not delivering and is not prepared to deliver water from its irrigation works to the land for irrigation purposes.

Release from burdens, etc

34077. The land within a water district included within the boundaries of an irrigation district pursuant to this chapter shall not be released from any of the burdens, obligations, or liabilities of the water district in which it is situated because of its inclusion but shall continue to be in all respects a part of the water district.

PART 2. FORMATION

CHAPTER 1. PETITION FOR FORMATION

Article 1 Petitions and Presentation of Petition

"Board"

34150. Unless otherwise stated, in this part "board" means the board of supervisors of the principal county.

"Petition"

34151. As used in this part, "petition" means a petition for the formation of a district.

"Election"

34152. As used in this part, "election" means an election on the proposition of the formation of a district.

Power to form

34153. The holders of title to a majority in area of land which forms a contiguous body and is susceptible of irrigation from a common source and by the same system of works may petition for the formation of a district.

Petition

34154. The petition shall be presented to the board of the principal county.

Same

34155. The petition shall be presented at a regular meeting of the board.

Evidence of ownership

34156. The records of the United States land office for the district in which the land is located, the records of the State Lands Commission, and the records in the office of the county recorder of the county in which the land is situated are conclusive evidence of ownership of land for the purposes of this article.

Article 2. Petition

34165. A petition shall contain: Contents of petition

(a) The name of the proposed district, which name shall contain the words "Water District."

(b) A description of the proposed boundaries.

(c) The name of each affected county.

(d) The number of acres in the proposed district.

(e) The place where the principal business of the proposed district is to be transacted.

(f) The sources, which may be in the alternative, from which the land is to be irrigated.

(g) The signatures of the petitioners.

34166. If a consolidation of any two or more of the offices of assessor, tax collector, and treasurer is deemed advisable in the formation of a district, the petitioners may request the consolidation in their petition. The board calling the election shall in its order therefor announce the consolidation, and at the election only one person shall be elected to fill the offices consolidated. Consolidation of offices

34167. The petition shall be accompanied by an undertaking, to be approved by the board, in a sum not less than one thousand dollars ($1,000), conditioned that the sureties will pay all of the costs in connection with the formation in case the formation is not effected. The board may require an additional undertaking if in its judgment the costs in connection with the formation will exceed one-half of the amount of the undertaking submitted. Undertaking

34168. Upon the approval by the board of the undertaking or of any additional undertaking which it may require, the board shall fix a time for the hearing of the petition, which shall be not less than 22 days and not more than 40 days thereafter. Hearing

Article 3. Publication

34180. The clerk of the board shall cause a notice to be published at least once a week for three successive weeks in a newspaper of general circulation published in each affected county. The notice shall state each of the following: Notice of hearing

(a) That the petition has been presented to the board.

(b) The time and place for the hearing.

(c) The text of the petition.

(d) The names signed to the petition.

34181. The first publication of the notice shall be at least 21 days before the day set for the hearing. If at the hearing it appears that the notice is defective in any material respect, the board shall set another time for the hearing and cause notice again to be published. Publication

34182. No clerical error in the published text of the petition and no error or omission in the publication of the names attached to the petition invalidates any action on the petition or deprives the board of jurisdiction to proceed in the matter. Defects of petition, etc

CHAPTER 2. HEARING AND ORDER

Request for exclusion, etc

34300. During or prior to the hearing of the petition:

(a) Any holder of title to land may request the exclusion of any part of his land from the proposed district.

(b) Any holder of title to land not within the proposed district but contiguous to any part of it and susceptible to irrigation from any source named in the petition may request in writing the inclusion of the land in the proposed district.

Hearing

34301. At the hearing the board shall hear all relevant evidence in support of or in opposition to the petition, or in support of or in opposition to requests for inclusion of land in or exclusion of land from the proposed district

Continuance

34302. The hearing may be continued by the board from time to time but shall not be continued after 30 days from the time originally fixed for the hearing, except from day to day, if any petitioner objects to the continuance.

Fixing boundaries

34303. At the hearing the board shall fix the boundaries of the proposed district if it is shown to the board that the petition conforms to the requirements of this division and that the required notice of the hearing has been given.

Exclusion

34304. The board shall exclude any land which it finds is not susceptible of irrigation from any of the sources proposed or will not be benefited by irrigation therefrom.

Inclusion

34305. Upon application of the owner the board may include in the proposed district any land which is susceptible of irrigation from any source proposed in the petition and will be benefited by the irrigation if in the judgment of the board the proposed district will have or may obtain a sufficient supply of water for the irrigation of that land.

Order

34306. After the board has determined the land to be included within the proposed district, it shall make an order doing all of the following:

(a) Establishing and describing the exterior boundaries of the proposed district.

(b) Describing any land within the boundaries which is to be excluded from the district.

(c) Naming the proposed district, which name may be either the name proposed in the petition or another name determined by the board.

Same

34307. The order shall be entered in full upon the minutes of the board.

Conclusiveness of findings

34308. A finding of the board in favor of the genuineness and sufficiency of the petition and notice is conclusive against all persons except the State in a quo warranto proceeding brought by the Attorney General and commenced before the district has instituted a proceeding to determine the legality of its existence or within one year after the making and entry of the order of the board establishing and describing the boundaries of, and naming, the proposed district if the latter proceeding is not instituted.

Chapter 3. Election on Formation

Article 1. Calling the Election

Election

34400. After making and entering the order establishing and describing the boundaries of, and naming, the proposed district, the board shall forthwith call and give notice of an election to be held in the proposed district for the purposes of determining whether or not it shall be formed and electing persons to fill the offices of the proposed district if it is formed.

Notice

34401. The notice of the election shall contain:

(a) Date and hours of election.

(b) Place of polls.

(c) Description of the boundaries of the proposed district.

(d) Name of the proposed district.

(e) Offices for which candidates shall be elected at the election.

(f) A statement that all voters and legal representatives of voters may vote either in person or by proxy at the election.

Publication

34402. Notice of the election shall be published once a week for at least three weeks previous to the election in a newspaper of general circulation published in each affected county.

Article 2. Conduct of Election

Polling place

34420. The board shall designate the polling place for the election and appoint from the persons eligible to the office of district director a board of election.

Precincts

34421. For the convenience of voters the board may divide the proposed district into election precincts and establish the boundaries of the precincts. In such case the board shall appoint a board of election for each precinct and designate a polling place in each precinct.

Assessment roll

34422. At the election the last equalized assessment roll of each affected county shall be used in lieu of the district assessment book.

Election of officers

34423. At the election the elective officers shall be elected but only one person shall be elected to fill the offices consolidated, if any.

Result

34424. The election shall be held and the result determined and declared as nearly as may be pursuant to Chapters 1 and 2 of Part 4 of this division.

Returns

34425. The returns of the election shall be forwarded to the board which shall meet on the second Monday following the election and canvass the returns and declare the results.

Chapter 4. Establishment of District

Order

34500. If upon the canvass of the returns it appears that a majority of all the votes cast favor the formation of the district, the board shall by an order entered on its minutes declare the territory formed as a district under the name designated for it and shall issue certificates of election to the persons elected to district offices.

Filing order

34501. The board shall immediately file for record in the office of the county recorder of each affected county a certified copy of the order declaring the district formed.

Date of formation

34502. With the filing for record of the order declaring the district formed the formation of the district is complete.

CHAPTER 5. VALIDATION OF DISTRICT

Action

34530. A district may institute a proceeding to determine the legality of its existence in the superior court of the principal county by filing therein a complaint setting forth all of the following:

(a) The name of the district.

(b) Its exterior boundaries

(c) The date of its formation.

(d) A prayer that it be adjudged a legal district.

Summons

34531. The summons in the proceeding shall be served by publishing a copy thereof once a week for four weeks in a newspaper of general circulation published in each affected county.

Answer

34532. Within 30 days after the publication of summons has been completed and proof thereof filed with the court, any person interested may appear and answer the complaint. The answer shall set forth the facts relied upon to show the invalidity of the district.

Procedure

34533. If no answer to the complaint is filed within the time allowed in Section 34532, the court shall render judgment as prayed for in the complaint. If an answer is filed the court shall proceed as in other civil cases.

Effect of judgment

34534. The proceeding is in rem and the judgment rendered therein is conclusive against all persons and against the State.

CHAPTER 6. CHANGE IN BOUNDARIES OF PRINCIPAL COUNTY

Boundary changes

34575. If at any time after the formation of a district the boundaries of the principal county are changed so as to exclude therefrom all of the land of the district situated in that county, the records and documents of the district in the possession of the board of supervisors of that county, together with a certified copy of the proceedings had by the district under jurisdiction of that board of supervisors shall be transferred and filed with the clerk of the board of supervisors of the county in which the greater portion of the land of the district is located.

Certification, etc

34576. All documents which have been filed with the recorder of the principal county and which, or a certified copy thereof, have not been recorded in the county to which the district is transferred, shall be certified to by the county recorder of the principal county and filed for record with the county recorder of the county to which the district is transferred and by him recorded in a book kept for the purpose of recording documents relating to the district

34577. After the transfer of documents pursuant to this chapter, the board of supervisors of the county to which the district is transferred shall have and exercise all of the jurisdiction, power, and authority over the district theretofore exercised by the board of supervisors of the principal county and any act or duty which is in this division required to be done by the board of supervisors or any officer of the principal county shall be performed by the corresponding board of supervisors or officer of the county to which the district has been transferred. After the transfer the district shall conduct and manage its affairs through its proper officials and in conjunction with the proper officials of each affected county as though the district was originally formed in the county to which it was transferred, which county shall thereafter be the principal county. Jurisdiction, etc

PART 3. INTERNAL ORGANIZATION

CHAPTER 1. OFFICERS

Article 1. Qualifications and Tenure

34700. Each director shall be a holder of title to land. Directors

34701. Officers take office as soon as they qualify. Officers

34702. Each officer shall forfeit his office unless he files for record with the county recorder of each affected county a written acceptance of the office within either of the following periods: Acceptance

(a) Ten days after notice to him of his election or appointment.

(b) Ten days from the commencement of his term of office when no notice of election or appointment has been given.

Acceptances shall be recorded in the books kept for recording documents relating to the district.

34703. Of the officers elected at the formation election the assessor, tax collector, treasurer, and the three directors receiving the highest vote, shall hold office for four years, and the two directors receiving the next highest vote shall hold office for two years. Term of office

34704. At the first general election following the formation election two directors shall be elected for the full term of four years, and thereafter a general election shall be held every two years upon the expiration of the respective terms. General election

34705. The term of office of each elective officer subsequent to the officers elected at the formation election is four years. Term

34706. Each elective officer holds office until his successor is elected and qualified. Same

34707. If any office becomes vacant from any cause it shall be filled by appointment by the board. Appointment

Article 2. Consolidation and Segregation

34725. The board may consolidate any two or more of the offices of assessor, tax collector, and treasurer. Consolidation of offices

Time of order

34726. The order of consolidation of offices shall be made at least 30 days prior to a general election.

Segregation of offices

34727. The board may, at least 30 days before a general election, segregate any offices which have previously been consolidated.

Article 3. Compensation

Compensation

34740. The by-laws shall fix the compensation to be paid to all officers.

Same

34741. Until their compensation is fixed by the adoption of by-laws, the officers shall receive the following compensation for their services:

(a) The secretary, tax collector, treasurer, and assessor, such sums as shall be fixed by the board.

(b) Each director, ten dollars ($10) for each directors' meeting attended or for each day's service rendered as a director by order of the board, together with any expenses incident to the service except expenses incurred in traveling between his residence and the place at which directors' meetings are held.

Article 4. Misconduct

Contracting with officer

34755. No officer of a district shall in any manner be interested in any contract awarded or to be awarded by the board or in the profits to be derived therefrom.

Penalty

34756. Any violation of Section 34755 is a misdemeanor, and the conviction shall also work a forfeiture of the officer's office.

Chapter 2. The Board

President

34800. The board shall elect a president from its members and appoint the secretary.

Office

34801. The board shall select and maintain an office for the district in the principal place of business of the district.

Regular meetings

34802. The board shall hold regular meetings in the office at such time and place as may be agreed upon by resolution.

Special meetings

34803. The board shall hold special meetings in the office as it deems advisable.

Requirements for special meeting

34804. A special meeting is invalid unless prior thereto one of the following has been done:

(a) Each director has filed with the secretary his written consent to the meeting.

(b) The president or three members of the board have called the meeting by giving each director five days' written notice of the meeting.

(c) The directors have authorized the meeting by a resolution adopted at a former meeting and have caused five days' written notice of the meeting to be given by the secretary to each director not joining in the resolution.

Quorum

34805. Three directors constitute a quorum of the board for the transaction of business.

34806. The vote of a majority of the directors present at any meeting attended by a quorum is necessary to determine any proposition or resolution presented. Necessary vote

34807. The board, except as otherwise specifically provided, shall manage and conduct the business and affairs of the district. Powers of board

CHAPTER 3. THE SECRETARY

34850. The secretary shall keep a record of all the proceedings had at meetings of the board. Duties of secretary

34851. All documents pertaining to district affairs shall be filed in the office of the district with the secretary and shall be open to inspection at all times by any person interested. Filing documents

CHAPTER 4. OTHER OFFICERS AND EMPLOYEES

34900. The board shall:

(a) Employ and appoint such agents, officers, and employees as may be required. Employ agents, etc

(b) Prescribe their duties and fix their salaries.

PART 4. ELECTIONS

CHAPTER 1. ELECTIONS GENERALLY

35000. A general election shall be held in each district every second year after its formation. General election

35001. Except as otherwise provided in this division, all district elections shall be called, held, and conducted at the time, place, and in the manner provided by the by-laws. Time, etc

35002. An election is invalid unless held within the district and notice of the time, place, and purpose of the election has been given by publication once a week for at least two weeks in a newspaper of general circulation published in each affected county. Requirements

35003. Each voter shall have one vote for each dollar's worth of land to which he holds title. The next preceding assessment book of the district is conclusive evidence of ownership and of the value of the land so owned. Voting rights

35004. Every voter, or his legal representative, may vote either in person or by proxy at any district election. Proxy voting

35005. No proxy shall be valid, accepted, or vote allowed thereon at any district election unless it meets all of the following requirements: Same Requirements

(a) It is in writing.

(b) It is executed by the person or legal representative of the person who according to the next preceding assessment book of the district is entitled to the votes for which the proxy is given.

(c) It is acknowledged.

(d) It specifies the election at which it is to be used The proxy shall be used only at the election specified.

Every proxy is revocable at the pleasure of the person executing it.

Voting Legal representative

35006 Before a legal representative votes at a district election he shall present to the board of election a certified copy of his authority which shall be kept and filed with the returns of the election.

CHAPTER 2. PROCEDURE

Article 1. Conduct of Elections

Election board

35100. At least 10 days before any district election the board shall appoint from among the persons qualified and entitled to vote at the election a board of election and three alternates who shall, in the order in which they are appointed, fill any vacancies on the board of election if any members do not attend at the opening of the polls.

Chairman

35101. The inspector is chairman of the board of election and shall appoint the necessary clerks.

Appointing successor

35102. If during an election any judge or clerk ceases to act, the inspector shall appoint his successor.

Oath

35103 Before entering upon his duties each member of the board of election shall take an official oath as a member of the board of election. Any officer authorized to administer oaths or any landholder in the district may administer the oath.

List of voters

35104. Before the opening of the polls the board of election shall post in a conspicuous place thereat a list of voters and the number of votes each may cast.

Hours

35105. The polls shall be open from 10 a m. until 5 p m

Ballots

35106. The ballots used at the election shall be provided by the board.

Voting procedure

35107. A clerk of the election shall deliver one ballot to each person qualified to cast a vote. The clerk, at the time of delivering the ballot, shall mark on it in a place provided for that purpose each of the following:

(a) The name of the voter.

(b) The name of the proxy or legal representative, if any, casting the ballot.

(c) The number of votes which the voter is entitled to cast.

Same

35108. With a rubber stamp provided by the board, each person casting a ballot shall stamp a cross in the square after the name of each candidate or proposition he wishes to vote for.

Filing proxies, etc

35109. The board of election shall retain and file with the returns of the election all proxies and authorities of legal representatives presented at the election.

List of ballots

35110. The board of election shall make a list of ballots cast showing each of the following:

(a) The name of each voter by or for whom the ballot was cast.

(b) The name of any proxy or legal representative casting the ballot.

(c) The number of votes cast.

(d) How the person casting each ballot voted on each matter presented at the election.

Canvassing vote

35111. At the close of the polls the board of election shall immediately canvass the votes and declare the result.

Board of election Duties

35112. Within 10 days after the close of the polls the board of election shall do each of the following:

(a) Forward to the board of supervisors of the principal county and to the secretary, each, a certificate showing:

(1) The results of the election.

(2) The number of votes cast for or against each candidate or proposition.

(b) Forward to the board of supervisors of the principal county all ballots and papers used at the election.

Certification of results

35113. Within 10 days from the receipt by the board of supervisors of the certificate showing the results of the election, the clerk of the board of supervisors shall certify as a true copy and file for record with the county recorder of each affected county a copy of that certificate. The copy shall be recorded by the recorder in the book kept for recording writings relating to the district.

Article 2. Contest of Elections

Election contest

35125. Any person interested may commence the contest of a district election within 20 days after the result has been declared by filing a complaint in the superior court of the county where the election was held. If no contest is commenced within that time the declaration of the result by the board of election is final and conclusive.

Chapter 3. Bond Elections

Bond election

35150. After a plan of irrigation works has been adopted pursuant to Section 35950, the board shall, by a resolution adopted and entered in its minutes, order a special election to submit to the voters a proposal of whether or not bonds in an amount specified in the order calling the election shall be authorized when either:

(a) The board determines that the bonds should be issued.

(b) The board receives a petition requesting the issuance of bonds signed by persons holding title to a majority in area of the land.

Notice Publication

35151. Notice of a bond election shall be published once a week for four weeks in a newspaper of general circulation published in each affected county. Proof of publication shall be filed with the secretary prior to the day of the election.

Same Contents

35152. Notice of a bond election shall specify:

(a) The time and place of the election.

(b) The purpose of the election.

(c) The amount and type of bonds proposed to be issued.

(d) The interest rate.

(e) The purpose of the bonds.

Ballots

35153. The ballots cast at a bond election shall specify the amount and purpose of the proposed bond issue and the rate of interest on the bonds.

Same
Revenue bonds

35154. If revenue bonds are proposed to be issued, the ballots cast at a bond election shall contain a statement to the effect that the bonds shall be revenue bonds payable solely from the revenues to be derived from the sale of water for the irrigation of land, and that whether or not all of the revenues of the district are to be applied to the bonds, the bonds shall never be a lien or charge upon any land or other property in the district, and no tax or assessment shall ever be levied or collected to pay principal or interest on the bonds.

Votes required

35155. Bonds in the amount specified in the resolution calling the election shall be executed by the board and delivered to the treasurer of the district if:

(a) At an election to determine whether general obligation bonds should be issued two-thirds of the votes cast favor the issuance of the bonds.

(b) At an election to determine whether revenue bonds should be issued a majority of the votes cast favor the issuance of the bonds.

PART 5. POWERS AND PURPOSES

CHAPTER 1. BY-LAWS

By-laws

35300. A district shall adopt for the government and control of its affairs a code of by-laws consistent with the Constitution and laws of the State and the provisions of this division.

Preparation

35301. Within 60 days after they have qualified for office, the board of directors elected at the formation election shall prepare the by-laws for the written approval of the board of supervisors of the principal county.

Adoption

35302. When the by-laws of a district are approved by the board of supervisors of the principal county, the board of directors shall adopt them by resolution entered in its minutes, unless prior to adoption by resolution by-laws are adopted and filed with the secretary by the written assent of the holders of

Evidence

title to a majority in area of the land. The records of the United States Land Office for the district in which the land is situated, the records of the State Lands Commission, and the records in the office of the county recorder of each affected county are conclusive evidence of ownership for the purposes of this section.

Provisions

35303. The by-laws shall provide for:

(a) The manner of calling elections.

(b) The time, place, and manner of conducting elections.

(c) The manner of voting in person or by proxy.

(d) The qualifications and duties of officers, the tenure of their office, and the time and manner of their appointment or election.

(e) The compensation of officers.

35304. The by-laws shall also provide for:

(a) The location of the district office.

(b) The method of changing the location of the office.

(c) The method of amending or repealing the by-laws.

(d) Suitable penalties for the violation of the by-laws not to exceed in any one case two hundred dollars ($200) for any one offense.

Amendment and repeal

35305. The by-laws may be repealed or amended or new by-laws adopted by the assent of two-thirds of the total vote of the district, given either in writing or by ballot cast at a district election.

Certification and recordation

35306. The by-laws in their original form, together with the approval of the board of supervisors and the resolution of the directors adopting them, or together with the written assent thereto, and any repeal or amendment of, or addition to, the by-laws, together with the written assent thereto or a memorandum of the returns of the election at which the assent was given, shall be certified by a majority of the directors and the secretary and filed for record with the county recorder of each affected county and by him recorded in the book kept for recording writings relating to the district. Until so recorded, no by-law, addition thereto, or amendment or repeal thereof can be enforced against any person not having actual notice thereof.

CHAPTER 2. POWERS

Article 1. Powers Generally

General powers

35400. Each district has the power generally to perform all acts necessary or proper to carry out fully the provisions of this division.

Acquisition, etc., of works

35401. A district may acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the storage and distribution of water and to supply the land with sufficient water for irrigation purposes, and any drainage or reclamation works connected therewith or incidental thereto.

Contracting with employees

35402. A district shall not contract for the construction of irrigation works nor construct the irrigation works by employees of the district, if the cost of the construction is paid out of the proceeds of bonds of the district, until an election has been held to determine whether or not the bonds shall be issued.

Contracts for water, etc

35403. A district may contract to perform and perform any agreement for the transfer or delivery pursuant to Chapter 5 of this part of any irrigation system, canals, rights of way, or other property owned or acquired by the district in exchange for the right to receive and use water or a water supply to be furnished to the district by the other party.

Entry on land

35404. A district may enter for the purposes of the district upon any land.

Conveyances etc

35405. A district may take conveyances, contracts, leases, or other assurances for property acquired by the district pursuant to this division.

Execution of contracts

35406. A district may execute, by its president and secretary, all contracts and other documents necessary to carry out the powers and purposes of the district.

Commencement, etc., of actions

35407. A district may commence and maintain any actions and proceedings to carry out its purposes or protect its interests and may defend any action or proceeding brought against it.

Article 2. Water Distribution

Apportionment of water

35420. All water distributed for irrigation purposes, except as otherwise provided in this article, shall be apportioned ratably to each holder of title to land upon the basis of the ratio which the last assessment against his land for district purposes bears to the whole sum assessed in the district for district purposes.

Same

35421. Water sold to holders of title to land pursuant to Section 35470 shall be apportioned ratably to each holder of title to land making application therefor under such rules and regulations as the board may from time to time establish.

Same

35422. Where revenue bonds have been issued payable from revenues to be derived from the sale of water for the irrigation of land all water distributed for irrigation purposes shall be apportioned ratably to each holder of title to land making application therefor pursuant to rules and regulations established by the board.

Rules and regulations

35423. A district may establish, print, and distribute equitable rules and regulations for the distribution of water.

Violation of rules

35424. After equitable rules and regulations for the distribution of water have been published once a week for two weeks in a newspaper of general circulation published in each affected county, any violation thereof is a misdemeanor and the violator shall, upon conviction thereof, be subject to a fine of not less than twenty-five dollars ($25) nor more than one hundred dollars ($100).

Surplus water contracts

35425. If its board deems it to be for the best interests of the district, a district may enter into a contract for the lease, sale, or use of any surplus water not then necessary for use within the district, for use either within or without the district.

Same Approval

35426. Any lease or contract provided for in Section 35425 entered into for a period of more than one year shall not be valid unless approved by the California Districts Securities Commission.

Sale of water right

35427. Nothing in this article authorizes the sale of any water right.

Acquisition by use

35428. No right in any water or water right owned by the district shall be acquired by use permitted under this article.

Article 3. Applications for Water

Fixing date

35450. A district may fix and change a date prior to which applications for water for the ensuing irrigation season are to be received for all crops, or for annual crops and new

plantings, and may require a cash deposit to be made at the time of application for each acre for which application is made.

Publication

35451. The action of a district fixing or changing any date prior to which applications for water are to be received is ineffective until notice of the date is given by publication once a week for two successive weeks in a newspaper published in the office county. The date fixed is effective for each year thereafter unless changed by the board.

Forfeiture of deposit

35452. The cash deposit shall, in the discretion of the board, be forfeited as to each acre not using the water applied for if the district has a sufficient supply of water available at the time the water is to be used.

Water shortage

35453. In the event of water shortage the district may, with respect to the shortage area, give preference to or serve only the land for which application was filed prior to the application date fixed and the land for which no application was required.

Same Percentage reduction

35454. If the available water is inadequate to serve all of the land as to which applications for water are filed pursuant to Section 35450, the district may require the owners of land which is proposed to be planted to annual crops or to new plantings to take a proportionate percentage reduction in the water they would normally use thereon and may require the owners of land which is planted to permanent crops to take a reasonable proportionate percentage reduction in the water they would normally use in an amount not exceeding the percentage reduction required of plantings to annual crops and new plantings.

The provisions of this section shall be effective only if more than one-half of the district's revenue for that year will be derived from charges made for the sale of water.

Construction

35455. Nothing in this article restricts or limits existing powers of a district to control and provide for distribution of water.

Article 4. Charges

Sale of water

35470 Any district formed on or after July 30, 1917, may, in lieu in whole or in part of raising money for district purposes by assessment, sell water to holders of title to land and may fix and collect charges for the sale of water. The charges may vary in different months and in different localities of the district to correspond to the cost and value of the service, and the district may use so much of the proceeds of the sale of water as may be necessary to defray the ordinary operating expenses of the district.

Sinking fund

35471. Any funds derived from the sale of water pursuant to Section 35470 in excess of the amount necessary for operating expenses shall be applied by the treasurer upon the payment of interest on general obligation bonds or to create a sinking fund.

Charges for water

35472. For the purpose of providing funds to pay revenue bonds and interest when due the board shall fix and collect charges for the sale of water.

Same Time due

35473. The charges to pay revenue bonds and interest thereon when due shall be fixed by the board before April 1st of each year.

Same Basis

35474. The charges to pay revenue bonds and interest thereon shall be fixed by the board upon a flat rate per acre or per acre-foot metered basis and shall be sufficient to raise the amount specified on the face of the bonds when issued and one year's interest thereon unless the district has accumulated a surplus fund in the treasury of the district which is available for the payment of all bonds and interest that will accrue for payment during the current year, in which event the charges may be made so that the aggregate amount to be raised by the sale of water when added to the surplus fund equals the face value of the bonds that will mature within one year and the interest thereon.

Carrying, etc., charge

35475. The charges to pay revenue bonds and interest thereon may include a stand-by or carrying charge notwithstanding the water is not actually used, under such rules and regulations as the board may prescribe.

Advance payments

35476. The charges to pay revenue bonds and interest thereon may be made payable in advance before service of water is made to the land.

Duration of charges

35477. The collection of charges to pay revenue bonds and interest thereon shall be continued each year until all revenue bonds, together with interest thereon, are fully redeemed and paid.

Charges as lien

35478. All revenue bond redemption and interest charges are a first lien on all revenues received from the sale of water for the irrigation of land unless the district, by a limitation clearly expressed in the ballots used at the election at which the bonds are voted and in all the bonds, limits the charge and lien to a part of the revenues of the district or to a fixed portion of all revenues from the sale and use of water for the irrigation of land.

Chapter 3. Property

Article 1. Acquisition and Disposition of Property

Acquisition of property

35600. A district may, within or without the district in the State, acquire by purchase, condemnation, or other legal means all property or rights in property necessary or proper for the district works and to supply the land with sufficient water for irrigation purposes.

State land

35601. The right is hereby granted to locate, construct, and maintain works of a district on any land owned by the State.

Dedication by State

35602. There is given, dedicated, and set apart for the uses and purposes of each district all water and water rights belonging to the State within the district.

Constructing works across streams, etc

35603. A district may construct any works across any stream of water, watercourse, street, avenue, highway, railway, canal, ditch, or flume which the route of a canal of the works may cross in a manner that will afford security for life and

property. The district shall restore the property crossed as near as may be to its former state or so as not to have impaired unnecessarily its usefulness. Every company whose railroad is crossed by the works shall unite with the district in forming the crossing and shall grant the necessary privileges.

Disposition of property

35604. A district may for a valuable consideration lease, sell, or contract for the sale of any property of the district whenever it may be necessary, advisable, or for the best interests of the district.

Article 2. Eminent Domain

Proceedings

35625. Eminent domain proceedings may be brought by a district pursuant to the provisions of Title 7, Part 3 of the Code of Civil Procedure.

Acquisition of water

35626. The use of all water together with all other property which may be acquired which is required to carry out fully the provisions of this division is a public use and may be acquired by the district in eminent domain proceedings.

Proceeding to determine payment

35627. If the district and the owners and controllers of any property or franchise to be crossed by works of a district cannot agree with the district as to payment, location, or the manner of the crossing, these matters shall be determined as in a proceeding in eminent domain.

Chapter 4. Public Liability

Liability of officer

35750. No officer shall be personally liable for any damage resulting from the operation of the district or from the negligence or misconduct of any of its officers or employees unless the damage was proximately caused by the officer's own negligence, misconduct, or wilful violation of official duty.

Same

35751. No officer or agent shall be liable for the negligence of any agent or employee appointed or hired by him unless he had actual notice that the person appointed or hired was inefficient or incompetent to perform the service for which he was appointed or hired or retains the inefficient or incompetent person after actual notice of the inefficiency or incompetency.

Damage claim against district

35752. Whenever it is claimed that any person or property has been injured or damaged as a result of any dangerous or defective condition of any property under the control of any district or its officers or employees or the negligence of any officer or employee of a district, a verified claim for damages shall be presented in writing and filed with the officers or employees involved and the secretary within 90 days after the accident or injury has occurred.

Contents of claim

35753. A claim filed pursuant to Section 35752 shall specify the name and address of the claimant, the date and place of the accident or injury, and the nature and extent of the injury or damages claimed.

Condition precedent to action

35754. Compliance with Sections 35752 and 35753 is a condition precedent to the filing or maintaining of any action for the injury or damages.

Judgment against officer

35755. When an officer of a district is held liable for any act or omission done or omitted in his official capacity and any judgment is rendered thereon, the district shall pay the judgment without obligation for repayment by the officer.

Construction

35756. Nothing in this article shall be construed as creating any liability unless it would have existed regardless of this article.

Liability insurance

35757. Any district may carry and pay for insurance to cover any liability of the district, its officers, employees, or any of them.

CHAPTER 5. CONTRACTS WITH OTHER AGENCIES

Power to contract

35850. A district may for a valuable consideration enter into any contract with any irrigation or drainage district formed under the laws of the State as the board deems proper or advisable in the interests of the district, or to carry out or execute any of the purposes authorized by this division.

Contract with United States, etc

35851. A district may for a valuable consideration enter into any contract with the United States, the State, or any department or agency of either, or with any political subdivision of the State, including irrigation and reclamation districts, as the board deems proper, advisable, or in the interest of the district for any one or more of the following purposes:

(a) For the storage, regulation, control, development, and distribution of water for the irrigation of land.

(b) For the use, control, and distribution of drainage water within the district.

(c) For the construction, extension, operation, control, maintenance, and management of any works or other property constructed or acquired by the district, or over which it may have control, or which may be used or useful for the irrigation or drainage of land or for providing hydroelectric power.

Provisions of contract

35852. Any contract entered into pursuant to this chapter may provide:

(a) That the land shall be included in any irrigation, drainage, or reclamation project operated directly or indirectly by or under the authority of the United States or the State.

(b) That the land shall receive water, electric power, drainage service, or other works or property of the irrigation, drainage, or reclamation project, including revenues derived therefrom.

Same Sale to United States, etc

35853. Any contract entered into pursuant to this article may provide for the sale and conveyance to the United States, the State, any reclamation or irrigation project formed or operated by or under the authority of either, or any irrigation or water district formed under the laws of the State on any conditions agreed upon, which conditions shall require that the purchasing party furnish water to the land.

Approval

35854. All contracts and transfers entered into or made pursuant to this chapter shall be first approved by the California Districts Securities Commission.

PART 6. FINANCIAL PROVISIONS

CHAPTER 1. FUNDS AND WARRANTS

Receipt by treasurer

35900. The treasurer shall receive to the credit of the district and in trust for its use and benefit all the money belonging to the district

Payment to treasurer

35901. All money belonging to the district, or to which the district is entitled, shall, when received, be paid by the person receiving it to the treasurer.

Bond fund

35902. The treasurer shall establish for the district a general obligation bond fund and a general fund and shall apportion the district money to the funds as follows.

(a) To the general obligation bond fund, that portion of the money received from the collection of assessments or from the sale of property for delinquent assessments which bears the same proportion to the total amount received from the collection of assessments or from the sale of property for delinquent assessments as that portion of the estimate of the board on which the assessment was based which is required for the payment of general obligation bonds and the interest thereon bears to the whole amount of the estimate.

(b) To the general fund, the balance of all money received.

Same Use

35903. The money placed in the general obligation bond fund shall be used for the payment of bonds and of the interest thereon and until the total bonded indebtedness of the district is discharged shall not be used for any other purpose.

Same Deposits

35904. Any money belonging to a district may be deposited by the treasurer pursuant to the general laws governing the deposit of public money.

Same Insurance

35905. Where the deposit of money is insured by the Federal Deposit Insurance Corporation no additional security need be required from the bank for the portion of the district's deposits so insured.

Payment of bonds, etc

35906. Except for the payment of bonds and the interest thereon district money shall not be paid out by the treasurer unless a warrant therefor has been drawn and executed by the board.

Limitation of action

35907. Warrants are contracts in writing for the payment of money and an action based thereon or connected therewith shall be commenced within four years from the date of their issuance.

Writ of mandate

35908. In any proceeding for a writ of mandate to compel the board to issue a warrant, the court shall proceed as in other civil actions and shall cause a writ to issue for any sum found to be due.

CHAPTER 2. PROVISIONS RELATING TO ALL BONDS

Article 1. Bond Issuance

Adopting plans

35950. The board shall, as soon after the formation of the district as is practicable, prepare and adopt a plan of irrigation

works and estimate the amount of money it is necessary to raise for the purposes for which bonds may be issued.

Purpose of bonds

35951. Bonds may be issued for the purposes of acquiring or constructing irrigation works, acquiring the necessary or proper property and property rights for the irrigation works, and paying other expenses required to be included in the estimate.

When issued

35952. Bonds are issued when executed and delivered to the treasurer by the board pursuant to Section 35155.

Treasurer's record

35953. When the treasurer receives the bonds from the board, he shall place them to the credit of the district and keep a record of the bonds, the payment thereof, and the interest thereon, in a book provided for that purpose.

Additional bonds

35954. A district may, when necessary or proper, issue additional bonds in the same manner as provided for the original issue for any of the following purposes:

(a) To complete irrigation works.

(b) To acquire property or property rights necessary or proper to complete the irrigation works.

(c) To supply the land with sufficient water for irrigation purposes.

(d) To make additions to the irrigation works.

(e) To retire any issue of bonds previously made.

Article 2. Lien of Bonds

Lien created

35975. After bonds have been delivered to the treasurer:

(a) General obligation bonds and the interest thereon are, until paid, a lien on the land.

(b) Revenue bonds and the interest thereon are, until paid, a lien, as specified in the bonds, on the revenues obtained from the sale of water for irrigation of the land at charges sufficient to meet the payment of bond redemption and interest maturities.

Preference

35976. A lien for the bonds of any issue is a preferred lien to that of any subsequent issue.

Article 3. Sale and Exchange of Bonds

Bond sale

35995. The board shall provide ways and means for the sale of bonds.

Same Time and manner

35996. A district may sell or dispose of the bonds issued by it at the times or in the manner as the board deems to be to the best interest of the district.

Sales at par

35997. Except as otherwise provided in Section 36170, a district shall not sell or exchange any of its bonds for less than par value plus the accrued interest thereon.

Transfer to purchaser

35998. When any bonds are sold by the district, the treasurer shall transfer the bonds purchased to the purchaser upon receiving the purchase price. The money received shall be placed to the credit of the district.

Article 4. Miscellaneous Provisions

Lawful money

36020. The bonds shall be payable in lawful money of the United States.

Numbering

36021. Each issue of bonds shall be numbered consecutively, and the bonds of each issue shall be numbered consecutively and bear the date of their issue.

Signatures, etc

36022. The bonds shall be signed by the president and attested by the secretary.

Denomination

36023. The bonds shall be of the denomination of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

Payable

36024. Each bond shall be made payable at a given time for its full face value and not for a percentage thereof.

Same Date

36025. Bonds shall be payable on the first day of January or the first day of July of the years designated by the board.

Maturity

36026. In no case shall the maturity of any bond be more than 40 years from its date.

Presentation, etc

36027. A bond shall be payable when due upon presentation and surrender thereof to the treasurer by the holder.

Interest

36028. The interest on bonds shall be payable semiannually on the dates stated in the bonds at the office of the treasurer upon the presentation and surrender of the proper coupons.

Interest coupon form

36029. The interest coupons shall be substantially in the following form:

No. _____

The treasurer of _____ Water District, State of California, will pay the holder hereof, on the _____ day of _____, 19___, at his office in _____, _____ dollars, in lawful money of the United States, out of the funds of _____ Water District for interest on bond numbered _____ of the district.

Attest:

_____

Secretary of _____ Water District

Attestation

36030. Coupons for each installment of interest shall be attached to the bonds, numbered the same as the bonds, and attested by the facsimile signature of the secretary.

Article 5. Validation of Bonds

Validation action

36050. As soon as bonds have been delivered to the treasurer, the district or any holder of title to land may institute a proceeding in the superior court of the principal county to determine that the bonds are legal obligations of the district. The complaint shall set forth:

(a) That on a specified date bonds of the district were delivered to the treasurer.

(b) The amount of the bonds.

(c) A prayer that the bonds be adjudged valid legal obligations of the district.

Publication

36051. The summons shall be served by publishing a copy thereof once a week for four weeks in a newspaper of general circulation published in each affected county.

Answer

36052. Within 30 days after publication of summons has been completed and proof thereof filed with the court, any person interested may appear and answer the complaint. The answer shall set forth the facts relied upon to show the invalidity of the bonds.

Procedure

36053. If no answer is filed within the time allowed in Section 36052, the court shall render judgment as prayed for in the complaint. If an answer is filed the court shall proceed as in other civil cases.

Effect of judgment

36054. The proceeding is in rem and the judgment rendered therein is conclusive against all persons and against the State.

CHAPTER 3. PROVISIONS RELATING TO GENERAL OBLIGATION BONDS ONLY

Article 1. Bond Issuance

Estimated expense

36150. If a general obligation bond issue is contemplated, there shall be included in the estimate required by Section 35950 every expense of the district that it is probable will be incurred and become payable before the expiration of one year from the completion of the irrigation works, including the interest on any bonds of the district due and payable prior to that date, for which the money of the district then in the treasury or thereafter to be received from an assessment previously levied is inadequate.

Amount of bonds

36151. A district shall not issue bonds in excess of an amount authorized by the California Districts Securities Commission.

Article 2. Sale and Exchange of Bonds

Sale below par

36170. The board may order general obligation bonds sold at not less than 90 percent of par value when the board deems it for the best interest of the district to do so.

State bonds

36171. General obligation bonds may be exchanged dollar for dollar for bonds of the State.

Same Credit and sale

36172. Bonds of the State that may be received for general obligation bonds shall be placed to the credit of the district to be sold as the board may direct, for not less than par value.

Restrictions

36173. General obligation bonds shall not be sold, exchanged, or delivered unless the total proceeds of the sale or exchange, either in lawful money of the United States or bonds of the State at their par value, are at least 85 percent of the total amount of the bond issue nor unless the general obligation bonds first have been approved as provided in Section 36192.

Article 3. Miscellaneous Provisions

Form of bonds

36190. General obligation bonds shall be substantially in the following form:

Issue _____ No. _____ For value received, _____ Water District, which has its office situated in the County of _____, State of California, promises to pay the holder hereof at the office of the treasurer of the district, on the _____ day of _____, 19___, the sum of _____ dollars in lawful money of the United States with interest at the rate of _____ percent per annum, payable at the office of the treasurer semiannually, on the _____ day of _____ and the _____ day of _____ in each year, on presentation and surrender of the interest coupons hereto attached. This bond is issued pursuant to an election held by the district on the _____ day of _____, 19___, authorizing its issuance, and by authority of the California Water District Law.

In witness whereof, the district, by its board of directors, has caused this bond to be signed by the president of the board and attested by the secretary of the district, with the seal of the district attached, this _____ day of _____, 19___.

_____
President

Attest:

_____
Secretary

36191. General obligation bonds shall bear interest at a rate not in excess of 7 percent per annum. Interest rate

36192. General obligation bonds shall be investigated and certified in the same manner, by the same officers, and with the same force and effect as prescribed for the investigation and certification of bonds of irrigation districts by the provisions of Division 10 of this code. Investigation and certification

Article 4. Destruction and Redemption of Bonds

36210. Whenever a district has any of its unsold general obligation bonds which it is not necessary to sell for the purpose of raising funds, the board may, at a general election, or at a special election called for the purpose, submit the proposition of whether or not the bonds should be destroyed. Unsold bonds

36211. The notice of the election at which general obligation bonds are proposed to be destroyed shall specify, in addition to the requirements provided in Section 35002: Election notice

(a) The amount of the bonded indebtedness authorized.

(b) The amount of the bonds remaining unsold.

(c) The amount of bonds proposed to be destroyed.

36212. If at the time the vote cast at the election is canvassed a two-thirds majority of the votes cast favors the destruction of the unsold general obligation bonds, the president, in the presence of a majority of the members of the board, shall destroy the bonds. Vote required

36213 The amount of the general obligation bonds destroyed shall be deducted from the total amount authorized to be issued and no part of the bonds destroyed shall thereafter be reprinted or reissued. Deduction of amount destroyed

Use of excess funds

36214. Whenever the funds of the district are in excess of the amount necessary to complete the construction of the irrigation works or to acquire the property and rights in property necessary therefor, to supply all the land with sufficient water for irrigation purposes, and to pay every obligation of the district that is due and payable or that will, or probably will, become due and payable before the expiration of two years from the date on which the last preceding tax of the district was levied, the board may direct the treasurer to pay with the excess, specifying the amount, the portion of the sold general obligation bonds of the district as the excess sum of money will redeem at the lowest value at which they may be obtained for liquidation.

CHAPTER 4. PROVISIONS RELATING TO REVENUE BONDS ONLY

Article 1. Bond Issuance

Estimated expense

36300. If a revenue bond issue is contemplated, there shall be included in the estimate required by Section 35950 every expense of the district that it is probable will be incurred for and limited to the purpose of acquiring irrigation works and property and property rights necessary therefor, including payment of the interest on any bonds of the district, and which will become payable before the expiration of one year from the completion of the irrigation works, for which the funds of the district then in the treasury are inadequate.

Issuance, etc

36301. Revenue bonds shall be issued in the name of the district and shall be obligations of the district, limited, however, to the payment or redemption of the revenue bonds and the payment of interest thereon from the revenues of the district, or such portion thereof as may be prescribed by the district by order or by contract.

Liability, etc

36302. Revenue bonds are not a general debt, liability, or obligation of the district.

Article 2. Lien of Bonds

Security of bonds

36320. The payment of both principal and interest of revenue bonds shall be secured only by the revenues established or accruing from the charges for the sale of water for irrigation of the land.

Taxation

36321. No holder of any revenue bond may ever compel any exercise of the taxing power to pay the bond, interest thereon, or any part of either.

Lien on revenue

36322. All revenue bonds of the same issue shall, subject to the prior and superior rights of outstanding bonds, claims, or obligations, and notwithstanding anything to the contrary contained in Section 35471, have a prior and paramount lien on the revenue derived from the sale of water for the irrigation of the land over and ahead of all revenue bonds of any issue

which may be subsequently issued and over and ahead of any claims or obligations of any nature against the revenue subsequently arising or subsequently incurred.

Same

36323. All revenue bonds of the same issue shall be equally and ratably secured without priority by reason of number, date of bonds, of sale, of execution, or of delivery, by a lien on the district's revenue in accordance with the provisions of this division and the resolutions authorizing the issuance of the bonds.

Article 3. Miscellaneous Provisions

36340. The face of each revenue bond shall state:

Revenue bonds Contents

(a) That the payment or redemption of the bond and the payment of the interest thereon is secured solely by a first and direct charge and lien upon all or the portion, as prescribed by the district by order or by contract, of the revenues received from the sale of water for the irrigation of the land.

(b) That neither the payment of all or any part of the principal or interest thereon is a general debt, liability, or obligation of the district.

Same: Form

36341. Revenue bonds shall be substantially in the following form:

_____ Issue No. _____ For value received, _____ Water District, which has its office situated in the County of _____, State of California, promises to pay the holder hereof at the office of the treasurer of the district, on the _____ day of _____, 19___, the sum of _____ dollars in lawful money of the United States with interest at the rate of _____ percent per annum, payable at the office of the treasurer semiannually, on the _____ day of _____ and the _____ day of _____ in each year, on the presentation and surrender of the interest coupons hereto attached. This revenue bond is issued pursuant to an election held by the district on the _____ day of _____, 19___, authorizing its issue, and by authority of the California Water District Law. The payment or redemption and the payment of interest on this bond is limited exclusively to the revenues or the portion, as prescribed by the district by order or by contract, of the revenues obtained by the district from the sale of water for irrigation of the land within the boundaries of the district at charges for all water delivered for irrigation each year which will provide the required amount for the payment of bonds maturing during that year together with the interest that will become due prior to the following irrigation season. This revenue bond is also issued under the following contract or order set forth in the resolution of the directors of the district ordering a special election for the issuance of revenue bonds: _____

_____

_____

_____

In witness whereof, the district, by its board of directors, has caused this bond to be signed by the president of the board and attested by the secretary of the district, with the seal of the district attached, this _____ day of _____, 19___.

_____
President

Attest:

_____
Secretary

Same Interest rate

36342. Revenue bonds shall bear interest at a rate not in excess of 6 percent per annum.

Same Call for payment

36343. The board may, upon a resolution passed by unanimous vote, call for payment of any revenue bonds at par plus 3 percent of par upon any maturity date next following the fifth annual maturity date after the date of issue of the bonds.

Article 4. Action to Secure Payment of Revenue Bonds

Action to require fixing etc., charges

36360. Bondholders owning or holding 25 percent or more of any outstanding and unpaid issue of revenue bonds may, when payments of principal or interest, or both, have been in default for not less than one year, institute proceedings in the superior court of the principal county to compel the district to fix and collect sufficient charges for the sale of water for the irrigation of land to pay when due the principal and interest of revenue bonds

Contents of complaint

36361. The complaint shall:

(a) Name the district as a defendant.

(b) State that on the date therein named bond principal payments, interest thereon, or both, were in default for a period of more than one year.

(c) Pray:

(1) That the district be adjudged in default of payments of its obligations as they mature.

(2) That a receiver be appointed by the court to manage and conduct the affairs of the district, fix and collect charges for the sale of water for the irrigation of the land sufficient to pay all accumulated and unpaid revenue bond principal and interest charges.

(3) That the receiver be vested with such other duties as the court may determine to be for the best interests of the district and the owners and holders of its outstanding and unpaid revenue bonds.

Service by publication

36362. The summons in the proceeding shall be served by publishing a copy thereof once a week for four weeks in a newspaper of general circulation published in each affected county.

Answer

36363. Within 30 days after publication of the summons has been completed and proof filed with the court any person may appear and answer the complaint.

Default

36364. On the expiration of 60 days after the publication of summons has been completed and proof filed with the court, after proof to the court that a default exists and continues,

the court shall assume jurisdiction over the affairs of the district and appoint a receiver for the purposes set forth in the complaint.

Continuing jurisdiction

36365. The jurisdiction of the court over the affairs of the district shall continue until the default for which the receiver was appointed has been discharged.

Power of receiver

36366. A receiver has no power to dispose of any part of the property of the district except in the ordinary course of business. The authority of a receiver is limited to the operation and maintenance of the district.

Jurisdiction

36367. No court has jurisdiction to enter any order or decree requiring or permitting a receiver to sell, assign, mortgage, or otherwise dispose of or encumber the district or any part thereof.

Discharging receiver

36368. Whenever all that is due upon all obligations and interest thereon which are a charge, lien, or encumbrance on the revenues of the district has been paid and all defaults have been cured and made good, the court, after such notice and hearing as it deems reasonable and proper, shall direct the receiver to surrender jurisdiction over the affairs of the district.

PART 7. ASSESSMENTS

CHAPTER 1. ASSESSMENT

Article 1. Annual Estimate

"Board of supervisors"

36550. As used in this part "board of supervisors" means the board of supervisors of the principal county.

"Bond"

36551. As used in this part "bond" means a general obligation bond.

Annual estimate

36552. Between 30 and 90 days after the formation of the district, and between those dates annually thereafter, the board shall file with the clerk of the board of supervisors an estimate of the sum required by the district to discharge all of its obligations:

(a) That are unpaid and matured at that date.

(b) That will mature during the next year.

(c) That it is probable will be incurred and mature during the next year.

Same

36553. The annual estimate shall specify the portion thereof which will be required for the payment of bonds and of the interest on bonds.

Assessment for bond redemption etc.

36554. The annual estimate may include an amount to be determined by the board but not to exceed 1 percent of the total assessed value of the land, which sum shall be apportioned to the bond fund and used for the redemption or purchase of unmatured bonds or for the creation of a sinking fund to pay bonds as they become due.

Deduction

36555. The board shall deduct from the annual estimate the amount it anticipates will be derived from sales of water by the district and be available as needed to discharge its obli-

gations during the next year, and this amount shall not be included in the sum required to be raised by assessment for that year.

No assessment

36556. If, at the time any annual estimate is required to be filed, the board anticipates that the receipts from all sources will be sufficient and available as needed to pay all the district's obligations due and payable during the next year, the board, in lieu of filing the estimate, may so report to the board of supervisors and no assessment shall be levied for that year.

Preliminary expenses

36557. Immediately upon the formation of the district the board may levy and collect the sum of fifty cents ($0.50) per acre for each acre of land. The money collected shall be used by the board to pay the preliminary expenses incurred in forming the district.

Article 2. Assessment Book

Annual assessment

36570. Between the date on which the district was formed and 90 days thereafter, and between those dates in each succeeding year, the assessor shall assess all land, except that if all funds required to be raised are raised other than by assessment, no assessment need be levied and no assessment book need be prepared or equalized.

Assessed value

36571. All of the land shall be assessed at its full cash value.

Assessment book

36572. The assessor shall, within the time for assessing the land, file with the clerk of the board of supervisors an assessment book with appropriate headings in which shall be listed all of the land.

Same Contents

36573. The assessment book shall contain:

(a) The name of the holder of title to the land if known, and if unknown, that fact shall be stated.

(b) A description of the land sufficient to identify it.

(c) The cash value of the land.

Two or more counties

36574. If the district is contained in more than one county the assessment book shall be prepared with a separate part in a separate volume for the land in each county.

Filing assessment roll

36575. The board may adopt the assessment roll of each affected county, insofar as the assessment roll affects the land in the district, and file with the clerk of the board of supervisors a certified copy of that assessment roll in lieu of the district assessment book.

Article 3. Land Escaping Assessment

Property escaping assessment

36590. If any land is not charged with its portion of any assessment or if the assessment on any land is adjudged invalid by any court of competent jurisdiction, that land shall at any subsequent assessment hearing be assessed, in addition to the then current assessment, by the board of supervisors in a sum which bears the same proportion to the total amount of the former assessment as its then assessed valuation bears to the total amount of the assessed valuation placed on all the land at the time the former assessment was levied.

Article 4. Hearing on Assessment

Hearing on assessment: Time

36600. Within 60 days after the estimate and the assessment book have been filed with the clerk of the board of supervisors, the board of supervisors shall fix a time for a hearing, not less than 22 days and not more than 40 days thereafter, at which the board of supervisors acting as a board of equalization shall meet and hear any objections to the assessments.

Same Notice

36601. The clerk of the board of supervisors shall give notice of the hearing by publication once a week for two consecutive weeks in a newspaper of general circulation published in each affected county, which notice shall state each of the following:

(a) The time and place of the hearing, which shall be the regular meeting place of the board of supervisors.

(b) The time and place where the assessment book may be inspected by the public.

Time of publication

36602. The first publication of the notice shall be at least 15 days prior to the date fixed for the hearing.

Public inspection

36603. From the time of calling the hearing and until the hearing is held, the assessment book shall be open to public inspection at the office of the board of supervisors.

Hearing on assessment

36604. At the hearing the board of supervisors, meeting as a board of equalization, shall:

(a) Hear all objections presented to it regarding the correctness of any assessment.

(b) Hear all testimony relevant to the objections.

(c) Continue in session from day to day until all objections and relevant evidence have been heard and acted upon.

Changes in valuation

36605. After hearing all objections and evidence the board of supervisors shall:

(a) Add to or deduct from the valuation assessed to any parcel of land a percent thereof sufficient to raise it or reduce it to its full cash value.

(b) Fix the full cash value of any land that has not been assessed.

Changes entered

36606. Any changes or additions ordered by the board of supervisors, acting as a board of equalization, shall be entered in the assessment book in the proper place and the order shall be endorsed on the margin of the entry, signed by the chairman, and attested by the clerk of the board of supervisors.

Gross assessed valuation

36607. Before the hearing is closed the assessor shall add the total values as determined by the board of supervisors and determine the gross assessed valuation of all the land and make a statement thereof.

Fixing assessment

36608. After the statement is completed, the board of supervisors, acting as a board of equalization, shall fix an ad valorem rate of assessment upon each one hundred dollars ($100) in value of the land assessed sufficient to raise the sums specified in the annual estimate.

Adjournment

36609. After fixing the rate of assessment, the board of supervisors shall adjourn as a board of equalization and the hearing is completed.

Effect of orders

36610. The orders of the board of supervisors made at the hearing are final and when endorsed on or attached to the assessment book are conclusive evidence that the assessment was made and levied in accordance with the law.

Right of action

36611. Any person interested in land and aggrieved by a decision of the board of supervisors may, in order to have an assessment or levy thereon corrected, modified, or annulled, institute an action therefor in the superior court of the principal county.

CHAPTER 2. LEVY

Completing assessment

36725. Within 10 days after the hearing on assessment is completed, duplicate copies of each of the following shall be signed by the president and secretary and attached to the last volume of each part of the assessment book:

(a) The statement of the assessor showing the total valuation of the land assessed.

(b) The order of the board of supervisors fixing the rate of assessment on the land.

(c) The annual estimate of the board of directors. Thereupon the assessment is completed.

Computation and filing

36726. Within 10 days after the assessment is completed, the assessor shall do each of the following:

(a) Compute and charge in the proper part of the assessment book in a place provided therefor in the record of each parcel of land assessed the assessment due on the parcel.

(b) File each separate part of the assessment book with the tax collector of the district.

Assessments payable

36727. After each separate part of the assessment book has been filed with the tax collector the assessments listed are due and payable to the tax collector of the district.

Limitation of action

36728. No action to determine the validity of any district assessment or assessment levied thereon shall be maintained unless the action is commenced within 30 days after all separate parts of the assessment book are filed with the tax collector.

CHAPTER 3. COLLECTION

Lien

36825. After the filing of all parts of the assessment book with the tax collector the assessment on each parcel of land separately assessed and any penalties for delinquency added thereto are a lien on the land and impart notice of the lien to all persons.

Publication of notice

Contents of notice

36826. Within 10 days after each assessment is due and payable, the assessor shall publish in a newspaper of general circulation published in the principal county a notice specifying all of the following:

(a) The date on which the assessments became due and payable to the tax collector.

(b) The time when the assessments will be delinquent.

(c) That upon delinquency a penalty of 5 percent of the assessment will be added thereto and the delinquent property sold at public auction.

36827. Assessments shall be paid in lawful money of the United States. Payment

36828. The tax collector shall mark the date of payment in the assessment book opposite the name of the assessee. Same

36829. The tax collector shall give a receipt to the person making payment specifying: Receipts

(a) The land assessed.

(b) The amount of the assessment.

(c) The amount paid.

36830. The tax collector shall pay the money received to the treasurer. Payment to treasurer

Chapter 4. Delinquency and Sale

36950. Unpaid assessments are delinquent unless paid within six calendar months after they become due. Delinquency

36951. As soon as possible after the assessments become delinquent, the tax collector shall return each separate part of the assessment book to the secretary. Return of book

36952. Upon receipt by the secretary of all parts of the assessment book, the board shall publish once a week for three weeks in a newspaper of general circulation published in the principal county a notice containing: Publication

(a) A description of the delinquent property.

(b) The name of the assessee, if known, and, if unknown, stating that fact.

(c) The amount of the assessments and penalties due on the property.

36953. The notice shall also state that the delinquent property will be sold for nonpayment of assessments in front of the courthouse of the principal county on a date stated in the notice, which date shall be not less than 21 nor more than 28 days from the first publication. Notice of sale

36954. If any error is made in the publication of the notice of delinquencies and sale and the error is discovered prior to the sale, the board shall republish the notice in the same manner, specifying a date for the sale not less than 21 nor more than 28 days from the first republication. Error in notice

36955. At the time and place stated in the notice or at such other time to which the sale may have been continued by the board by written notice posted at the place of sale, not exceeding 30 days in all from the original date of sale, that person is the purchaser who will immediately pay in lawful money of the United States the delinquent assessment and the penalty thereon for the smallest portion of the delinquent property. Purchaser

36956. If there is no purchaser in good faith for delinquent property, it shall be sold to the district for the amount of the assessment and penalty thereon. Sale to district

36957. At the time of the sale the board shall endorse in the assessment book, opposite the description of the property, the portion of the property sold for assessments and penalties, with the date of sale and the name of the purchaser. Entry of sale

Disposition of proceeds

36958. After the sale, the board shall pay to the tax collector the amount received on the sale of all property sold and shall return each separate part of the assessment book to the tax collector.

Same

36959. The tax collector shall pay the money from the sale which he has received from the board to the treasurer.

Certificate of sale

36960. A certificate of sale for each parcel of property sold shall be executed in duplicate by the board One copy shall be delivered to the purchaser and the other copy shall be recorded in the office of the county recorder of the county in which the property sold is located.

Same: Contents

36961. The certificate of sale shall be dated the day of the sale and shall specify each of the following:

(a) The description of the property sold.

(b) The name of the assessee, if known, and if not, stating that fact.

(c) That the property was sold for the amount of the assessment and penalty thereon, giving the amount and year of the assessment.

(d) The date on which the purchaser will be entitled to a deed.

Same Recordation

36962. When he records the certificate of sale, the county recorder shall enter in a book provided for that purpose and kept with the book provided for the purpose of recording writings relating to the district each of the following:

(a) A description of the property sold, corresponding with the description in the certificate.

(b) The date of sale.

(c) The name of the purchaser.

(d) The amount paid.

The entries in the book shall be numbered consecutively on the margin thereof and a corresponding number shall be endorsed on the certificate.

CHAPTER 5. ASSESSMENT AFTER SALE TO DISTRICT

Assessment after sale

37050. All property sold for delinquent assessments to the district shall subsequently be assessed for district purposes as though it had never been sold but shall not again be sold for delinquent assessments as long as it is owned by the district.

Sale by district

37051. If the district becomes the purchaser at a delinquent assessment sale of the district, the title acquired by the district may be sold at public auction or private sale and conveyed by deed executed and acknowledged by the president and secretary. Authority to convey shall be conferred by resolution of the board entered on its minutes fixing the sales price in the best interests of the district.

Tax collector's statement

37052. If property is sold to the district for delinquent assessments the tax collector, in making his accounting with the treasurer, shall furnish a statement of the property sold to the district and the amount for which the property was sold. The treasurer shall thereupon estimate that portion of the amount

belonging to the general obligation bond fund and shall charge the general fund with that portion and pay it from the general fund into the general obligation bond fund.

CHAPTER 6. REDEMPTION AND ITS TERMINATION

Redemption period

37150. Any person interested in any property sold for delinquent assessments may redeem the property within three years from the date of sale by paying in lawful money of the United States to the tax collector, in trust for the purchaser or his assignees, the amount for which the property was sold, together with interest thereon at the rate of 9 percent per year from the date of sale.

Redemption receipt

37151. The tax collector shall give the person redeeming the property a receipt specifying a description of the property redeemed, the name of the purchaser, and the date of sale.

Crediting payment

37152. The tax collector shall credit the amount paid to the purchaser and shall thereafter pay the amount paid on demand to the purchaser or his assignee.

Recorder's entry

37153. The county recorder of the county in which the property redeemed is situated shall, upon presentation of the tax collector's receipt, mark the word "redeemed," the date, and by whom redeemed on both the record of the certificate of sale of the property and on the margin of the memorandum thereof made in the book kept for that purpose.

Deed to purchaser

37154. If no redemption is made within three years from the date of the sale, the purchaser is entitled to a deed executed by the board.

Same Contents

37155. The deed shall contain all the recitals of the certificate of sale, and when duly acknowledged is, except as against actual fraud, conclusive evidence of the regularity of all proceedings from the assessment to the execution of the deed, inclusive.

Effect of deed

37156. The deed conveys to the grantee title to the property described therein free of all encumbrances except state, county, municipal, or subsequent district assessments, unless the property is owned by the United States or this State, in which case it is the prima facie evidence of the right of possession.

PART 8. CHANGES IN ORGANIZATION

CHAPTER 1. EXCLUSION

Article 1. Petition and Notice

Petition for exclusion

37300. The owner or owners in fee of one or more tracts of land may jointly or severally file with the board a petition praying that the tract or tracts, and any other tracts contiguous thereto, may be excluded from the district.

Acknowledgment

37301. The petition for exclusion shall be acknowledged.

Contents

37302. The petition for exclusion shall set forth all of the following:

(a) The reasons why it is claimed that the tract or tracts should be excluded.

(b) A description of the boundaries of the tract or tracts.

(c) A description of the land of each petitioner which is proposed to be excluded, which need not be more particular than is required when the land is entered in the assessment book by the county assessor.

Notice

37303. The secretary shall publish a notice of the filing of the exclusion petition once a week for four consecutive weeks in a newspaper published in the principal county and in a newspaper published in each other county in which land proposed to be excluded is situated. If no newspaper is published in any one or more counties in which publication is required, notice shall be posted for the same time in at least three public places in the district, one of which notices shall be posted on the land proposed to be excluded.

Same: Contents

37304. The notice shall contain:

(a) A statement that a petition for exclusion of land has been filed.

(b) The names of the petitioners.

(c) A description of the land proposed to be excluded.

(d) The time of the hearing.

(e) An announcement that any persons interested in the proposed exclusion may appear at the district office at the time of the hearing and file objections in writing showing cause, if any they have, why the land or any of it should not be excluded.

Time of hearing

37305. The time of the hearing specified in the notice shall be the regular meeting of the board next after the giving of the notice is complete.

Failure to file objections

37306. Persons other than holders of outstanding district bonds who do not at or before the hearing file objections in writing showing cause why the land should not be excluded and the petitioners assent to excluding the land in whole or in part.

Article 2. Hearing and Order

Hearing

37325. At the time and place mentioned in the notice, or at the time to which the hearing of the petition for exclusion may be adjourned, the board shall hear the petition, all of the objections to it presented in writing, and all evidence introduced in support of the petition and objections.

Record

37326. The evidence at an exclusion hearing shall be taken down in shorthand and a record shall be made of it and filed with the board.

Expenses

37327. The expenses of giving the notice and of the hearing on exclusion shall be paid by the persons filing the exclusion petition.

Denial of petition

37328. Upon the hearing of an exclusion petition the board shall order that the petition be denied:

(a) Entirely when no evidence in support of the petition is introduced.

(b) As to any land described in the petition as to which the evidence introduced fails to support the petition.

(c) As to any land described in the petition which the board deems it not for the best interests of the district to exclude except when either:

(1) The land cannot be irrigated from a source or system of works common to the district.

(2) The land is entitled to be irrigated from a source or system of works other than that of the district.

(d) As to any land irrigated with water pumped from an underground source if the land will be substantially benefited by subirrigation from district works or by drainage works provided or required by law to be provided by the district.

Granting of petition

37329. The board after the hearing of any exclusion petition shall order the exclusion of all or any part of the land described in it when as to the land to be excluded one of the following is true:

(a) It cannot be irrigated from a source or system of works common to the district.

(b) It is entitled to be irrigated from a source or system of works other than that of the district.

(c) It is irrigated with water pumped from an underground source and will not be substantially benefited by subirrigation from district works or by drainage works provided or required by law to be provided by the district.

(d) The board deems the exclusion to be for the best interest of the district and one of the following is true:

(1) No interested person has filed objections in writing showing cause why the land should not be excluded.

(2) All written objections made to the exclusion have been withdrawn.

(3) No written objection made to the exclusion is sustained at the hearing.

Exclusion entry

37330. If the board excludes any land from the district, it shall make an entry in its minutes describing the boundaries of the district if the exclusion of the land changes the boundaries of the district.

Survey

37331. For the purpose of describing the boundaries after an exclusion of land, the board may cause any survey to be made it deems necessary.

Recordation

37332. A copy of the entry in the minutes excluding any land, certified by the president and secretary, shall be filed for record in the recorder's office of each affected county.

Effect of exclusion

37333. No exclusion of land from any district impairs its existence, its rights, including those in or to property, or its obligations.

Re-establishing boundaries

37334. If land is excluded from any district, the board, if it deems it desirable, but not less than 30 days before any election in the district, may re-establish the boundaries of the divisions and election precincts within the district, if any.

Article 3. Bondholders' Assent to Exclusion

Assent to exclusion

37350. If there are outstanding general obligation bonds at the time of the filing of an exclusion petition, the holders of the outstanding bonds may severally assent in writing to the exclusion of the land described in the petition or any portion of it that may be excluded from the district by order of its board.

Acknowledgment

37351. The assent shall be acknowledged by each bondholder assenting to the exclusion.

Filing

37352. The assent shall be filed with the board and recorded in its minutes.

Evidence

37353. The minutes containing the assent or a copy of them certified by the secretary shall be admissible in evidence with the same effect as the assent.

Recordation of minutes

37354. A certified copy of the minutes containing the assent may be recorded in the office of the county recorder of the county in which the land to be excluded is situated.

Effect of assent

37355. If any bondholder assents to the exclusion of land from the district, the land excluded is released from the lien of bonds of the assenting bondholder.

Article 4. Liability of Excluded Land

General obligation bonds

37370. The provisions of this article do not apply to outstanding general obligation bonds the holders of which have assented to the exclusion of land from the district.

Lien and obligations

37371. Land excluded from a district shall be subject to the lien of general obligation bonds and be otherwise chargeable for the payment and discharge of all of the obligations outstanding at the time of the filing of the petition for the exclusion of the land as fully as though the land had not been excluded.

Same

37372. For the purpose of discharging the obligations outstanding at the time of the filing of the petition for its exclusion, land excluded shall be considered as part of the district the same as though the land had not been excluded.

Rights against excluded land

37373. All provisions which could have been used to compel the payment by excluded land of its portion of the outstanding obligations had the exclusion not occurred may be used to compel the payment on the part of the excluded land of the portion of the outstanding obligations of the district for which it is liable.

Subsequent assessments

37374. Excluded land is not subject to assessment or otherwise chargeable for any obligation of any kind incurred after the filing with the board of the petition for the exclusion of the land from the district.

Chapter 2. Inclusion

Article 1. Petition and Notice

Inclusion

37485. Land not a part of the district whether or not contiguous to it may be included within the district.

Petition

37486. The holder or holders of title, or a majority of the holders of title, to any tract or tracts of land may file in the district office a petition praying that the tract or tracts of land be included within the district. If there is more than one holder of title petitioning, the petitioners shall include the holders of title of at least one-half of the area of the tract or tracts.

Single petition

37487. The holders of title to separate tracts of land may join in a single petition the application for inclusion of separate tracts of land.

Holder of title

37488. If a petitioner is the holder of title to an undivided interest in land, he shall be deemed to be the holder of title to that proportion of the total area of the land which his interest bears to the whole.

Acknowledgment

37489. The petition for inclusion shall be acknowledged.

Notice

37490. The secretary shall publish a notice of the filing of the inclusion petition once a week for four consecutive weeks in a newspaper published in the principal county and each other county in which land proposed to be included is situated. If no newspaper is published in any one or more counties in which publication is required notice shall be posted for the same time in at least three public places in the district, one of which notices shall be posted on the land proposed to be included.

Same Contents

37491. The notice shall contain:

(a) A statement of the purpose of the petition.

(b) A description of the boundaries of the tract or tracts of land proposed to be included.

(c) The names of the petitioners.

(d) The time of the hearing.

(e) An announcement that any persons interested in the proposed inclusion may appear at the district office at the time of the hearing and file objections in writing showing cause, if any they have, why the land or any of it should not be included as proposed in the petition.

Time of hearing

37492. The time of the hearing specified in the notice shall be the regular meeting of the board next after the giving of the notice is complete.

Expenses

37493. The petitioners shall advance to the secretary sufficient money to pay for the publication of the notice of the inclusion hearing.

Failure to file objection

37494. Persons who do not at or before the hearing file objections in writing showing cause why the land should not be included and the petitioners assent to including the land in whole or in part.

Article 2. Hearing and Order

Hearing

37505. At the time and place mentioned in the notice, or at the time to which the hearing of the inclusion petition may be adjourned, the board shall hear the petition and all the objections to it presented in writing, and all evidence introduced in support of the petition and objections.

Condition to inclusion

37506. No land shall be included within a district unless the board after an inclusion hearing determines that it can be irrigated by means of some of the works of the district or by means of practicable works connecting therewith and will be benefited by the irrigation.

Same

37507. The board may require as a condition precedent to granting an inclusion petition:

(a) Payment by the petitioners severally to the district of the respective sums, as nearly as they can be estimated, which the petitioners or their predecessors in title would have been required to pay to the district as assessments had the land of the petitioners been included in the district at the time it was originally formed.

(b) The performance of any other conditions that the board may consider proper.

Inclusion order

37508. The board after the hearing of an inclusion petition shall order the inclusion of all or any part of the land described in it, subject to any conditions that may be prescribed in any manner specified in this chapter, when as to the land to be included the following are true:

(a) The board finds that the petition complies with Article 1 of this chapter.

(b) The board finds that the inclusion of the land will be for the best interests of the district.

(c) Either that:

(1) No sufficient protest against the inclusion has been made.

(2) If a sufficient protest has been made, enough signatures have been withdrawn from it so that it is no longer sufficient.

Dismissing petition

37509. If the board determines that only a part or parts of the land described in the inclusion petition should be included, the petition shall be dismissed except as to each part the board determines to include as to which either:

(a) The petitioners include a majority of the holders of title to land in it who also are the holders of title to at least one-half of the area in it.

(b) Within 60 days from the time the determination is made there is filed with the board the consent in writing of a majority of the holders of title to land in it who also hold title to at least one-half of the area in it.

Federal land

37510. Any public land of the United States which can be irrigated by means of any of the works of the district or by any practicable works connecting therewith and will be benefited by the irrigation may be included within a district by order of its board without any petition therefor except as may be required by the laws of the United States.

More than one petition

37511. If more than one petition for the inclusion of land has been presented, the board may in one order include within the district any number of separate tracts of land.

Description of boundaries

37512. An inclusion order shall describe the boundaries of the land included within the district by the inclusion proceeding.

Survey

37513. For the purposes of describing the boundaries of the land included the board may cause any survey to be made it deems necessary.

Recordation

37514. A copy of the inclusion order certified by the president and secretary shall be filed for record in the recorder's office of each affected county.

Minutes

37515. Upon the filing for record of the copies of the inclusion order, the secretary shall record the inclusion petition in the minutes of the board, and the minutes, or a certified copy of them, shall be admissible in evidence with the same effect as the petition.

Effect of inclusion

37516. No inclusion of land into any district impairs its existence, its rights, including those in or to property, or its obligations.

Article 3. Inclusion Subject to Conditions

Conditions

37530. When the board finds that the inclusion of any land without condition would work an injury as to the land already within the district by impairing water rights or by requiring a greater expense to the district for furnishing water to the land proposed to be included, the board may prescribe any conditions upon the inclusion of the land that the board deems just, which may include:

(a) Priority of right to water for the land already in the district.

(b) Payment of an additional annual charge upon the land included.

Agreement to conditions

37531. All of the owners of the land subject to the conditions shall, before an order for its inclusion is made, sign an agreement with the district describing the land so to be included and specifying the conditions.

Acknowledgment

37532. The agreement shall be acknowledged.

Recordation

37533. The agreement shall be recorded in the office of the county recorder of the county in which the land included is situated.

Inclusion effective

37534. Upon the filing for record of the agreement and upon the recording of a copy of the order including the land, the land shall become a part of the district subject to the conditions in the agreement.

Article 4. Protest Against Inclusion

Protest

37545. A protest against the inclusion of land, signed by not less than 3 percent of the holders of title to the land within the district who are also the holders of title to not less than 3 percent in value of the land within the district according to the last equalized assessment of the district, may be presented to the board prior to the hearing of the inclusion petition.

Withdrawing protest

37546. Prior to or at the hearing of the inclusion petition the protest or any signatures to it may be withdrawn.

Resolution by board

37547. If prior to or at the hearing the protest is not withdrawn or sufficient signatures to it are not withdrawn so

that those remaining constitute less than 3 percent of the holders of title to all of the land within the district or hold less than 3 percent in value of the land within the district according to the last equalized assessment of the district, or if the board deems it not for the best interests of the district to include in it any of the land described in the petition for inclusion, the board shall adopt a resolution stating the facts and describing the land proposed to be included in the district.

Inclusion election

37548. Upon the adoption of the resolution, the board shall order that an inclusion election be held within the district to determine whether or not the land described in the resolution shall be included.

Undertaking

37549. Before calling an inclusion election, the board may require an undertaking, with sufficient sureties, from the petitioners for the inclusion of the land conditioned that the petitioners or the sureties will pay all the costs of holding the election in case the inclusion is denied.

Article 5. Inclusion Elections

Fixing date

37560. The board shall fix the day for holding an inclusion election and cause notice of it to be given.

Notice

37561. The notice of an inclusion election shall describe the land to be included.

Procedure

37562. Notice of an inclusion election shall be given, and the election shall be held and conducted, its returns made and canvassed, and its result ascertained and declared in substantially the manner prescribed for a bond election.

Ballots

37563. The ballots at an inclusion election shall contain "For inclusion" and "Against inclusion" or words equivalent thereto.

Votes against inclusion

37564. If at an inclusion election a majority of all the votes cast are against the inclusion, the board shall order that the petition be denied and shall proceed no further in the matter.

Votes for inclusion

37565. If a majority of the votes at an inclusion election are in favor of the inclusion, the board shall thereupon order that the land be included in accordance with the resolution adopted by the board, and with the agreement with the owners of the land included, if the land is included subject to conditions.

Re-establishing boundaries

37566. If land is included within any district, the board may re-establish the boundaries of the divisions and election precincts within the district, if any, so as to include the land therein and to make the divisions as nearly equal in size as may be practicable.

Article 6. Inclusion of Land Owned by the District

Inclusion resolution

37580. Upon the determination by the board that the inclusion within the district of any contiguous or noncontiguous land owned by the district is for the best interest of the district, the board may, by resolution, declare that the land is included within the district.

CHAPTER 3. DISSOLUTION

Action to dissolve

37650. An action may be brought in the superior court of the principal county by the Attorney General in the name of the people of the State, upon his own information, or that of a private party, for the dissolution of a district for nonuser of its corporate powers.

Service of complaint

37651. The complaint and summons in the action to dissolve shall be served upon the district by personal service of a copy of each upon either the president or the secretary.

Appearance or default

37652. After service of summons and complaint upon the district it may appear in the action or its default may be entered.

Order of hearing and notice

37653. After the appearance of the district or the entry of its default, upon the application of any party to the action, the court shall enter an order doing each of the following:

(a) Fixing a day for a hearing, which shall not be less than 25 days from the date of the order.

(b) Directing notice by publication to be given by the clerk that any persons interested in the district may appear at the hearing and show cause, if any they have, why the district should not be dissolved.

Publication of notice

37654. Notice of the hearing on dissolution shall be given by publication for not less than 20 days in a newspaper of general circulation published in each affected county.

Hearing

37655. On the day fixed for the hearing on dissolution, or some later date to which the hearing may be continued, the court may hear the action after proof of the service of the notice of the hearing by publication.

Appearance

37656. Any person interested in the district, upon showing his interest, may appear in the action as a defendant.

Dissolution order

37657. The court shall enter a decree ordering the district dissolved, or make other orders necessary to protect the rights of interested parties, if at the trial of an action to dissolve the district the court determines that both of the following are true:

(a) The district is not in debt, or if in debt, all claims are barred by the statute of limitations.

(b) The district is not proceeding to place its lands under irrigation and is not exercising its corporate powers and has not been so doing for one year prior to the trial.

PART 9. REPEALS

Repeal

38500. Chapter 387 of the Statutes of 1913 is hereby repealed.

Construction

38501. The repeal effected by this part shall not be construed to deprive any district or any person or other entity of any substantial right which would have existed or hereafter exist had such repeal not been effected.

CHAPTER 391

Stats 1951, p 1727, repealed

An act to add Division 14 to the Water Code, thereby revising and consolidating the law relating to water storage districts, including provisions for the supervision, regulation, and conduct of such districts, and to repeal the California Water Storage District Act.

In effect September 22, 1951

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Division 14 is added to the Water Code, to read:

DIVISION 14. CALIFORNIA WATER STORAGE DISTRICT LAW

PART 1. INTRODUCTORY PROVISIONS

CHAPTER 1. SHORT TITLE

Short title

39000. This division shall be known and may be cited as the California Water Storage District Law.

CHAPTER 2. DEFINITIONS

Construction

39010. Unless the context otherwise requires, the provisions of this chapter shall govern the construction of this division.

Definitions

39011. The definition of a word applies to any of its variants.

Same

39012. "District" means any water storage district formed pursuant to the California Water Storage District Act or this division.

39013. "Include," except when used in relation to the inclusion of land into a district, does not necessarily exclude matters not enumerated.

39014. "Land," except in Chapter 2 of Part 10, means land in the district or proposed district involved.

39015. "Affected county" means any county in which land is situated.

39016. "Board" means the board of directors of a district.

39017. "President" means the president of the board.

39018. "Secretary" means the secretary of the board.

39019. "Treasurer" means the treasurer of a district.

39020. "Holder of title" includes a holder of evidence of title and, also, a holder of land under a possessory right acquired by entry or purchase from the United States or the State of California.

39021. "Property," except in Part 9, embraces all real and personal property, including water, water rights, works, franchises, concessions and rights.

39022. "Works" includes water works, conduits, reservoirs, storage sites, water sheds, machinery, wells, pumps, dams, storage tanks, tunnels, hydrants, meters, other appliances, and their appurtenances.

39023. "Conduit" includes canals, laterals, ditches, flumes, pipes, and their appurtenances.

39024. "Acquire" includes construct, purchase, lease, exchange, condemn, jointly acquire when joint acquisition is permitted, and contract to acquire.

39025. "Dispose" includes sell, contract to lease, contract to sell, and the making of any instrument necessary therefor.

39026. "Operate" includes use, maintain, and repair.

39027. "General election" is the election required to be held in districts in each odd-numbered year.

39028. "Special election" means any election other than a general election.

39029. "Department" means the Department of Public Works.

39030. "Acknowledged" means acknowledged and certified in the same form and manner as is required for recording of conveyances of real property.

39031. "Office county" means the county in which the office of the district is kept.

CHAPTER 3. GENERAL PROVISIONS

Evidence of ownership and value

39050. For all purposes of this division relating to signing petitions and voting at any election, and for all other purposes when the question of title to or value of land claimed to be owned by a petitioner or voter is involved, the county assessment roll, last equalized at the time of the election or filing of the petition, in each affected county is sufficient evidence of ownership and value.

Unknown owners

39051. If any parcel of land is assessed on any assessment roll to unknown or fictitiously named owners or to unnamed owners in addition to any owners named thereon, the parcel of land shall be deemed for any of the purposes of this division to have but one owner in addition to the owners whose true names may be purported to be given on the assessment roll.

Undivided interest

39052. The holder of title to an undivided interest in land affected by any of the provisions of this division may sign any petition or vote at any election provided for in this division, and such undivided interest shall be counted and valued as though it were a separate interest.

Same

39053. If the assessment roll fails to indicate the extent of any undivided interest the holders of title whose undivided interests in any land are not specifically defined shall be deemed to have equal shares.

Evidence of right

39054. The certificate of the register of the United States Land Office for the district in which the land is situated, or of the State Lands Commission, is sufficient evidence of possessory right in any land entered under the laws of the United States or of this State.

Guardians, etc.

39055. Guardians, personal representatives, and other persons holding land in a trust capacity under appointment of court may sign any petition and may vote at any election in behalf of the estate represented by them without obtaining special authority.

Acknowledgment as evidence

39056. A certificate of acknowledgment taken before a notary public or justice of the peace of any state, or an affidavit by any person in the presence of whom a petition was signed, is sufficient evidence of the genuineness of the signature and of the fact of place of residence of any petitioner under this division.

Publication

39057. Whenever any notice or publication, or notice of publication, or official advertising, or publication of process is required to be given or made by the provisions of this division, unless otherwise specifically provided, it shall be given or made once a week for two successive weeks in a newspaper of general circulation, printed and published in each affected county, and if in any such county there be no such newspaper then in a newspaper printed and published in an adjoining county.

Guardians, etc.

39058. As to any land belonging to a person under guardianship or comprised in the undistributed estate of a decedent, the guardian of such person or executor or administrator of such estate shall be deemed the holder of title for the purpose of representing the same in all proceedings under this division, and has the right to sign all petitions or protests provided for in this division, and to vote at all district elections, without any order of court authorizing him so to do.

Nature of powers

39059. The powers herein conferred upon the department and board are police and regulatory powers and are necessary to the accomplishment of a purpose that is indispensable to the public interest.

Districts

39060. The districts formed pursuant to this division are districts of the nature of irrigation, reclamation, or drainage districts in respect to all matters contemplated in the provisions of the Constitution of the State of California relating to irrigation, reclamation, or drainage.

Public use

39061. The use of all water required for the irrigation of land and for domestic and other incidental and beneficial uses within the district, together with the rights of way for canals and ditches, sites for reservoirs and all other property required in fully carrying out the provisions of this division is a public use, subject to the regulation and control of the State in the manner prescribed by law.

CHAPTER 4. DEPARTMENT OF PUBLIC WORKS

Article 1. Powers and Duties

Powers and duties

39080. The department shall have the powers and duties conferred upon it by this division and further powers and authority necessary to enable it to fully perform the duties imposed upon it by this division, including the employment of any assistants it deems necessary, and the fixing of their

compensation. The compensation of assistants and the cost and expense of all work done by the department pursuant to this division shall be paid by the district as provided in this division for payment of other expenses of the district.

Information

39081. The department shall give information, so far as may be practicable, to persons contemplating the formation of a district.

Preliminary surveys

39082. Whenever the department deems it in the public interest that preliminary surveys and field investigations of proposed district projects shall be made at the expense of the State the department shall make the surveys and investigation and prepare a report thereof which shall be kept on file in its office.

Article 2. Executive Directors

Executive directors

39105. There are in the State Government two executive directors appointed by the Governor.

Exercising powers

39106. The powers and duties conferred and imposed upon the department by this division may be exercised by the executive directors under the direction of the department.

Term

39107. Each executive director shall hold office for four years and until his successor is appointed and qualifies.

Residence

39108. Each executive director shall be a resident of the State at the time of appointment and at all times during his term of office.

Experience

39109. One executive director shall have at least five years' practical experience in irrigation and the other shall have at least five years' experience in administration.

Compensation

39110. Each executive director shall receive twenty dollars ($20) for each day employed by him in the performance of his duties, and actual traveling expenses while engaged in his duties. The compensation and expenses are a part of the cost of the project of the district for which the duties are performed.

PART 2. FORMATION

CHAPTER 1. PETITION FOR FORMATION

Article 1. Petitioners and Land

Petitioners

39400. A majority in number of the holders of title to land irrigated or susceptible of irrigation from a common source and by the same system of works, who are also the holders of title to a majority in value of the land may propose the formation of a district under the provisions of this division or the formation of the district may be proposed by not less than 500 petitioners, each of whom is the holder of title to land therein and which petitioners include the holders of title to not less than 10 percent in value of the land included within the proposed district.

Land

39401. The proposed district may include land situated in other distinctive district agencies of the State, including other

water storage districts having different plans and purposes and the object of which is not the same.

Location

39402. The land proposed to be formed into a district need not consist of contiguous parcels.

Article 2. Petition

Contents

39425. A petition for the formation of a district shall set forth generally:

(a) The boundaries of the proposed district or a description of the land.

(b) The proposed source or sources of water supply.

(c) The location proposed for the storage of water to be used for such irrigation, if storage is proposed

(d) Any drainage or reclamation connected with the project.

(e) Any incidental development of hydroelectric energy.

(f) The nature of the proposed works.

(g) A prayer that the territory embraced within the proposed district be formed as a water storage district under the provisions of this division.

(h) The signatures to the petition

Form

39426. The petition may consist of any number of separate instruments, which shall be duplicates except as to signatures.

List of landowners

39427. The petitioners shall file with the petition a list of the names and addresses of all persons holding title to land within the proposed district as shown by the last equalized assessment roll of each affected county.

Undertaking

39428. The petition shall also be accompanied by a sufficient undertaking, to be approved by the department, in double the amount of the probable cost of forming the district as estimated by the department, conditioned that the sureties shall pay all of the costs in case the formation is not effected.

Same

39429. The department may require the furnishing of any additional undertaking or payment of money it deems necessary.

Presentation and filing

39430. The formation petition and accompanying documents shall be presented to and filed with the department.

Withdrawing signatures

39431. Signatures to the petition may be withdrawn at any time before its publication is commenced by filing a declaration signed and acknowledged by the petitioner with the department stating that it is the intention of the petitioner to withdraw from the petition.

Article 3. Time and Place of Hearing

Time and place of hearing

39440. Upon the presentation and filing of the formation petition and undertaking the department shall forthwith fix a time and place for the hearing of the petition. The place shall be either the office of the department at Sacramento or some place within an affected county. The time shall be not less than 30 nor more than 60 days after the presentation and filing of the petition.

Article 4. Publication

39460. The department shall publish the formation petition and a notice of the time and place of the hearing on the petition in each affected county once a week for three successive weeks before the hearing. Notice Publication

39461. The notice shall not be published until five days after the filing of the petition and undertaking in the office of the department. Same Time

39462. When the petition consists of a number of separate instruments, only one copy need be published, but the names attached to all of the instruments shall appear in the publication. Separate instruments

39463. The notice shall be issued by the department, shall refer to the petition, and shall be directed to the petitioners, all other persons holding title to land, and all other persons interested in or affected by the project. It shall be substantially in the following form: Form of notice

Before the Department of Public Works, State of California.

To the persons named as petitioners in the foregoing petition, to all persons holding title or evidence of title to lands included within the water storage district proposed therein; and to all other persons who may be interested in or affected by the project:

You, and each of you, are hereby notified that the foregoing petition was filed with the Department of Public Works on the _____ day of _____ and will be heard by the Department of Public Works at _____ on the _____ day of _____ at the hour of ____ m. of that day, at which time and place the Department of Public Works will hear and receive evidence in support of said petition or any objections which may be presented thereto, and will hear and determine the right of all parties holding title or evidence of title to lands not included in the water storage district proposed in said petition, but which lands are already irrigated or susceptible of irrigation from the same common source and by the same system of storage and irrigation works as are particularly referred to and described in said petition, to have said lands included in said district.

This notice is given pursuant to the provisions of Division 14 of the Water Code, to which said division particular reference is hereby made.

Dated _____

Department of Public Works, by

_____

(Title of person signing for the department)

39464. No defect in the form or contents of the published notice, title to it, or petition, nor failure to publish or error in publishing any signature to the petition shall vitiate the proceedings. Defect in form

39465. The department shall give personal notice by registered mail to all holders of title to land whose names and addresses appear on the list filed pursuant to Section 39427. Personal notice

Affidavit

39466. The department shall make and keep for public inspection an affidavit giving the date of mailing and the names and addresses of holders of title to land to whom notices were sent.

CHAPTER 2. INVESTIGATION BY DEPARTMENT

Studies, etc., by department

39600. The department shall determine the practicability, feasibility, and utility of the proposed project, and for that purpose may make all necessary studies, examinations, surveys, plans, and estimates of cost.

Employment of assistants

39601. The department, for the purposes of the determination, may employ all necessary assistants, or acquire and use any existing estimates, surveys, and reports.

Expenses

39602. The total of all expenses incurred pursuant to this chapter shall not exceed a sum in dollars equal in amount to one-fourth the number of acres in the proposed district and is a part of the expense of the project.

Warrants

39603. The department shall issue warrants to pay expenses incurred pursuant to this chapter, which warrants shall be considered and treated as warrants of the district and shall be payable out of the funds of the district when its formation has been completed.

Payment of warrants

39604. Provision may be made for payment of warrants issued pursuant to this article in any bond issue authorized for the purposes of the district.

Warrants as charge on undertaking

39605. If the district is not organized, any warrants issued by the department shall be a charge upon the undertakings provided for in this part and shall thereupon become due and payable by the sureties on the undertakings, and the holders of the warrants shall have a cause of action against the sureties thereon.

CHAPTER 3. HEARING ON FORMATION

Article 1. Preliminary Determination

Determining compliance

39750. At the hearing the department shall determine and express by order whether or not the petition and notice complies with this part.

Hearing

39751. The department shall hear all competent and relevant testimony offered in support of or in opposition to the sufficiency of the petition and the publication of the notice.

Adjournment

39752. The hearing may be adjourned from time to time, not exceeding 30 days in all.

Dismissal for non-compliance

39753. If the department determines that any of the requirements of this part were not complied with, the petition shall be dismissed without prejudice to the right of the proper number of persons to present a new petition covering the same matter or to present the same petition with additional signatures if additional signatures are necessary to comply with the requirements of this part.

Article 2. Hearing on Petition

Hearing

39775. If the department determines that all requirements of Chapter 1 of this part were complied with, the department shall forthwith hear the petition and all evidence offered in its support and in support of the written objections, and the written application of any holder of title to land included in the proposed district to have that land excluded therefrom, and the written application of any holder of title to other land already irrigated or susceptible of irrigation from the source and by the same works referred to in the petition, to have that land included in the district.

Contents of order

39776. At the conclusion of the final hearing on the petition the department shall make an order containing all of the following:

(a) Reaffirmance when it is consistent with its conclusions of the genuineness and sufficiency of the petition and the regularity and sufficiency of the notice of the hearing.

(b) Determination of the practicability, feasibility, and utility of the proposed project.

(c) Establishment of the boundaries of or a description of the land in the proposed district.

(d) Specification of the proposed source or sources of a water supply.

(e) Specification of the proposed place, if any, for storage of water for irrigation purposes.

(f) Estimation of cost of the proposed project.

Division of districts

39777. The order on final hearing shall also divide the proposed district into five, seven, nine, or eleven divisions so as to segregate into separate divisions lands possessing the same general character of water rights or interests in the water of a common source. The divisions shall be numbered first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, or eleventh, according to the number of the division.

Entry on records

39778. The order shall be entered in full upon the records of the department.

Recordation

39779. A copy of the order certified by the department together with a map showing the exterior boundaries of the district and indicating the land, if any, excluded therefrom shall forthwith be filed for record in the office of the county recorder of each affected county.

Effect of finding

39800 A finding of the department in favor of the genuineness and sufficiency of the petition and the regularity and sufficiency of the notice shall be conclusive against all persons except the State upon suit by the Attorney General commenced within 90 days after the date of first filing in the office of any county recorder of a certified copy of the order as required by this article.

CHAPTER 4. ELECTION ON FORMATION

Article 1. Calling of Election

Notice of election

39900. Upon filing the order on final hearing of the formation petition, the department shall within 60 days give notice of an election to be held in the proposed district for the purpose of determining whether or not it shall be formed.

Same Contents

39901. The notice of the formation election shall contain:

(a) A description of the boundaries of the proposed district or the land included.

(b) A description of each division.

(c) The name of the proposed district.

Same Publication

39902. The notice of the formation election shall be published once a week for at least three weeks prior to the election in each affected county.

Voting places, etc

39903. In the order calling the election, the department shall designate voting places and appoint three holders of title to land to act as a board of election at each voting place.

Article 2. Conduct of Election

Nominating petitions

39925. Nominating petitions for officers to be elected at the formation election shall be filed as provided in this division in case of general district elections, except that the petitions shall be filed in the office of the department.

Precincts

39926. For the purposes of the formation election the department shall establish and define the boundaries of one or more election precincts for each division in the proposed district.

Conduct of election

39927. The formation election shall be conducted as nearly as practicable in accordance with the provisions of this division concerning general elections, but no particular form of ballot shall be required.

The qualifications of voters at a formation election shall be the same as the qualifications of voters for general elections provided for in this division.

Board of directors

39928. At the formation election there shall be elected a board of directors corresponding in number to the number of divisions in the district.

Same

39929. No director shall be elected by the district at large, but one director shall be elected by each division to represent that division.

Qualification

39930. The directors shall qualify in the same manner as directors elected at a general election, as provided in this division.

Ballot form

39931. On the ballots provided for the formation election shall be printed:

(a) The words "Water storage district—Yes" and "Water storage district—No," or words equivalent thereto.

(b) The names of persons to be voted for at the election.

Canvass of votes

39932. The department shall on the second Monday following the formation election canvass the votes cast thereat and if upon the canvass it appears that a majority of all the votes cast at the formation election are "Water storage district—Yes" the department shall canvass the votes for directors and declare the persons receiving the highest number of votes in each division to be elected.

Results

39933. If upon the canvass it appears that a majority of all the votes cast are "Water storage district—No," the result shall be declared and recorded in the records kept by the department.

CHAPTER 5. ESTABLISHMENT OF DISTRICT

Forming district

40100. If a majority of all the votes cast at the formation election are "Water storage district—Yes," the department shall by an order entered in the records kept by it, declare the territory formed as a district under the name designated.

Recordation

40101. The department shall immediately file for record in the office of the county recorder of each affected county a certified copy of the order declaring the district formed.

Formation completed

40102. From the filing for record of the order declaring the district formed the formation of the district is complete.

Certificates of election

40103. At the time the department declares the district formed it shall issue certificates of election to each person elected a director.

PART 3. INTERNAL ORGANIZATION

CHAPTER 1. OFFICERS

Article 1. Qualification and Tenure

Directors taking office

40300. Directors, irrespective of the method of their selection, take office as soon as they qualify, except that directors elected at a general election take office at noon of the first Tuesday in March next following their election.

Oath

40301. Within 10 days after receiving his certificate of election or being appointed, each director shall take and subscribe the official oath, and file it in the office of the district and execute the bond required of him.

Term of first directors

40302. The members of the board elected at the formation election shall at their first meeting classify themselves by lot into two classes as nearly equal in number as possible. The term of office of the class having the greater number shall expire on the first Tuesday in March following the next general February election; and the term of office of the class having the lesser number shall expire on the first Tuesday in March following the next general February election thereafter.

Election of officers

40303. After such classification the board shall elect a president from their number and appoint a secretary and treasurer, each of whom shall hold office during the pleasure of the board.

Annual organization meeting

40304. On the first Tuesday in March next following each general election, the directors shall meet and organize as a board, elect a president and appoint a secretary and a treasurer, who shall each hold office during the pleasure of the board.

Officers

40305. The board may elect a vice president and appoint an assistant secretary to serve during the pleasure of the board.

Term of directors

40306. The term of office of each director elected after the formation election shall be four years, and until his successor is elected and has qualified.

Article 2. Official Bonds

Secretary's bond

40330. The amount of the bond to be given by the secretary for the faithful performance of his duties shall be fixed by the board.

Treasurer's bond

40331. The treasurer of the district shall execute a bond in the sum of fifty thousand dollars ($50,000) to be approved by the board except that the board may fix the bond of the treasurer to suit the conditions of the district, the maximum amount thereof not to exceed fifty thousand dollars ($50,000), and the minimum amount thereof not to be less than ten thousand dollars ($10,000).

Member's bond

40332. Each member of the board shall execute a bond in the sum of five thousand dollars ($5,000).

Approval and recordation

40333. The bonds of the first directors of any district may be approved by a judge of the superior court of any affected county and recorded in the office of the recorder of such county.

Same

40334. The bonds of the directors, other than the first directors, shall be approved by a judge of the superior court, recorded in the office of the recorder of the office county, and filed with the secretary.

Form and premium

40335. All bonds shall be made payable to the district and be in the form prescribed for the official bonds of county officers. Premiums may be paid by the district.

Additional bonds

40336. If any district is appointed fiscal agent of or by the United States in connection with any federal reclamation project, the directors and the treasurer shall each execute an additional bond in the sum required by the Secretary of the Interior, conditioned for the faithful discharge of his duties and the faithful discharge of the district of its duties under the appointment. These bonds may be sued upon by the United States or any person injured by the failure of these officers promptly and completely to perform their respective duties.

Article 3. Compensation

Compensation Directors

40355. A director when sitting on the board or acting under its orders shall receive not exceeding:

(a) Ten dollars ($10) per day.

(b) Ten cents ($0.10) per mile for each mile traveled from his place of residence to the office of the board.

(c) Actual and necessary expenses while engaged in official business under the order of the board.

40356. The board shall fix the compensation to be paid to all other officers and employees provided for in this division, to be paid out of the treasury of the district, except as otherwise provided by this division. Same Employees, etc

Article 4. Misconduct

40380. No officer provided for in this division shall in any manner be interested, directly or indirectly, in any construction or supply contract awarded or to be awarded by the board or in the profits to be derived therefrom. No other contract is invalid because of interest on the part of an officer, unless the officer participated in or influenced the making or authorization of the contract. Personal interest

40381. For any violation of Section 40380 the officer is guilty of a misdemeanor and conviction shall also work a forfeiture of his office. Penalty

40382. The department shall ascertain whether the duties relating to the levying and collection of any assessment provided for in this division have been performed by the proper officer. If the department learns that any officer of the district or of any county therein has neglected or refused to perform the duty it shall notify the district attorney of the office county. The district attorney shall, after due notice to the officer involved, take such proceedings in court as are necessary to compel the performance of the duty. Nonperformance of duty

40383. For wilful violation of any express duty provided for in this division on the part of any officer named in this division, he shall be liable upon his official bond and subject to removal from office by proceeding brought in the superior court of the office county by any assessment payer of the district. Penalty

Chapter 2. Appointments to Fill Vacancies

40500. A vacancy in the office of director shall be filled by appointment by the department for the division in which the vacancy occurred. Vacancy in office

40501. A director appointed by the department shall hold office for the remainder of the unexpired term to fill which he is appointed, and until his successor is elected and qualified. Tenure of appointee

Chapter 3. Board Meetings and Duties

40650. The directors elected at the formation election shall on the first Tuesday after their election and qualification meet and organize as a board and designate an office of the board, which shall also be the office of the district, at which the board shall thereafter hold its meetings. Organizational meeting

40651. The board shall hold regular meetings on the first Tuesday of each month at the place selected as the district office. Regular meetings

Changing meeting time, etc

40652. The board may by resolution duly entered upon its minutes fix any other time or place for the regular monthly meeting, but no such change shall become effective until after the resolution making it has been published once a week for two successive weeks in the office county.

Special meetings

40653. Special meetings of the board may be held as required for the proper transaction of the business of the district, but shall be ordered by a majority of the board.

Same Order and notice

40654. The order calling a special meeting shall be entered of record and specify the business to be transacted Five days' notice of the order must be given to each director not joining in the order.

Business

40655. No other business than that specified in the order may be transacted at a special meeting unless all the members are present and consent to the consideration of any business not specified in the order.

Public meeting, quorum, etc

40656. All meetings of the board shall be public and a majority shall constitute a quorum for the transaction of business. A smaller number of directors than a quorum may adjourn from day to day.

Public inspection

40657. All records of the board shall be open to public inspection during business hours.

Powers of board

40658. The board shall manage and conduct the business of the district.

Chapter 4. Change of Office

Change of office

40800. The office of the board and its place of meetings may be changed by a majority vote of the board, but no such change shall become effective until after the resolution making it has been published once a week for two successive weeks in the county in which the office of the board has theretofore been located.

PART 4. ELECTIONS

Chapter 1. Voters and Qualifications

Voters

41000. Only the holders of title to land are entitled to vote at a general election.

Number of votes

41001. Each voter may vote in each precinct in which any of the land owned by him is situated and may cast one vote for each one hundred dollars ($100), or fraction thereof, worth of his land, exclusive of improvements, minerals, and mineral rights therein, in the precinct.

Proxy voting

41002. Each male or female voter over the age of 21 years may vote in person or by proxy.

Guardian, etc

41003. Any guardian, administrator, or executor, of a person or estate owning land within the district shall be considered the holder of title to land for the purposes of this division, where the owner in fee is not entitled to vote.

Corporations

41004. Any corporation holding title to land within the district is entitled to vote through any officer or agent authorized in writing under the seal of the corporation.

41005. No person shall vote by proxy unless his authority to cast such vote is evidenced by an instrument acknowledged and filed with the board of election. Proxy authorization

41006. Notwithstanding the provisions of any other section of this division, if a holder of title to land enters into a contract for the sale of the land on deferred installments of the purchase price, the purchaser named in the contract is entitled to cast one-half of the vote allotted to such land at any district election if all the following have occurred: Contract purchaser

(a) The land is separately assessed on the county assessment roll.

(b) A copy of the contract of sale is filed with the secretary at least 30 days prior to the date of the election.

(c) The purchaser is not delinquent for more than six months in the payment of any sums required to be paid under the contract.

For the purposes of this section, the county assessor shall, at the request of any purchaser, separately assess and separately list all such lands upon the assessment roll.

41007. At least 20 days prior to any district election, the secretary shall prepare a list for each precinct showing: Precinct list

(a) The names of the holders of title to land who enter into contracts of sale, as shown by the copies of the contracts on file in his office.

(b) The name of the purchaser.

(c) A description of the land subject to each contract.

41008. Each precinct list shall be delivered to the election board for the precinct prior to the election. Same

41009. At least five days prior to each election, the secretary shall notify in writing each holder of title to land named as the seller in any contract on file in his office that the contract has been filed. Notice to contract seller

41010. Any person entitled to vote at a district election may challenge the right of a purchaser to vote in accordance with the provisions of Section 41006. Challenges shall be made and determined as nearly as practicable in the manner provided by the Elections Code. Challenges

41011. Where property has been conveyed prior to the election and the change of interest does not appear by the assessment roll, the original deed of conveyance or a copy thereof certified by the county recorder, or otherwise authenticated, shall be sufficient evidence to entitle the holder thereof to vote the acreage therein described. Transferee

41012. Any person not legally qualified to vote who makes any false statement in respect to his right to vote shall incur all of the penalties provided in the Elections Code for persons illegally voting at elections. False statements

41013. The department prior to the formation election, and at all subsequent elections the board, shall prepare, certify, and furnish to the election board at each voting place in the district a copy of each of the assessment rolls pertaining to any land in the precinct. Assessment rolls

Land lists

41014. The department or the board shall likewise prepare and furnish to the election boards lists certified by the register of the United States Land Office or the State Lands Commission as the case may be, showing the land entered under the laws of the United States or of the State.

Contents

41015. The lists shall contain the names of the persons entitled to possessory rights and the quantity of land held by each.

Use of assessment rolls

41016. The assessment rolls and lists shall be used by the election boards in determining the qualifications of voters and the number of votes each voter is entitled to cast.

Apportioning tracts

41017. Where a tract of land is situated partly within and partly without the boundaries of a precinct and the assessment roll contains a valuation of the tract as a whole, the tract must be apportioned according to the number of acres lying within and without the boundaries of the precinct.

Land without valuation

41018. If there is included in any assessment roll or list furnished to an election board any land which has no valuation assigned to it, the department or the board, as the case may be, shall request the county assessor to value the land and the county assessor shall prepare and furnish to the department or board requesting it a statement of the value of the land as appraised by him.

Determining value

41019. The value shall be arrived at as nearly as may be done in the same manner and upon the same basis as was the valuation for purposes of taxation assessed upon other lands in the precinct similarly situated.

Use by election board

41020. The valuation made by the county assessor shall be furnished to the election board of the precinct in which the land is situated and shall be used by the election board in determining the number of votes which the holder of title to the land is entitled to cast.

CHAPTER 2. REDIVISION AND ESTABLISHING OF PRECINCTS

Establishing precincts

41150. The board shall establish a convenient number of election precincts in the district and define the boundaries thereof. At least one precinct must be established for each division of the district.

Change of boundaries

41151. The board may at any time, but not less than 60 days before an election to be held in the district, change the boundaries of any election precinct. The changes shall be entered upon the minutes of the board.

Redivisioning district

41152. After any district has adopted its project, the department shall, not less than 60 days prior to the next general election thereafter to be held in the district, but not otherwise, redivision the district by dividing it into the same number of divisions into which it had heretofore been divided, but changing the basis of the divisions and the boundaries so that the divisions shall be as nearly equal as to the number of holders of title to land entitled to vote therein as may be conveniently possible.

41153. The redivision order of the department shall be filed in its office and a copy certified by the department filed in the office of the secretary. Redivision order

41154. The board shall at its next regular meeting establish a convenient number of election precincts in each of the new divisions. No precinct shall include any land situate in more than one of the divisions. Establishing precincts

41155. The directors in office at the time new divisions are established shall continue in office for the divisions from which they were elected until the expiration of the terms for which they were elected, but their successors shall be elected from the new divisions. Directors

CHAPTER 3. GENERAL ELECTIONS

Article 1. Preliminary Procedure and Nominations

41300. An election, known as the general water storage district election, shall be held in each district on the first Wednesday in February in each odd-numbered year, at which a successor shall be chosen to each officer whose term expires in March next thereafter. Time of election

41301. Prior to the election, the board shall appoint for each precinct, from the voters thereof, one inspector and two judges, who constitute an election board for the precinct. Election board

41302. Not less than 24 days before a general election, the secretary shall give notice of the election by causing a notice to be published once a week for three successive weeks in each affected county and by causing notices to be posted in the office of the board and in three public places in each election precinct stating the time of holding the election and the polling place of each precinct. Notice of election

41303. Affidavits of the publication and posting of the election notices shall be filed with the county clerk of each affected county, together with a copy of the order calling the election, certified by the president, and duplicates shall be filed with the board. Affidavit of notice

41304. The board shall, by order made more than 24 days before the time for election, designate a convenient place within each precinct as the polling place of the precinct. Polling place

41305. Not less than 10 days before the election, any 10 or more voters in any division of the district may file with the board a petition requesting that the names of certain specified persons be placed on the ballot as candidates for the office named in the petition. Only the names proposed by the petitions filed shall be printed on the ballots. Nominating petitions

41306. The petitions shall be preserved in the office of the secretary. Preservation of petitions

Article 2. Ballots

41330. The ballots used at the election shall be provided by the board. Ballots

Same

41331. One of the judges of the election shall deliver to each of the voters one ballot for each 100 votes or fraction thereof to which he is entitled by the provisions of this division.

Number of votes

41332. Each ballot cast shall contain the number of votes it represents, which number shall be written or stamped upon it by an election officer and initialed by him when handed to the voter.

Tab

41333. Each ballot shall have a perforated tab which shall be marked with the initials of a member of the board of election of the precinct immediately before being handed to the voter.

Preservation of tab

41334. The perforated tab shall be torn from the ballot by the inspector immediately before the voted ballot is placed in the ballot-box, and shall be preserved by him and sent with the ballots to the secretary.

Ballot form

41335. The ballots shall have printed on them the names of all candidates whose names have been filed as provided in this division, with a voting square to the right of each name. There shall be sufficient blank spaces left in which voters may write other names.

Arrangement of names

41336. The names shall be arranged in groups alphabetically, under the designation of the office for which each person named is a candidate.

Division candidates

41337. The ballots in each division of the district shall contain names of persons to be voted for as director to represent that division only.

Same

41338. No director shall be elected by the district at large.

Article 3. Conduct at Precincts

Failure to appoint election board

41360. If the board fails to appoint an election board or the members appointed do not attend at the opening of the polls on the morning of election, the voters of the precinct present at that hour may appoint an election board, or supply the place of an absent member thereof.

Inspector's powers

41361. The inspector is chairman of the election board. He may administer all oaths required in the process of an election and appoint judges if, during the progress of the election, any judge ceases to act.

Administering, etc., oaths

41362. Any member of the election board may administer and certify oaths required to be administered during the progress of an election.

Election board oath

41363. Before opening the polls, each member of the election board must take and subscribe an oath to faithfully perform the duties imposed upon him by law. Any voter of the precinct may administer and certify such oath.

Polling hours

41364. Unless the board fixes other hours, the polls shall be opened at 6 a.m. on the morning of the election and closed at 7 p.m.

Same

41365. The board may, in the notice of election, fix the hours for the opening and closing of the polls; but the polls shall be kept open for not less than six consecutive hours between the hours of 6 a.m. and 7 p.m.

41366. A list shall be kept by the election board containing the names of each voter who has voted and the number of votes cast by each. If the ballot is cast by proxy the list shall also state the name of the person casting it. Voter's list

41367. Voting may commence as soon as the polls are opened, may continue during all the time the polls remain opened, and shall be conducted as nearly as practicable in accordance with the provisions of the Elections Code. Conduct of election

Article 4. Returns of Election

41390. The ballots shall be strung upon a cord or thread by the inspector during the counting in the order in which they are entered upon the tally list by the judges. Counting procedure

41391. As soon as all votes are counted a certificate shall be drawn upon each of the papers containing the poll lists and tallies, or attached thereto, stating in words and figures at full length the number of votes each one voted for has received, and designating the office to fill which he was voted for. Each certificate shall be signed by a judge and the inspector. Certificate of votes

41392. One of the certificates, with the poll list and the tally paper to which it is attached, shall be retained by the inspector and preserved by him at least six months. Same Preservation

41393. The ballots, together with the other certificate with the poll list and tally paper to which it is attached, shall be: Preservation of ballots

(a) Sealed by the inspector in the presence of the judges and endorsed "Election returns of (naming the precinct) precinct."

(b) Directed to the secretary.

(c) Immediately delivered by the inspector or some other responsible carrier designated by him, to the secretary.

(d) Kept by the secretary unopened for at least six months.

41394. If any voter of the district is of the opinion that the vote of any precinct has not been correctly counted, he may appear on the day appointed for the board to open and canvass the returns, and demand a recount of the vote of the precinct that is claimed to have been incorrectly counted. Recount

41395. No list, tally paper, or certificate returned from any election shall be set aside or rejected for want of form if it can be satisfactorily understood. Defect in form

Article 5. Canvass

41415. The board shall meet at its usual place of meeting on the first Monday after each election to canvass the returns. Canvass

41416. If at the time of meeting the returns from each precinct in the district in which the polls were opened have been received, the board shall then and there proceed to canvass the returns. If all the returns have not been received, the canvass shall be postponed from day to day until all the returns have been received, or until six postponements have been had. Same Postponement

Procedure of canvass

41417. The canvass shall be made in public and by opening the returns and ascertaining the vote of the district for each person voted for, and declaring the result.

Article 6. Results of Election

Person elected

41440. The person receiving the highest number of votes for each office to be filled at the election shall be elected.

Director

41441. The board shall declare elected as director the person having the highest number of votes for that office in each division.

Certificates of election

41442. The secretary shall immediately make out and deliver to the elected persons certificates of election signed by him and authenticated with the seal of the district.

Statement of result

41443. The secretary shall enter in the records of the board a statement of the result of the election as soon as it is declared. The statement shall show:

(a) The whole number of votes cast in the district, and in each division.

(b) The names of the persons voted for.

(c) The office to fill which each person was voted for.

(d) The number of votes cast in each precinct for each person voted for.

(e) The number of votes cast in each division for the office of director.

Chapter 4. Special Elections

Petition for special election

41550. If a general election is not held as provided in this part, then upon the filing of a petition with the secretary, signed by the holders of title to more than 15 percent of the total assessed valuation of the land, or the holders of contracts to purchase such land executed by the holders of title thereto and qualified to vote in accordance with the provisions of Section 41006, requesting that a special election be called for the election of officers, the board shall thereupon call a special election for the election of officers. The election shall be held within not less than 15, nor more than 30, days after the filing of the petition.

Notice

41551. Notice of any special election to be held pursuant to the provisions of this division shall be given by posting notices in three public places in each election precinct in the district for at least 20 days, and also by publication of the notice once a week for three successive weeks in each affected county.

Contents of notice

41552. The notice shall specify the time, place, and purpose of the election.

Election procedure

41553. Unless otherwise in this division expressly specified, the election shall be held and the result determined and declared as nearly as may be in accordance with the provisions of this division relating to general elections.

Effect of informalities

41554. No informalities in conducting the special election shall invalidate it, if otherwise fairly conducted.

CHAPTER 5. RECALL ELECTIONS

Article 1. Petition for Recall

Recall

41700. Any elective officer may be recalled.

Limitations

41701. A petition shall not be filed to recall any officer if either:

(a) He has not held office for six months.

(b) A recall election determined in his favor has been held within six months.

Contents of petition

41702. In order to recall an officer a petition shall be filed with the secretary containing all of the following:

(a) Request that an election be called to elect a successor to the office.

(b) A statement solely for the information of the electors of the grounds on which the recall is sought, any insufficiency in the statement not to effect the sufficiency of this petition.

(c) Signatures of voters in the subdivision by which the officer or his elected predecessor was elected at least equal in number to 25 percent of the votes at the next preceding general election for all the candidates for the office to which the officer or his elected predecessor was elected.

(d) The date of each signature, the signer's precinct, his place of residence, giving street and number and if no street or number exists, then a designation of his place of residence which will enable the location to be readily ascertained, all of which shall be affixed by the signer at the time of his signing.

Duplicate petitions

41703. The petition may consist of any number of separate instruments, which shall be duplicates except as to signatures and matters required to be affixed by signers.

Affidavit

41704. To each duplicate recall petition shall be attached an affidavit of a voter of the district sworn to before an officer competent to administer oaths stating all of the following:

(a) Affiant circulated that copy and saw the appended signatures being written.

(b) According to the best information and belief of the affiant, each is the genuine signature of the person whose name purports to be subscribed and of a voter of the district.

Recall of several officers

41705. One petition is sufficient to propose the recall and election of several elective officers.

Examination of petition

41706. Within 10 days from the filing of a recall petition, the secretary shall ascertain from the records of voters whether or not the petition is signed by the requisite number of voters, and he shall attach to the petition his certificate showing the result of the examination.

Insufficient petitions

41707. If the certificate of the secretary shows the recall petition is insufficient, it may be supplemented within 10 days from the date of the certificate by the filing of duplicates of the original petition except as to the signatures and matters required to be affixed by signers.

Insufficiency of supplemented petition

41708. The secretary shall, within 10 days after the duplicate copies are filed, make a certificate showing whether or

not the petition as supplemented is sufficient. If the certificate shows that the petition as supplemented is insufficient, no action shall be taken on it; but the petition shall remain on file as a public record.

New petition

41709. The insufficiency of a petition shall not bar the filing of a new petition to the same effect.

Sufficient petition

41710. If the petition is found to be sufficient, the secretary shall submit it to the board without delay.

Article 2. Calling and Conduct

Special election

41720. Upon receiving a recall petition certified as sufficient by the secretary, the board shall forthwith order a special election to determine whether or not the voters will recall the officer named in the petition.

Time of election

41721. The special election shall be held not less than 35 nor more than 40 days after the making of the order.

General election

41722. If a general district election is to occur within 60 days from the making of the order calling a recall election, the board may postpone the holding of the recall election to the general election or submit the recall proposal and candidates at the general election for officers of the district occurring not less than 35 days after the order.

One election

41723. One election is sufficient for the recall and election of several officers.

Effect of vacancy

41724. If a vacancy occurs in an office after a recall petition is filed, the election shall nevertheless proceed.

Nominations

41725. Nominations for any office to be filled at a recall election shall be made in the manner prescribed in this division for general elections.

Contents of recall ballots

41726. The following shall appear on recall ballots for each recall petitioned:

(a) "Shall (name of person whose recall is being voted on) be recalled from the office of (title of the office)?"

(b) To the right of the foregoing question, "Yes" and "No" on separate lines with an enclosed blank space to the right of each.

(c) Names of the candidates nominated for the particular foregoing office, which shall not include the name of the incumbent officer.

Voting

41727. The voter shall indicate by stamping a cross (+) his vote for or against recall.

Same

41728. No vote shall be counted for any candidate unless the voter also voted on the question of the recall of the person sought to be recalled from the office.

Procedure

41729. A recall election shall be conducted, the votes canvassed, and the result declared in like manner as in a general election.

Article 3. Effect of Recall

Effect of recall

41750. If one-half or more of the votes on the recall proposal are "no," the incumbent shall continue in office.

41751. If a majority of the votes on the recall proposal are "yes," the incumbent shall be removed from office, upon the qualification of his successor. Same

41752. If at a recall election an officer is recalled, the candidate receiving the highest number of votes for the office shall be declared elected for the remainder of the term. Candidate elected

41753. If the candidate who received the highest number of votes fails to qualify within 10 days after receiving his certificate of election, the office is vacant and shall be filled according to law. Failure to qualify

CHAPTER 6. CONTEST OF ELECTIONS

41900. Any election held under the provisions of this division may be contested by any holder of title to land liable to assessment. Contest of elections

41901. The contest shall be brought in the superior court of any affected county and shall be conducted in the manner provided for contests of election by the Elections Code. In a contest not involving the right of a person declared elected to an office to hold the office, the directors shall be made parties to the contest. Conduct of contest

41902. The court shall determine upon the hearing whether the election was fairly conducted and in substantial compliance with the requirements of this division. Determination

41903. The contest shall be brought within 20 days after the declaration of the result. Time for contest

41904. Either party of record has the right to appeal within 30 days from entry of judgment. Right of appeal

41905. The appeal shall be heard and determined by the Supreme Court within 60 days from the time of the filing of the notice of appeal. Time for hearing appeal

PART 5. DISTRICT PROJECT

CHAPTER 1. THE PROJECT

Article 1. Plans, Specifications, and Estimate of Costs

42200. Upon the organization of a district, the board shall make or cause to be made all examinations, surveys, detailed plans and specifications, and estimates of costs for the acquisition, appropriation, diversion, storage, conservation, and distribution of water, any drainage or reclamation works connected therewith, and the generation of hydroelectric energy incident thereto, and the sale and distribution thereof, as may be necessary or requisite to enable the board to ascertain and estimate the requirements and works necessary for the purpose of the district, and the probable cost and to make a report. Estimates, etc., of necessary works

42201. The board may use and adopt all previous estimates, surveys, reports, and other data it may have or acquire. Adoption of previous estimates, etc

Examinations etc., as project expense

42202. The cost of the examinations, surveys, plans, specifications, and estimates is a part of the expense of the project. The board may issue warrants therefor, which shall be payable out of the funds of the district and may be included in any bond issue authorized for the purposes of the district.

Article 2. Units of Construction

Division into units.

42225. The board may segregate and divide the plans, specifications, and estimates of cost into one or more units of construction, and may provide in the plan that one or more individual units of construction shall not be entered upon immediately, but shall be authorized and undertaken in the order and at the time the board may thereafter determine.

Resolution

42226. In the event of the division of the project into units of construction, and the specification of one or more units for future construction, the board shall, when it determines upon the construction of any unit, pass a resolution to that effect and cause a certified copy to be transmitted to the department.

Amending plans, etc

42227. Upon resolving to construct a unit, the board may amend the plans, specifications, and estimates of costs of the unit by making changes, modifications, and additions. In the event of any such change, modification, or addition, the board shall cause to be filed with the department the plans, specifications, and estimates of costs of the unit as amended.

Article 3. Acquisition of Property

Reporting proposed acquisition

42250. If the board proposes to acquire property for the purposes or use of the district by purchase or lease, or in any manner other than by condemnation proceedings, that fact shall be stated in its report. A true copy of any instrument evidencing the proposed acquisition of the property or the right to acquire it shall be made a part of the report.

Acquiring property of public utilities

42251. Except where it is proposed to be acquired by eminent domain proceedings, no property belonging to any water corporation which is a public utility shall be acquired by a district, nor shall any property of such public utility be included in the report of the board unless and until the Public Utilities Commission has made its order authorizing the sale and any abandonment or curtailment of service by the public utility which would result from the acquisition by the district of property of the public utility.

Public Utility Commission order

42252. A certified copy of any order of authority made by the Public Utilities Commission shall be made a part of and filed with the report of the board. Unless the order of the Public Utilities Commission in effect finds and declares that the sale and abandonment or curtailment of service of the public utility through the acquisition of its properties by the district will be to the interest of the consumers of the public utility and that the terms and conditions of the acquisition of property of the public utility by the district are fair, just, and equitable to the

consumers of the public utility, the report shall be insufficient for any of the purposes of this division.

Article 4. Report to Department of Public Works

Project report

42275. Upon completion of the examination and study of the proposed project by the board, the board shall prepare and file a report in the office of the department and a copy in the office of the secretary.

Same Contents

42276. The report shall set forth in detail all the following:

(a) The character and nature of the proposed works.

(b) A description of the rights both to water and land it will be necessary to acquire to complete the project.

(c) Plans and specifications.

(d) An estimate of the cost of the project, including the acquisition of all rights necessary to its completion and operation.

Same Recommendation

42277. The board shall attach to the report a recommendation that the project shall be carried out in accordance with the plans and specifications in the report, or that the project be abandoned.

Same Signature

42278. The report when completed shall be signed by a majority of the board and entered in full upon its minutes.

Units of construction

42279. If the board determines to segregate and divide the plans, specifications, and estimates into more than one unit of construction, the plans, specifications, and estimates shall be complete as to each unit, and the board shall in its report specify the particular units the construction of which are to be immediately entered upon and the particular units reserved for future action.

Failure to file report

42280. If the board of any district fails to complete and file its report within 10 years from the date of the filing of the order of the department declaring the district duly organized, the project of the district shall be deemed abandoned and the board shall within 90 days thereafter pay all outstanding debts and claims against the district and shall within that time remit to the assessment payers of the district in proportion to the amount paid by the assessment payers on the last call or assessment levied by the board the balance of any funds then remaining with the treasurer of the district or to its credit with the county treasurers of affected counties. The department, on hearing and after good cause shown, may extend the time to complete and file the report for an additional period or periods of time which shall not exceed five years altogether.

Chapter 2. Recommendation of Abandonment of Project

Article 1. Investigation by Department of Public Works

Investigation by department

42300. If the board recommends in its report that the project be abandoned, the department shall make such further investigation of the project as is in its judgment desirable.

Department order

42301. The department shall within 60 days after the filing of the report enter upon its records an order either:

(a) Approving and confirming the report and recommendation and declaring the project abandoned. The order shall be without prejudice to the presentation of another petition covering the same matter.

(b) Approving and adopting the report but taking no action with respect to the recommendation, and calling a special election to be held in the district for the purpose of determining whether the recommendation of the board shall be adopted or rejected.

Article 2. Election

Election notice

42325. If the order entered by the department pursuant to Article 1 of this chapter calls a special election, the department shall within 30 days after the entry of the order give notice of the election.

Publication

42326. The notice shall be published once a week for at least three weeks previous to the election in each affected county.

Content of ballots

42327. The notice shall require ballots to be cast containing the words "Completion of project—Yes" and "Completion of project—No."

Precincts

42328. For the purposes of the special election, the department shall establish a convenient number of election precincts and define their boundaries.

Board of election

42329. At the time of calling the election, the department shall in its order designate voting places and appoint three landholders of the district to act as a board of election at each voting place.

Conducting election

42330. The election shall be conducted as nearly as practicable in accordance with the provisions of this division relating to general elections, but no particular form of ballot shall be required.

Qualifications of voters

42331. The qualifications of voters at the election shall be the same as prescribed for the formation election.

Canvass of votes

42332. The votes cast at the election shall be canvassed in the same manner as votes cast at the formation election, and the result of the special election shall be declared and entered of record in the minutes of the board.

Article 3. Proceedings After Election

Appointing commissioners

42355. If the canvass of the votes cast at the special election shows more than one-half of all votes cast are "Completion of project—Yes" and also shows that more than one-half of the qualified voters who voted at the election voted "Completion of project—Yes" the department shall appoint the commissioners provided for in Article 1 of Chapter 2 of Part 9 of this division and thereafter such proceedings shall be taken and followed as are provided in this division for assessments and completion of projects.

Abandonment order

42356. If completion of the project is not approved at the election, the department shall enter in its records an order declaring the project abandoned.

Filing claims

42357. The order of abandonment shall require all persons having claims against the district or proposed district, except the holders of warrants issued pursuant to the provisions of this division and presented for payment, to file them with the necessary vouchers in the office of the department within three months from the date of the order.

Notice and publication

42358. Notice of the order requiring presentation of claims stating the time and place shall be published in the county in which the office of the district is located by the department once a week for four successive weeks, commencing within 10 days after the making of the order.

Recordation

42359. After all warrants issued under the provisions of this division which have been presented for payment and all claims that have been presented and have been allowed and approved by the department or the board have been paid, the department shall cause a certified copy of the order declaring the project abandoned to be filed for record in the office of the recorder of each affected county.

Dissolution

42360. After the filing of the copy of the order the district is dissolved.

Liens

42361. All liens which have attached to land under any provisions of this division are discharged with the filing of the copy of the order, and any undertakings given are annulled.

Chapter 3. Recommendation of Completion of Project

Article 1. Investigation by Department of Public Works

Investigation and order

42500. If the board recommends that the project be carried out in accordance with the plans and specifications in its report, the department shall make such further investigation of the project as it desires and shall as soon as possible after the expiration of 60 days after the filing of the report enter upon its records an order either approving and confirming or disapproving the report and recommendation.

Amendment, etc., by board

42501. Pending final approval or disapproval by the department, the board may amend, modify, or supplement its report and the plans, specifications, estimates, and other matters accompanying it, either on its initiative or in response to suggestions by the department.

Article 2. Election

Calling election

42525. Immediately after making and recording the order provided for by Article 1 of this chapter, the department shall call a district election for the purpose of determining whether the recommendation and report shall be adopted.

Procedure

42526. The election shall be noticed, held, and conducted and the result determined and declared in all respects as nearly as possible as provided in Article 2 of Chapter 2 of this part.

The notice of election shall state whether the report and recommendation is approved or disapproved by the department.

Article 3. Proceedings After Election

Adoption of report

42550. If a majority of all votes cast are "Completion of project—Yes" and also a majority of the qualified voters who voted at the election voted "Completion of project—Yes," the report and recommendation is adopted.

Carrying out project

42551. The board shall carry out the project of the district in accordance with the plans and specifications of the approved and adopted report of the board.

Abandonment

42552. If completion of the project is not approved at the election, the project is abandoned and proceedings shall be thereafter taken as provided in Article 3 of Chapter 2 of this part in case of abandonment.

Chapter 4. Project Uncompleted for Ten Years

Article 1. New Report

New report

42700. If any original project adopted under Chapter 3 of this part remains uncompleted, whether in whole or in part, for more than 10 years after its adoption and any assessment levied under Part 9 of this division on the basis of the project remains uncalled, either in whole or in part, and if the board finds by a two-thirds vote of its entire membership that the project should be materially modified or should be completely abandoned and another project be substituted in its place, then the board shall proceed under Chapter 1 of this part to prepare and file with the department a new report which shall be complete in itself and which shall set up the original project as materially modified or a new project to be substituted in its place.

Contents of report

42701. The report shall specify what disposition or use shall be made in the new project or otherwise of such parts of the original project as have been completed and are in process of completion and of such property as the district has acquired.

Proceedings

42702. Thereafter all proceedings in respect of the new report shall be conducted as set forth in this part for an original report.

Article 2. Elections and Subsequent Proceedings

Election

42725. If the vote at either of the elections prescribed in this part is adverse to the report, the department shall enter in its records an order declaring that the proposed project is abandoned. Thereafter the district shall continue, and the original project shall be and remain in the same full force and effect, as though no proceedings had been taken under this chapter.

Same

42726. If the vote at either of the elections is favorable to the report, the department shall proceed as required by this part and nothing further shall be done towards completion of

the original project. Any uncalled portion, both principal and interest, of any outstanding assessment already levied and in effect under Part 9 of this division to carry out the original project shall be deemed canceled and no longer a lien upon the lands in the district, and the department shall record a notice to that effect on the assessment rolls for the assessment in the treasurer's office for each affected county.

Liabilities of district

42727. To the extent that the district is indebted or has any outstanding liabilities at the time of adoption of the report, whether contingent or otherwise, the board shall levy, by order from time to time, special assessments upon the land in the district, pro rata according to the rate of assessment per acre established in the original assessment, to raise funds to pay the debts and liabilities. The provisions of Chapters 3 and 5 of Part 9 of this division shall be applicable to such assessments.

Surplus funds

42728. If, after all debts and liabilities have been paid, any funds remain on hand which have been collected under the original assessment or any funds are subsequently collected through redemptions from any sale for any delinquent call on the original assessment, such funds shall be credited pro rata to the respective tracts of land in the district on the assessment roll for the original assessment according to the rate of assessment per acre established in the original assessment and thereafter shall be applied on account for the benefit of the tracts of land against any call on any assessment levied upon the tracts through proceedings authorized under this article.

New assessment

42729. If for any reason funds are not available to the district to defray all expenses under this article, as estimated by the board to be incurred for the general benefit of the district up to the time that a new assessment for the new project has been levied and become available under Chapter 2 of Part 9 of this division, the board may levy assessments from time to time pursuant to Chapter 1 of Part 9 of this division to raise the necessary funds to defray such expenses.

PART 6. POWERS AND FUNCTIONS

CHAPTER 1. WATER AND ELECTRICITY

Article 1. Water

Acquiring, etc., works

43000. The board may acquire, improve, and operate the necessary works for the storage and distribution of water, and any drainage or reclamation works connected therewith.

Disposal of water, etc

43001. The board may sell, distribute, or otherwise dispose of water and water rights not necessary for the uses and purposes of the district

Permission to use facilities

43002. The board may grant to the owner or lessee of a right to the use of any water permission to store the water in any reservoir of the district or to carry it through any conduit of the district.

By-laws, etc., for distribution

43003. The board shall establish equitable by-laws, rules, and regulations for the distribution and use of water within the district. The by-laws, rules, and regulations shall recognize and shall be subject to such priorities in the right to water between the different consumers of the water as may legally exist.

Deficiency of water

43004. In the event that the volume of water under the control of any district is in any season so diminished below normal, by reason of water shortage or otherwise, as to make it probable that all the land cannot receive the full amount of water which it may need and to which it would otherwise be entitled, the deficiency shall be borne ratably by all the land, except insofar as priorities in the right to water as between different lands may prevent. The board may make rules and regulations to provide for distributing the burden of the deficiency and for the most economical and efficient use of the water which is or probably will be available.

Article 2. Electricity

Hydroelectric energy

43025. The board may provide for the generation and distribution of hydroelectric energy incidental to water storage and distribution.

Disposition

43026. The board may sell, distribute, or otherwise dispose of hydroelectric energy not necessary for the uses and purposes of the district.

CHAPTER 2. GENERAL POWERS AND FUNCTIONS

Powers of board

43150. The board has all powers and authority necessary to enable it to fully perform the duties imposed upon it by this division.

Same Contracts

43151. The board may enter into any agreement with the United States or with any state, county, district, public corporation, or municipality of any kind, for a purpose appertaining to or beneficial to the project of the district, and it may do any acts necessary or proper for the performance of the agreement.

Same

43152. The board may:

(a) Adopt a seal.

(b) Make and execute all necessary contracts.

(c) Employ and appoint such agents, officers, and employees as may be required, and prescribe their duties.

(d) Itself or by agents enter upon any lands to make surveys, locate works, or for any other necessary and lawful purpose.

Same: Constructing works

43153. The board may construct works across or intersecting any stream of water, watercourse, street, avenue, highway, railway, or conduit in such manner as to afford security for life and property.

Same Restoration of property

43154. The board shall restore any property altered or damaged when so crossed or intersected to its former state as nearly as may be, or in a manner so as not to have impaired unnecessarily its usefulness.

Railroad intersections

43155. Every company whose railroad is intersected or crossed by the works shall unite with the board in forming intersections and crossings, and grant privileges necessary to construct the works.

Same

43156. If any railroad company and the board, or the owners and controllers of the property to be crossed, cannot agree upon the amount to be paid for the privilege, or the points or the matter of the crossings or intersections, the same shall be ascertained and determined in all respects as provided in this division in respect to the taking of land.

Right of way over state lands

43157. The right of way is hereby given, dedicated, and set apart for the location, construction, and maintenance of works over and through any land which is or may be the property of this State.

State waters

43158. All waters and water rights belonging to this State within the district are given, dedicated, and set apart for the uses and purposes of the district.

Record of transactions

43159. The department and the board shall, respectively, cause to be entered in books to be kept for that purpose a complete and connected record of all their acts and transactions. All contracts and other written instruments shall be executed in duplicate, one copy of each of which, together with any other documents, instruments, or other papers filed with them, shall be kept and preserved on file in their respective offices and open to inspection by the public during business hours.

Record etc as evidence

43160. The records and all documents, instruments, or other papers filed with the department or the board, or a copy or copies of any thereof certified by the department or secretary, shall be received in evidence without further proof in any court of this State, or before any board or tribunal authorized to hear or consider a matter wherein the same are properly admissible in evidence.

Submitting questions to vote

43161. Whenever it deems it necessary for its own guidance or for the best interests of the district, the board may submit any question or proposition relating to the construction, improvement, or operation of the works or the carrying out of the project of the district to the qualified voters of the district at any general election or at a special election called for the purpose. The election shall be in all respects conducted as other elections in the district.

Chapter 3. Construction Contracts and Bids

Advertisement for bids

43300. Before making any contract for the construction or improvement of works in carrying out any project, the board shall advertise for bids.

Notice

43301. When work is to be done the board shall give notice calling for bids by publication in the office county once a week for four consecutive weeks.

Same Contents

43302. If less than the whole work provided for in the plans and specifications is to be done, the portion to be done must be particularly described in the notice.

Same

43303. The notice shall set forth that:

(a) Plans and specifications of the work to be done can be seen at the office of the board.

(b) The board will receive sealed bids.

(c) The contract will be let to the lowest responsible bidder.

(d) The bids will be opened in public at a given time and place.

Powers of board

43304. The board may either:

(a) Let the work to the lowest responsible bidder.

(b) Reject any or all bids and readvertise for proposals.

(c) Proceed to construct the work under its own superintendency.

Emergency

43305. In case of emergency or urgent necessity the board, by unanimous vote of those present at any regular or special meeting, may award contracts without advertising for bids. The amount of any contract so awarded shall not exceed ten thousand dollars ($10,000).

Materials

43306. Contracts for the purchase of materials only shall be awarded to the lowest responsible bidder, except that the board may reject any or all bids for the furnishing of materials only and thereafter either readvertise for bids or solicit offers from not less than three responsible persons to furnish materials.

Same

43307. Upon receipt of an offer for a less price than that specified in the lowest rejected bid, the board may enter into a contract for the furnishing of the materials with the person who has offered them at the lowest price.

Bond

43308. Any person to whom a contract is awarded shall enter into a bond, with good and sufficient sureties, to be approved by the board, payable to the district for its use, for 25 percent of the amount of the contract price, conditioned for the full and faithful performance of the contract. The work shall be done under the direction and to the satisfaction of, and be approved by, the board.

Signature of contracts

43309. All contracts and other documents executed by the board shall be signed by the president and by the secretary.

CHAPTER 4. PROPERTY

Article 1. Acquisition of Property

Power to acquire property

43500. The board may acquire by any means any property or interest in property to carry out the district purposes, including any of the following:

(a) Property for the construction, maintenance, improvement, or operation of works or the carrying out of the project in this State or in any other state or foreign nation.

(b) Property and rights of private owners devoted to a public use.

(c) Stocks of domestic or foreign corporations.

(d) Rights to store water in any reservoir.

(e) Rights to carry water through any conduit within or without the State not owned or controlled by the district.

43501. The board may pay for property and rights with bonds of the district upon such terms and conditions as it deems best. Terms of payment

43502. No bonds shall be given in payment for property or rights at a valuation less than 90 percent of their face value and accrued interest. Restriction

43503. Before any purchase of property located in the district at a price exceeding five hundred thousand dollars ($500,000), the price shall be approved by the department. It shall give its approval if it finds the price not excessive. Approving price

43504. The board may take conveyances, leases, contracts, or other assurances for all property acquired by it under the provisions of this division in the name of the district, to and for the uses and purposes expressed in this division. Title to property

43505. The legal title to all property acquired under the provisions of this division vests in the district immediately. All property is held by the district in trust for the uses and purposes set forth in this division and is hereby dedicated and set apart to such uses and purposes. Same

43506. The board may hold, use, manage, occupy, and possess property of the district. Use, etc., by board

43507. The board may determine by resolution entered upon its minutes that any property, real or personal, held by the district is not necessary for the uses and purposes thereof and may sell the same for an adequate consideration. Title may be conveyed or transferred to the purchaser by the president and secretary pursuant to the resolution. Sale of property

43508. The rights of way, ditches, canals, flumes, pipelines, dams, water rights, reservoirs, power plants, and transmission lines, and all other property of like character belonging to a district shall not be taxed for State and county or municipal purposes. Tax immunity

Article 2. Eminent Domain

43530. The board may acquire by condemnation all property it deems necessary for the construction, maintenance, improvement, and operation of the works or the carrying out of the project of the district, except that private property devoted to the use of one water storage district or any irrigation district or other district or any city or county shall not be taken by any water storage district. Acquisition; Exception

43531. In condemnation proceedings the board shall proceed in the name of the district under the provisions of Section 14 of Article I of the Constitution of this State, and Title 7, Part 3 of the Code of Civil Procedure. Procedure

Chapter 5. Controversies

Article 1. Actions and Proceedings

43700. A district may commence and maintain any actions and proceedings to carry out its purposes or protect its interests and may defend in any action or proceeding brought against it. Commencement, etc

Procedure

43701. In all actions or proceedings the board may sue, appear, and defend in person or by attorneys and in the name of the district.

Service

43702. Service of summons upon a district may be made by serving it upon the secretary or a majority of the directors.

Costs

43703. The costs of any action, proceeding, or contest may be allowed and apportioned between the parties or taxed to the defeated party in the discretion of the court or other tribunal before which it is heard.

Findings, etc., of department

43704. All findings of fact or conclusions of the department or the board upon all matters shall be conclusive unless the action, proceeding, or contest is instituted within six months after the findings or conclusions are made.

Consolidation of actions

43705. If two or more actions or contests are pending at the same time in the same court or before the same tribunal for the purpose of contesting or determining the validity of identical or similar acts or matters under the provisions of this division, the actions or contests shall be consolidated and tried together.

Result of error, etc

43706. The court or other tribunal before which any action, proceeding, or contest is brought involving the regularity, legality, validity, or correctness of any proceeding taken or thing done pursuant to any of the provisions of this division, shall disregard any error, irregularity, or omission which does not affect the substantial rights of the parties concerned.

Procedure

43707. In all actions, proceedings, or contests the rules of pleading and practice provided by the Code of Civil Procedure shall apply, insofar as they are not inconsistent with the provisions of this division.

Article 2. Validation of Bonds

Action by district

43730. At any time within 30 days after the issue of any bonds an action may be commenced in the superior court of any affected county by the board in the name of the district as plaintiff to determine the validity of the bonds. The defendants shall be described as "all persons claiming any interest in any lands within the said (name) water storage district."

Action by landholder

43731. In the event no action is brought by the board, it may be commenced by any holder of title to land within 60 days after the expiration of the period within which it might have been brought by the board.

Description of land

43732. It shall be sufficient to describe the land as all land in the district (naming it) without a more specific description.

Publication of summons

43733. The summons shall be published once a week for two successive weeks in the county where the action is pending.

Answer

43734. Within 30 days after the first publication of summons any holder of title to land or any person interested may appear and answer the complaint. The answer shall set forth the facts relied upon to show the invalidity of the bonds. The default of all defendants not so appearing may be entered.

43735. An action to determine the validity of bonds shall be given precedence in hearing and trial over all other civil actions before the court. Judgment shall be rendered declaring the matters contested either valid or invalid. Any party not in default has the right to appeal to the supreme court within 30 days after the entry of judgment. Precedence in hearing

43736. Judgment for the plaintiff in the proceedings is a judgment in rem and is conclusive against the district, all land, holders of title to land, and other interested persons. Effect of judgment

Article 3. Limitations

43850. Unless otherwise in this division expressly provided, no action, proceeding, or contest shall be brought or maintained before any court or other tribunal unless the action, proceeding, or contest is brought within the times specified in the following subdivisions: Limitations of actions

(a) Attacking the organization of any district, within six months of the date of the organization thereof.

(b) Attacking the inclusion of land within or the exclusion of land from any district, within six months of the date of the inclusion or exclusion.

(c) Attacking any assessment of any district, within 90 days of the date upon which the assessment roll is filed with the county treasurer.

(d) Attacking any toll or charge of any district, within 90 days of the date upon which the toll or charge becomes payable.

(e) Attacking the validity of any bonds issued by the district, within 90 days of the date of issuance of the bonds.

(f) Attacking any other proceeding or action taken or thing done by the district or by the board under the provisions of this division, within six months of the date of the proceeding, action, or thing done.

Chapter 6. Cooperation With the United States

Article 1. Contracts

44000. Any district may cooperate and contract with the United States under the Federal Reclamation Act of June 17, 1902 and all acts amendatory thereof or supplementary thereto, or under any other act of Congress heretofore or hereafter enacted authorizing or permitting the cooperation or contract. Cooperation, etc., with United States 43 U S C, §371

44001. The cooperation and contract may be for any or all of the following purposes: Same Purposes

(a) Construction, acquisition, purchase, extension, operation, or maintenance of works for irrigation, drainage, storage, flood control, generation and distribution of hydroelectric energy incidental thereto, or any of these.

(b) A water supply.

(c) Assumption as principal or guarantor of indebtedness to the United States.

(d) To carry out the terms of any contract between the district and the United States.

Same Contents

44002. Any contract made between a district and the United States may designate and describe the land which is to be served with water from the water works or system contemplated under the contract and, in that case, only such land may be charged with any of the assessments mentioned in this chapter.

Same Contents

44003. The board may provide by contract with the United States for the delivery and distribution of water for the land of the district under any acts of Congress and under any rules and regulations established thereunder.

Same Report by board

44004. Before entering into any contract with the United States, the board shall make a report complying with the provisions of Sections 42275 to 42280, inclusive, and setting forth the substantial terms and provisions of the proposed contract. The report may be either the original report of the board or a supplemental or additional report and may embody other features in addition to the proposed contract.

Same Proceedings

44005. The proceedings for the adoption or rejection of the report and all proceedings subsequent to its adoption shall be the same as those provided in this division for the adoption or rejection of an original report and proceedings upon an original project, including assessments and bonds.

Power of board

44006. The board shall perform all acts necessary to carry out the enlarged powers enumerated in this chapter.

Article 2. Levy of Assessments

Levy of assessment

44030. If a contract with the United States, in addition to payment of capital charges also requires the payment by the district of periodic service charges, the amount shall be levied from time to time as an assessment on land in the district on the same basis as any assessment of capital charges previously may have been levied. Any such assessment shall be collected in the same manner as an original assessment.

Determination by commissioners

44031. If the contract does not provide for any payment in the nature of capital charges, the assessment commissioners appointed under Chapter 2 of Part 9 of this division shall determine the portion of the total benefits to accrue to the district under the contract which will be realized by each parcel of land in separate ownership in the district. The determination shall be stated in apportionment rolls substantially in form and manner as provided in Chapter 2 of Part 9 of this division, except that the apportionment of benefits shall be stated in percentages of benefits to the district as a whole, or in such other manner as may be determined upon by the commissioners Thereafter all assessments levied in order to meet the payments due or to become due under the contract shall be apportioned among the respective tracts of land in accordance with the rolls.

Article 3. Transfer or Deposit of Bonds

Transfer of bonds to United States

44055. In case any contract is made with the United States, bonds of the district may be transferred to or deposited with the United States if so provided by the contract, at not less than their par value, to the amount, or any part thereof, to be paid by the district to the United States. The interest or principal, or both, of the bonds may be regularly paid to the United States and applied as provided in the contract.

Bond terms

44056. The bonds may:

(a) Call for the payment of interest not exceeding 6 percent per year.

(b) Be of the denomination specified in the contract.

(c) Call for the repayment of the principal at such times as specified in the contract.

Payments to United States

44057. The contract with the United States may call for the payment of the amount, or any part thereof, to be paid by the district to the United States at specified times, in installments, and with interest not exceeding 6 percent per year.

Fiscal agent

44058. The board may accept, on behalf of the district, appointment of the district as fiscal agent of the United States or authorization of the district by the United States to make collection of money for and on behalf of the United States and to assume the duties and liabilities incident to such action.

Powers as fiscal agent

44059. The board as fiscal agent of the United States may do any and all things required by the federal statutes now or hereafter enacted in connection therewith and all things required by any rules or regulations now or hereafter established under any such federal statutes.

Article 4. Distribution of Water

Water distribution

44080. All water which the district has the right to use under any contract with the United States may be distributed and apportioned by the district in accordance with acts of Congress applicable thereto and any rules or regulations thereunder.

Delinquency on assessment

44081. Provision may be made in the contract between the district and the United States for the refusal of water service to any land which may become delinquent in the payment of any assessment levied for the purpose of carrying out any contract between the district and the United States.

Conveyance of rights to United States

44082. As partial consideration for privileges obtained by the district under contract with the United States, any rights of way or rights to water or other property owned or acquired by the district may be conveyed by the board to the United States insofar as the same may be needed for the construction, operation, and maintenance of works by the United States for the benefit of the district under any contract that may be entered into with the United States pursuant to the provisions of this chapter.

Article 5. Dissolution or Change of Boundaries

Consent to dissolution, etc

44105. A contract between the district and the United States may provide that the district shall not be dissolved nor shall the boundaries be changed except upon written consent of a specified official of the United States filed with the official records of the district. If the consent of the United States official is given and land is excluded, the areas excluded shall be free from all liens and charges for payments to become due to the United States under the contract.

Article 6. Contesting Contract or Assessment

Action by district

44125. At any time within 30 days after any assessment under this chapter has become a lien upon the land described, an action may be commenced in the superior court of any affected county by the board in the name of the district as plaintiff to have it determined that the assessment is a valid assessment and that any contract with the United States in respect of which the assessment is levied in whole or in part is a legal obligation of the district. The defendant shall be described as "All persons claiming any interest in any lands within the said (Name) Water Storage District."

Action by land holder

44126. In the event no action is brought by the board, it may be commenced by any holder of title to land within 60 days after the expiration of the period within which it might have been brought by the board.

Land description

44127. It shall be sufficient to describe the land as all land in the district (naming it) without a more specific description.

Summons

44128. The summons shall be published once a week for four successive weeks in the county where the action is pending and in any other affected county. If the summons is published in more than one county, it shall be published on the same day in each county for its first publication.

Same Contents

44129. The summons shall include the following statement:

"The purpose of this action is to have it determined that an assessment which became a lien upon the lands in the district under date of (specifying the date for each county) and amounting to (inserting amount) is a valid assessment and that any contract with the United States or any of its officers, departments, bureaus, corporations, or agencies in respect of which said assessment is levied in whole or in part is a legal obligation of said district (naming it)."

Answer

44130. Within 60 days after the first publication of summons, any holder of title to land, or any person interested, may appear and answer the complaint, setting forth the facts relied upon to show the invalidity of the assessment or of the contract. The default of all defendants not so appearing may be entered.

Judgment and appeal

44131. Judgment shall be rendered declaring the matters contested either valid or invalid. Any party not in default shall have the right to appeal within the time required by law.

44132. Judgment for the plaintiff in the proceedings is a judgment in rem and is conclusive against the district, all land, holders of title to land, and other interested persons. Effect of judgment

PART 7. FINANCIAL ORGANIZATION

CHAPTER 1. GENERAL FINANCIAL PROVISIONS

Article 1. Limitations on Liabilities

44400. A district may not incur any debt or liability whatever in excess of the express provisions of this division. Any debt or liability so incurred is void. Debts and liabilities

44401. Nothing contained in this article shall be construed to limit the right of the board to enter into any contract or lease for property, as in this division provided, and to bind the district for the payment of the rental or consideration specified in the lease or contract. Construction

Article 2. Statements and Reports

44425. The county treasurer of each of the several counties shall report all transactions of delinquencies on district assessments and sales of land within the district to the treasurer of the district who shall keep a record thereof in the office of the district. County treasurer's report

44426. The district treasurer shall report to the board in writing at its regular meeting in each month the amount of money in the district treasury and the amount of receipts and the amount and items of expenditures for the month preceding. The report shall be verified and filed with the secretary. District treasurer's report

44427. During the construction of any works in carrying out the project of any district, the board shall, within one week after each regular meeting, forward to the department a report of the progress of the construction together with a statement of the amount paid for the doing of the work. Construction report

44428. The board at its regular monthly meeting in January of each year shall render and immediately thereafter cause to be published in the office county at least once a week for two successive weeks a verified statement of the financial condition of the district, showing particularly the receipts and disbursements of the last preceding year, together with the source of the receipts and purpose of the disbursements. Statement of financial condition

44429. Immediately after the publication of the statement of financial condition, the board shall file a copy with the department, accompanied by a report stating the progress of the work under construction, the general condition of the project, whether or not the same is being successfully and satisfactorily carried out, and any other matter which the board may deem proper. Report to department

Recommendations etc., by department

44430. The department shall examine the statement and report and may make recommendations and comments to the board. The department may publish the recommendations and comments in the manner it deems advisable.

Examination by department

44431. The department may at any time make or cause to be made an examination of the affairs of any district or call upon the board for such information as it may desire, and may make and publish such report thereon as it deems advisable.

Form of reports etc

44432. The department may prescribe the form of all reports and accounts provided for in this article and may require such methods of accounting and itemization as shall in its judgment tend to the uniformity of reports and accounting The requirements of the department may from time to time be changed by it.

Public records

44433. The records of the board, including copies of the project, copies of assessment rolls, and reports to the department, are public records and shall be kept in the office of the board and open to inspection during office hours.

Article 3. Payment of Claims

Warrants

44455. All claims against the district shall be paid by warrants of the district.

Drawing on general fund

44456. To provide a fund for payment of claims, the board may from time to time draw from the general fund deposited and kept to the credit of the district in the office of the county treasurer of a county having funds belonging to the district in his possession such sums as may be necessary. The sums shall be deposited with the treasurer of the district and paid out by him upon warrants of the district.

Chapter 2. Warrants

Article 1. Execution

Warrants

44600. Warrants drawn by the department shall be drawn upon the treasurer of the district.

Signatures

44601. Warrants drawn by the board shall be signed by its president or vice president and secretary or assistant secretary and countersigned by the treasurer.

On whom drawn

44602. Warrants drawn by the board for payment of principal or interest on bonds shall be drawn upon the county treasurer of a county having funds belonging to the district in his possession, and upon the treasurer of the district or the county treasurer of such a county, as the case may be, for payment of all other claims and demands.

Article 2. Payment

Demand warrants

44625. The provisions of this article are applicable only to warrants payable on demand.

Funds unavailable for payment

44626. Whenever any warrant of the district is presented for payment when funds are not available for payment, it shall thereafter draw interest at a rate determined by resolution of the board, not to exceed 7 percent per year, until public notice is given that such funds are available.

Endorsement of warrant

44627. Upon the presentation of warrants for payment when funds for payment are not available, the treasurer of the district or of the county, as the case may be, shall endorse on them all of the following:

(a) "Funds not available for payment."

(b) The date of presentation.

(c) The interest that the warrants shall thereafter bear.

(d) His signature.

A warrant so registered is a registered warrant.

Treasurer's record

44628. The treasurer shall keep a record showing all of the following:

(a) Number and amount of each registered warrant.

(b) Date of its issuance.

(c) Person in whose favor it was issued.

(d) Date of its presentation for payment.

Limitation of action

44629. The registered warrant is a contract in writing for the payment of money, and the period prescribed for the commencement of an action based upon the warrant is four years from the date of issuance.

Notice of payment

44630. Whenever there is sufficient money in the treasury to pay all outstanding registered warrants or whenever the board orders that all registered warrants presented for payment prior to a certain date be paid and there is sufficient money available for payment, the proper treasurer shall give notice of this.

Same Contents

44631. The notice shall state that the treasurer is prepared to pay all registered warrants or all registered warrants presented for payment prior to the date fixed by the board. No further description of the warrants entitled to payment need be made in the notice.

Same Publication

44632. The notice shall be published once a week for two successive weeks in some newspaper published in the office county.

Cessation of interest

44633. All warrants designated in the notice shall cease to draw interest at the time of the first publication of the notice.

Payment by treasurer

44634. Upon the presentation of any warrant entitled to payment under the terms of the notice, the treasurer shall pay it together with interest due on it from the date of its original presentation for payment to the date of the first publication of the notice.

Treasurer's entry

44635. The treasurer shall enter all of the following in the record of registered warrants he is required to keep:

(a) Dates of the payment of all the warrants.

(b) Names of the persons to whom payments are made.

(c) Amount paid to each person.

CHAPTER 3. FUNDS

Article 1. Proceeds of Bond Sales

Disposition of proceeds

44750. The proceeds of sale of district bonds shall be placed in the treasuries of the respective affected counties to the amount of the unpaid assessment in each county and credited to the bond fund of the district.

Record

44751. A proper record of the transaction shall be made upon the books of the district treasurer.

Article 2. Proceeds of Assessments

Deposit of funds

44775. The county treasurer shall deposit in the county treasury to the credit of the bond fund of the district all money collected upon any assessment upon which bonds have been issued, including all the following:

(a) Money derived from sale of land for delinquent installments.

(b) Money derived from redemption of land.

(c) Money derived from sale of land bought by the treasurer at a sale for delinquent installments as trustee of the district bond fund.

(d) Money derived from interest and penalties.

(e) The amount of purchase money paid in bonds or coupons on sales made under any assessment.

Use of funds

44776. Money collected upon any assessment upon which bonds have been issued shall be used exclusively for the payment of principal and interest of the bonds issued on the assessment.

Accounting to district

44777. The county treasurer shall transmit to the treasurer of the district all canceled bonds and coupons received in payment on any delinquent sale and a memorandum of all sums endorsed as paid upon account of purchase money on any specified bonds or coupons. All money collected by any county treasurer upon account of an assessment on which bonds shall not have been issued shall be similarly accounted for to the treasurer of the district, and shall be credited to the general fund of the district.

Transfer to general fund

44778. Any balance remaining in the bond fund after payment in full of the principal and interest of all outstanding bonds of the district shall be transferred by the county treasurer to the general fund of the district.

Article 3. Proceeds of Sale of Land

Sale by county treasurer

44800. Any parcel of land bid in and purchased by any county treasurer as trustee of the bond fund of the district may be sold and conveyed by him or his successor in office at any time after the expiration of the redemption period of three years, at public or private sale and with or without notice, to any person paying him the amount for which the parcel was bid in by the treasurer at the delinquent sale, with interest

thereon at the rate of 7 percent per year, compounded yearly, from the date of the delinquent sale, and also the amount of all subsequent installments then delinquent, with accrued interest and penalties thereon.

Payment

44801. Payment may be made either in cash or in matured bonds and coupons issued on the assessment, taken at their face value.

Deed

44802. The treasurer shall execute a deed to the purchaser upon the sale, conveying the property free of encumbrances, except as provided for deeds where no redemption is made.

Unsold land

44803. If any land held by a county treasurer as trustee of the bond fund of a district remains unsold after the final installment of the assessment has been collected by payment or sale, each county treasurer shall sell all the land held by him at public auction to the highest bidder for cash.

Notice of sale

44804. Notice of the sale shall be given by publication once a week for two successive weeks in some newspaper published in the county in which the land is situated.

Proceeds

44805. The county treasurer shall deposit the proceeds of the sale in the treasury of the county to the credit of the bond fund of the district.

Treasurer's costs

44806. Each county treasurer shall charge to the general fund of the district, or to the bond fund if he has no money to the credit of the general fund, the expense of publication of notices and of recording certificates of sale, and shall notify the treasurer of the district of the charge.

PART 8. BONDS

CHAPTER 1. IN GENERAL

Special election for bond issue

45100. Whenever in any district any assessment has been levied and assessed upon land and remains unpaid in whole or in part, and in the judgment and opinion of the board it is for the best interest of the district or the landowners therein to issue bonds for the purpose of obtaining money to pay the costs of the proposed project, the indebtedness of the district, or any other lawful charge, or when a petition signed by the holders of title to more than one-fourth in assessed value of the land requesting it is filed with the secretary, the board shall by order entered upon its records call a special election to be held in the district. At the special election the question shall be submitted to the holders of title to assessed land whether or not bonds of the district shall be issued in an amount equal to the amount of the assessment, or the part of the assessment remaining unpaid. The amount shall be entered by the board in its records and stated in the order calling the special election.

Board resolution

45101. Whenever the board resolves that it is desirable that any contemplated or outstanding bonds of a district, including any bonds of the district authorized but not sold, shall be made available for the purpose provided for in Sections 20064 and 20065 of this code, the board shall file a certified copy of

the resolution with the California District Securities Commission provided for in Division 10 of this code.

CHAPTER 2. BOND ELECTION

Article 1. Notice

Notice of bond election

45250. The notice of a special bond election shall state the aggregate face value of bonds proposed to be issued.

Article 2. Election

Qualified voters

45270. Only holders of title to land which has been assessed as provided in this division shall be qualified to vote at the election.

Ballot form

45271. The ballots cast at the election shall contain the words "Bonds—Yes" and the words "Bonds—No."

List of ballots cast

45272. A list of the ballots cast shall be made by the board of election, containing the name of each voter who has voted at the election, and if the ballot was cast by proxy also the name of the person casting it, and the number of votes cast by each voter.

Canvass of votes

45273. At the close of the polls the board of election shall at once proceed to canvass the votes and declare the result.

Certificate of result

45274. The board of election shall deliver a certificate showing the result and the number of votes cast for and against the issuing of the bonds to the county clerk of the office county, and a duplicate to the board of directors.

Disposition of ballots, etc

45275. The board of election shall deliver to the county clerk of each county all ballots cast at the election within that county and all documents and papers used at the election.

Certification of result

45276. The county clerks of the respective counties shall immediately upon receipt of the ballots, papers, and documents from the board of election certify to the board of directors at its office a statement of the result of the election held in each of the counties with a statement of the number of votes for the proposition of "Bonds—Yes" and opposed "Bonds—No."

Entry on minutes

45277. The board of directors shall certify in its minutes that the proposal to issue bonds has carried or has been defeated. The certificate shall state the vote cast throughout the entire district. A duplicate of the certificate shall be immediately transmitted to the department.

Procedure

45278. Except as in this part specifically provided, the provisions of this division with reference to all matters pertaining to elections shall govern bond elections.

CHAPTER 3. BOND ISSUANCE

Delivery of bonds

45400. If a majority of the votes cast at the election are in favor of the issuance of bonds, the board shall cause bonds in the amount stated in the order calling the election to be executed and delivered, together with the assessment list segregated as to affected counties, to the treasurer.

45401. The treasurer of the district shall place the bonds prepared pursuant to this division to the credit of the district. Crediting of bonds

45402. When directed by resolution of the board, the treasurer shall sell the whole or any designated number of bonds for the best price obtainable, but in no event for less than 90 percent of the face value of the bonds and accrued interest. Sale of bonds

45403. Before making a sale of bonds, notice shall be given by the treasurer by publication at least once a week for two successive weeks in the office county that he will sell a specified amount of bonds, and stating the day, hour, and place of sale, and asking sealed proposals for the purchase of any or all of the bonds. Notice of sale

45404. At the time appointed, the treasurer shall open the bids and award the bonds to the highest responsible bidder. Award of bonds

45405. The treasurer, upon written request of a majority of the directors, shall reject any or all bids. Rejection of bids

45406. Sale and delivery of bonds by the treasurer is conclusive evidence that the sale was made upon due authority and notice. Evidence

45407. Upon a sale of any district bonds, the treasurer may accept in payment, in whole or in part, outstanding warrants of the district at face value plus accrued interest. Warrants in payment

CHAPTER 4. BOND TERMS

Bond terms

45550. The bonds shall be of the denomination of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) each. Denomination

45551. The bonds shall be signed by the president and attested by the treasurer. Signature

45552. The bonds shall be numbered consecutively in order of their maturity. Numbering

45553. The bonds shall bear interest at a rate not to exceed 6½ percent per year payable semiannually on the first day of January and the first day of July in each year at the office of the treasurer and at any other place within the United States which may be designated by the board, upon the presentation of the proper coupons. Interest

45554. Coupons for each installment of interest shall be attached to the bonds and shall bear the facsimile signature of the treasurer. Coupons

45555. The principal of the bonds shall be made payable on the first day of July, or the first day of January, and in such years as the board may prescribe. Principal payable

45556. The bonds shall be payable serially within 40 years from their date in the manner following: Same

(a) Not less than 10 percent of the aggregate face value of the bonds issued shall be payable within 15 years from their date.

(b) Not less than 2½ percent of the aggregate face value of the bonds remaining unpaid at the end of 15 years shall be payable each year beginning with the 16th year from their date, until the whole amount of the bonds has been paid.

Form

45557. The bonds shall be substantially in the following form:

UNITED STATES OF AMERICA
State of California
(Name) water storage district.

No._____ $_____

(Name) water storage district for value received hereby acknowledges itself indebted to and promises to pay to the holder hereof at the office of the treasurer of said district, at (place) in the State of California, on the first day of _____ the sum of $_____ in lawful money of the United States of America, with interest thereon in like lawful money from date hereof until paid, at the rate of _____ percent per annum, payable at the office of said treasurer, or at (other designated places), semiannually on the first day of January and the first day of July in each year on presentation and surrender of the interest coupons hereto attached. This bond is one of a series of _____ bonds of like tenor and effect (except as to denomination and maturity), numbered from _____ to _____ inclusive, amounting in the aggregate to _____ dollars ($_____), issued in accordance with the provisions of Division 14 of the Water Code of California and of the laws of the State of California, pursuant to an election held in said water storage district on the _____ day of _____ authorizing its issuance, and based upon and secured by an assessment levied on the lands in said district, and filed in the office of the county treasurer of the county (or counties) of _____ on the _____ day of _____, and the said water storage district does hereby certify and declare that said election was duly called and held upon due notice, and the result thereof was duly canvassed and ascertained, in pursuance of and in strict conformity with the laws of the State of California applicable thereto, and that all the acts and conditions and things required by law to be done, precedent to and in the issue of said bonds, have been done and have been performed in regular and in due form and in strict accordance with the provisions of the law authorizing the issuance of water storage district bonds.

In testimony whereof, the said district, by its board of directors, has caused this bond to be signed by the president of said board and attested by the treasurer of said district, with the official seal of said district affixed this _____ day of _____.

_____,
President of said board.

Attest: _____,
Treasurer.

45558. Interest coupons may be substantially in the following form:

No._____ $_____

The treasurer of (name) water storage district, California, will pay to the holder hereof on the _____ day of _____,

at his office at (place in the State of California, or at designated places), the sum of $_____, in lawful money of the United States, out of the funds of (name) water storage district for interest on bond of said district numbered _____.

_____,
Treasurer.

CHAPTER 5. ADDITIONAL BONDS

Maturity

45700. If any district having authorized the issuance of a series of bonds shall issue an additional series of bonds based on another assessment, the dates of maturity of the additional series of bonds shall be such that the latest maturities thereof shall not exceed 50 years and the earliest maturity thereof shall be later than the latest maturity of bonds of any earlier series.

Commission approval

45701. Where the California Districts Securities Commission has passed upon one issue of bonds of a district, all subsequent issues of the district shall be submitted to the commission.

Construction

45702. All provisions of this part relative to the original issue of bonds shall apply to any additional series of bonds.

PART 9. ASSESSMENTS

CHAPTER 1. PRELIMINARY ASSESSMENTS

Preliminary assessment

46000. A preliminary assessment is an assessment levied by the board of an equal amount upon each acre of land in the district sufficient to pay all warrants issued by the department in accordance with the provisions of this division, and to defray all other expenses as estimated by the board incurred and to be incurred for the general benefit of the district up to the time of the levy of assessments provided for in Chapter 2 of this part, including expenses incurred prior to the organization of the district but in the judgment of the board properly incurred for the general benefit of the district.

Same Levy

46001. At its first regular meeting, or within 90 days thereafter, the board shall levy a preliminary assessment.

Resolution

46002. The amounts required to be raised to pay warrants of the department and to pay expenses shall be separately stated in the resolution levying the preliminary assessment.

Further assessments

46003. In the event the first preliminary assessment is not sufficient, the board shall from time to time levy further preliminary assessments.

Limitation

46004. Except as otherwise provided in this chapter, the total of all preliminary assessments, exclusive of the amount assessed for the purpose of paying warrants of the department, shall not exceed fifty cents ($0.50) per acre.

Same

46005. If after the total amount raised by all preliminary assessments shall have been expended or its expenditure authorized, that amount is found to be insufficient to meet all expenses of the district, the directors may, in the manner provided in this

chapter, levy additional preliminary assessments up to an amount not in excess of fifty cents ($0 50) per acre.

Resolution of intent

46006. Before levying any additional preliminary assessment the board shall pass a resolution declaring its intention so to do, and in the resolution appoint a time not less than two weeks nor more than four weeks from the date of the resolution when the matter of levying the additional preliminary assessment will be considered in open meeting.

Publication

46007. A copy of the resolution of intention shall be published once a week for at least two weeks before the time appointed by the board for the open meeting in a newspaper of general circulation in each affected county.

Meeting

46008. At the time appointed for the open meeting by the board, it shall consider the matter of levying the additional preliminary assessment and hear any objection. At or after the meeting, the board may, upon approval of the department, levy the additional assessment, if in its judgment the levy is in the best interests of the district.

Assessment as lien

46009. Every preliminary assessment is a lien upon the land affected until the full amount of the assessment is paid. The lien is prior to all other liens, except state, county, and municipal taxes and assessments, or taxes levied or assessed by or under statutory authority. The preliminary assessments shall be collected in the same manner as other assessments provided for in this division.

CHAPTER 2. ORIGINAL ASSESSMENTS TO FINANCE PROJECTS

Article 1. Commissioners

Commissioner's qualifications

46150. If a district project is adopted as provided in Part 5 of this division, the department shall appoint three commissioners, one of whom shall be a civil engineer and one shall have a practical knowledge of irrigation.

Same

46151. No commissioner shall have any interest in any land in the district either directly or indirectly.

Oath

46152. Each commissioner before entering upon his duties shall take and subscribe an oath that he is not in any manner interested directly or indirectly in any land in the district and that he will perform the duties of commissioner to the best of his ability.

Compensation

46153. The commissioners shall be paid as compensation for the services rendered by them such sum, or sums, as the department fixes, which is a part of the cost of the project.

Warrants

46154. The department may issue warrants as compensation to the commissioners, payable out of the funds of the district, which may be included in any bond issue authorized for the purposes of the district.

Plans, etc., of project

46155. The commissioners shall receive from the board a copy of the detailed plans, specifications, and estimate of the costs of the project which have been filed with the department

Article 2. Apportionment of Costs

Assessment of costs

46175. The commissioners appointed pursuant to Article 1 of this chapter shall assess the costs of the project, or in the event the board has divided the project into units of construction, the cost of the unit or units specified for immediate construction, upon the benefited land.

Apportionment of costs

46176. The commissioners shall apportion the cost in accordance with the benefits that will accrue to each tract of land held in separate ownership by reason of the expenditures of the money and the completion of the project, or such units of it as have been specified for immediate construction. The assessment shall be payable in lawful money of the United States.

Costs of electric generation

46177. If the project includes plans for the generation of electric power, the commissioners shall ascertain the total cost of all the properties which are necessary to be used in connection with the generation of electric power as set forth in the plan, and shall also ascertain what portion of the assessment of benefits to accrue to each tract consists of costs of the properties which are necessary to be so used.

Identification of tracts

46178. Where any tract of land consists of more than one section, the apportionment to that tract of land shall be made according to legal subdivisions or to other boundaries sufficient to identify the land in subdivisions not greater than one section in area. Any failure or defect in complying with this requirement shall not invalidate the apportionment or the assessment.

Article 3. Assessment Rolls

Assessment roll Contents

46200. The commissioners shall prepare and certify to the department in triplicate assessment rolls which shall contain:

(a) A description of each tract held in separate ownership by legal subdivisions, governmental surveys, or other boundaries sufficient to identify it. If any area composed of more than one tract held in separate ownership is not assessed because the land therein will not be benefited by the expenditure of the funds to be raised by the assessment, a description of the area as a whole without a description of each tract shall be sufficient.

(b) The number of acres in each tract.

(c) The name and address of the owner of each tract, if known, and if unknown, that fact. No mistake or error in the name of the owner or supposed owner of the property assessed, and no mistake in any other particular, shall render the assessment invalid.

(d) The rate per acre of the assessment upon each tract assessed, or if no assessment is made upon any tract or area composed of more than one tract, a statement of that fact.

(e) The rate per acre of the assessment upon each tract assessed for the costs of the properties which are necessary to be used in connection with the generating of electric power, or if no assessment of such costs is made upon any tract or area composed of more than one tract, a statement of that fact.

(f) The total amount of the assessment as computed.

(g) Any other statement which may be required by the department and as to which notice is given in writing to the commissioners at the time of transmitting the plans and specifications and costs of the work for the district.

Separate rolls

46201. The roll shall be separately made for each affected county.

Commissioners' report

46202. When completed, the rolls shall be accompanied by the written report of the commissioners setting out with particularity all the following:

(a) The exact nature and quantum of the benefits assessed, apportioned, and allocated to each tract of land in the district, in respect to:

(1) The right in and to stored surplus waters, and

(2) The right to store water in the reservoirs of the district, and

(3) Any drainage or reclamation work connected with the tract.

(b) The portion of the assessment, if any, attributable to the cost of the properties which are necessary to be used in connection with the generation of electric power.

Description of land

46203. In the report of the commissioners, land embraced within a comprehensive area or a political subdivision of the State may be referred to generally as land lying within the area or subdivision without further description.

Certification, etc., of rolls

46204. When completed, the rolls shall be certified by the commissioners and filed by them in the office of the department.

Filing rolls

46205. The department shall transmit two copies of the rolls to the board. The board shall file one copy in its records and transmit to the county treasurer of each affected county that portion of the roll relating to land within such county.

Article 4. Hearings Before Adjustment Board

"Adjustment board"

46225. The executive directors and the president of the board of directors constitute a board in the nature of a board of equalization which shall be known and designated as the "adjustment board" and whose functions shall be to consider and act upon objections presented as provided in this article to the assessment made by the commissioners.

Organization

46226. The adjustment board shall at once organize by the election from its members of a president and a secretary and shall appoint times and places not less than 30 days after the assessment rolls have been filed in the records of the board of directors when and where it will meet within each affected county for the purpose of hearing objections to the assessments.

Notice of hearing

46227. Notice of the hearing shall be published at least once a week for two successive weeks in each affected county.

Objections

46228. The objections to any assessment shall be in writing, verified, and filed with the department, and shall set forth the grounds of the objection.

Verification

46229. The verification shall be made by the affidavit of the objector or some other person familiar with the facts.

Postponement

46230. The adjustment board may postpone the hearings on objections to assessments from time to time.

Hearings

46231. At the hearings, the adjustment board shall hear such evidence as may be offered touching the correctness of the assessment, and may modify, amend, or approve the assessment in any particular and may reapportion the whole or any part of it.

Notice of increased assessment

46232. No assessment shall be increased if the holder of title to land affected is known except after personal notice or notice by registered mail given to the holder of title by depositing the notice at least two weeks before the hearing in the post-office at the place in which the office of the district is located, in a sealed postpaid envelope addressed to each of the holders of title at his last known place of residence or business. If the last known place of residence or business of the holder of title is unknown, the notice may be sent to the county seat of the county in which any portion of his land is situated. If the holder of title is unknown, the notice may be given by publication at least once a week for two successive weeks in the county in which his assessed land is located. No assessment shall be increased except upon a hearing of objections made.

Article 5. Approval of Assessment Roll

Approval of order

46255. After hearing of objections, the adjustment board shall make an order approving the assessment as finally fixed or modified. The order shall be filed with and entered in the records of the department, and the apportionment and determination of the adjustment board shall be final and conclusive, and no action or defense shall ever be maintained attacking them in any respect.

Certification, etc., of assessment roll

46256. Two copies of the assessment roll as finally fixed and approved by the adjustment board shall be certified by the secretary of the adjustment board and transmitted to the board of directors. The board of directors shall file one copy in its records and immediately transmit to the county treasurer of each affected county that portion of the roll relating to land in such county, together with a copy of the order of approval of the assessment roll by the adjustment board.

Roll as evidence

46257. The assessment roll as approved by the adjustment board shall be conclusive evidence before any court or tribunal that the assessment has been made and levied according to law.

Article 6. Lien of Assessment

Lien created

46280. When the board of directors files with the county treasurer of an affected county the assessment roll as finally approved by the assessment board, the charges assessed thereby upon the several tracts of land in the county shall constitute a lien thereon which is prior to all other liens except state, county,

and municipal taxes, and assessments or taxes levied or assessed by or under statutory authority. The filing imparts notice to all persons.

Acts, etc., of board or officer

46281. Where bonds of a district have been issued upon any assessment, no act or conduct on the part of the board or any officer shall invalidate the assessment after it has become a lien.

Article 7. Additional Units of Project

Assessment procedure

46305. Upon receipt by the department of a resolution to construct additional units pursuant to Article 2, Chapter 1, Part 5 of this division, the same proceedings for levying, approving, and collecting an assessment to meet the cost of the unit or units to be constructed shall be had as provided in this chapter for an assessment to meet the cost of the unit or units first constructed.

Article 8. Reapportionment of Assessments

Subdivision of land

46325. When any tract of land upon which any assessment provided for by this division has been levied is subdivided into smaller parcels, the board shall, upon the written request of the owner of the tract or of any of the smaller parcels, and after hearing, reapportion the assessment in such manner as will in the judgment of the board charge each of the smaller parcels with a just portion of the assessment.

Supplementary assessment rolls

46326. Supplementary assessment rolls showing the reapportionments shall be made separately for land lying within different counties.

Same Filing

46327. The board shall file copies of the supplementary assessment rolls with the department.

Same

46328. The board shall also file with the treasurer of each county in which any portion of the tract so subdivided is situated, the supplementary assessment roll relating to the land in that county.

Result of filing

46329. After the supplementary assessment rolls have been filed the assessment is an assessment upon each of the smaller parcels in accordance with the reapportionment and not an assessment upon the tract as a whole.

Same

46330. The supplementary assessment rolls are a part of and amendatory of the assessment rolls theretofore filed for all purposes.

Reapportionment

46331. The reapportionment shall in nowise affect the assessment except as to the land included in the supplementary assessment rolls.

Article 9. Reassessment of Cost

Reassessment

46355. At the expiration of five years after the commissioners have assessed the cost of the project upon the benefited land within the district and the costs of the portion of the project used for the generation of electric energy, and thereafter at periods of not less than five years, the department, upon

the request of the board or upon petition of holders of title to 10 percent of the land, shall appoint three commissioners to reassess the costs of the project upon the benefited land.

Procedure

46356. The reassessment of costs of the project shall be made in the same manner as provided in this chapter for the original assessment of costs.

CHAPTER 3. PAYMENT OF ASSESSMENTS

Payment

46500. The assessment list of each county shall remain open for payment in full in the office of the county treasurer of the affected counties for a period of 30 days.

Same

46501. During the time the assessment lists are open any person may pay the amount of the charge assessed against any tract of land to the county treasurer in lawful money of the United States or in warrants of the district.

CHAPTER 4. ADDITIONAL HELP FOR COUNTY TREASURER

Additional help

46650. The county treasurer of any affected county, during the time for the collection of the assessments of the district, may require the board to provide and pay for such additional help as may be required to care for the matters relating to the collection of the assessments of the district.

CHAPTER 5. COLLECTION OF ORIGINAL ASSESSMENTS

Article 1. In General

Treasurer's return

46670. At the end of 30 days, the county treasurer shall make return to the board of all assessments paid.

Interest rate

46671. All unpaid assessments bear interest at the rate of 7 percent per year.

Collection of unpaid assessments

46672. All unpaid assessments and accrued interest shall be collected by the county treasurers when and as called. The county treasurers shall hold the money collected to the credit of the district.

Payment of assessments

46673. Unless bonds have been authorized as provided in this division, all payments of assessments shall be made in such amounts or installments and at such times as the board from time to time in its discretion may direct by order entered in its minutes.

Use of excess funds

46674. In the event the cost of any unit is less than the funds collected therefor, the excess shall be held and used for the benefit of such unit only and shall be applied to the bond fund of such unit. If there is no bond fund, the excess shall be applied to the operation of such unit.

Article 2. Notice of Time for Payment

Form of notice

46695. Upon making any order fixing and calling an installment or amount, the secretary shall also enter in the minutes of the board, and certify to each county treasurer for signature and mailing or publication in the affected counties, a notice in substantially the following form:

(Name) water storage district. (Location of the principal place of business.) Notice is hereby given that at a meeting of the board of directors held on _____ an installment of ____ percent of assessment number _____ was ordered paid within 60 days from the date thereof to the respective county treasurers of the counties wherein lands of such district are situate. Any installment which shall remain unpaid on the (day fixed) will be delinquent, together with the accrued interest thereon, with 10 percent of such installment and interest added as penalty.

(Signed) _____

Treasurer of _____ County.

Notice by mail

46696. The notice shall be sent through the mail, addressed to each holder of title to land at his place of residence if known, and if not known, at the place where the principal office of the district is situated. In lieu of mailing, the notice shall be published once a week for two consecutive weeks in each affected county.

Article 3. Penalty for Delinquency

Penalty for delinquency

46710. If any installment remains unpaid at the expiration of 60 days from the date of the order, it becomes delinquent, together with the accrued interest thereon, and a penalty of 10 percent of the amount of the installment and interest shall be added and collected for the use of the district.

Article 4. Notice of Sale of Property

Notice of delinquencies

46730. Immediately after the installment has become delinquent, the county treasurer shall prepare and publish once a week for two consecutive weeks in each affected county in one notice a list of all delinquencies in the county.

Same Contents

46731. The notice shall contain all the following:

(a) A description of the property assessed.

(b) The name of the person to whom it is assessed or a statement that it is assessed to unknown owners if such is the fact.

(c) The amount then due on the property.

(d) A notice that the property assessed will be sold on the date therein stated in front of the county courthouse to pay the amount then due on the property.

Article 5. Sale for Nonpayment

Date of sale

46755. The date of the sale of assessed property shall not be less than 10 days after the date of the last publication of the notice of sale.

Sale

46756. At the time stated in the notice, or such other time to which the sale may have been postponed, the county treasurer shall sell the property to the highest bidder for lawful money of the United States.

Proceeds of sale

46757. Out of the proceeds of sale, the county treasurer shall deposit the amount due on the property as shown in the notice in the proper fund of the district.

Same Surplus

46758. The county treasurer shall pay to the owner of the property any surplus remaining after the deposit to the credit of the district, after first deducting any expense of sale.

Postponement of sale

46759. Except where bonds have been issued upon an assessment, the board may direct the county treasurer to postpone the sale from time to time, for not less then 10 nor more than 30 days at one time, by a written notice posted at the place of sale.

Sale to district

46760. If no bid is made for the property equal to the amount due thereon, it shall be sold to the district for the amount due.

Certificate of sale

46761. A certificate of sale shall be executed by the county treasurer to the purchaser, and this certificate of sale shall be recorded in the office of the county recorder.

Article 6. Redemption

Redemption period

46785. Any person interested in property sold for nonpayment of assessments may redeem it at any time within three years after the date of the sale even though the district may be in process of dissolution or may have already been dissolved.

Redemption price

46786. Except as provided in Section 46787, the redemptioner shall pay to the county treasurer the amount for which the property was sold and interest on the sum at the rate of 1 percent per month from the date of the sale. The amount shall be credited to the proper fund of the district or paid to the person holding the certificate of sale to the property sought to be redeemed.

Same

46787. In any district which has no bonds outstanding or which has bonds outstanding which were sold subsequent to September 15, 1935, the redemptioner may redeem the property by paying to the county treasurer the amount for which the property was sold and interest at the rate of 7 percent per year from the date of the sale. The amount shall be credited to the proper fund of the district or paid to the person holding the certificate of sale to the property sought to be redeemed.

Deed to unredeemed land

46788. If no redemption is made within three years from the date of sale, the purchaser or the district, if the property shall have been sold to the district, or the assignees or transferees of the district, shall be entitled to a deed executed by the county treasurer even though the district may be in the process of dissolution or may have already been dissolved.

Effect of deed

46789. The effect of the deed shall be to convey the property free and clear of all liens and encumbrances except state, county, and municipal taxes, assessments or taxes levied or assessed by or under statutory authority, and any district assessment or portion thereof remaining unpaid at the date of the sale, each installment of which may be called and collected as provided in this division.

Sale by board

46790. In any district having no outstanding bonds issued prior to September 15, 1935, any parcel of land heretofore deeded to the district by the county treasurer, as provided in this division, the title to which still remains in the district, and any parcel of land which is hereafter deeded to the district by the county treasurer may, without notice, be sold and conveyed by the board at private sale to the owner of record at the date of the treasurer's deed to the district or to the owner's successor in interest, upon his paying to the district the amount for which the same was struck off to the district with interest thereon at the rate of 7 percent per year from the date of the delinquent sale, together with any call that has been made upon any prior or subsequent assessment.

Effect of deed

46791. The deed executed by the district shall convey the property free and clear of all liens and encumbrances, except as provided in this article for a deed by the county treasurer to the district.

Sale at public auction

46792. The district may sell property acquired by it for nonpayment of assessments at any time at a public auction after notice given for the same period and in the same manner as provided in Article 4 of this chapter for sale of delinquent assessments. The sale shall be for a sum not less than the amount for which the property was sold to the district, with interest at 7 percent per year.

Same Interest conveyed

46793. The deed executed by the district shall convey the property free from all encumbrances except as provided in this article for a deed by the county treasurer to the district.

Disposal at private sale

46794. The district may also dispose of property acquired by it for nonpayment of assessments at a private sale, without any notice, when the district is in the process of dissolution and such sale is deemed for the best interests of the district. The consideration received from such sale may be past or present consideration, but shall not be less than the sum for which the property was sold to the district with interest at 7 percent per year.

Validating clause

46795. In any case where a district in the process of dissolution has sold and transferred any of its property at such a private sale prior to August 14, 1931, for valuable consideration, such sale and transfer is hereby validated and approved.

Chapter 6. Supplementary Assessments for Completion of Project

Article 1. Levy

Supplementary assessment

46900. "Supplementary assessment" as used in this chapter means an assessment, in addition to the original assessment, for the purpose of raising an additional sum for the district project or any unit of the project.

Same Power to levy and collect

46901. If the original assessment for the project or any unit thereof is insufficient to provide for the completion of the

project or of a unit, the board shall levy and collect supplementary assessments to cover the estimated cost of completion.

Apportionment

46902. Each supplementary assessment shall be apportioned among the different tracts of land in the proportion which the amounts assessed against the tracts by the original assessment bear to one another.

Making assessment

46903. The supplementary assessment shall be made by order entered in the minutes of the board stating the total amount necessary to be raised and fixing the rate of assessment, which shall be the percentage of the total amount assessed by the original assessment which is required to produce the amount necessary to be raised.

Supplementary assessment roll

46904. Upon making the assessment order, the board shall prepare a supplementary assessment roll showing all the following:

(a) A description of each tract assessed.

(b) The amount assessed against each tract by the original assessment.

(c) The rate of assessment.

(d) The exact amount assessed against each tract by the supplementary assessment.

Same Filing

46905. Upon completion of the supplementary assessment roll, the board shall file with the county treasurer of each affected county a copy of so much of the assessment roll as pertains to land within that county.

Lien created

46906. Upon the filing of the assessment roll with the county treasurer, the supplementary assessment constitutes a lien upon each tract shown to be assessed by the copy of the assessment roll so filed for the amount assessed against it. The lien is of the same character and has the same incidents as the lien of the original assessment.

Amending assessment roll

46907. At any time within 60 days from the filing of the copy of the assessment roll with the county treasurer, it may be amended by the board to correct errors, either on its own initiative or at the instance of any landowner affected. The amendment shall be made by endorsement upon the assessment roll by the county treasurer upon the certification of the error to him by the board.

Article 2. Collection

Collection

46930. The supplementary assessment shall be collected in the manner provided for the collection of original assessments, and the board may call the assessment as a whole or in installments from time to time.

Article 3. Additional Property or Work

Determination to acquire additional property, etc

46950. The board may determine upon the acquisition of property or the construction of work not contemplated in the report and recommendation, with accompanying plans and specifications, originally adopted.

Procedure

46951. The same proceedings for the preparation and adoption or rejection of the report and recommendation as to the acquisition of additional property or construction of additional work, and in case of the adoption of the report and recommendation, the levying and collection of the assessments to meet the cost, shall be taken in connection with the property and work to be acquired or constructed as provided in this division for the acquisition or construction of the property or work contemplated by the original project.

CHAPTER 7. SUPPLEMENTARY ASSESSMENTS FOR MAINTENANCE

Article 1. Report and Hearing

"Supplementary assessment"

47100. "Supplementary assessment" as used in this chapter means an assessment, in addition to the original assessment, for the purpose of raising an additional sum for the operation of the district works or for the conduct and management of the district or its works.

Adoption of report

47101. Whenever after completion of the works of a district in whole or in part it becomes necessary in the opinion of its board to raise any sum for the operation of its works or for the conduct and management of the district or its works, the board shall prepare and adopt a report showing all the following:

(a) The stage to which the works have been completed and paid for.

(b) The sums that will be required for the operation of the works or for the conduct or management of the district or its works.

(c) Any plans and specifications for any work to be done.

(d) An estimate of the aggregate cost of the proposed work.

Notice of filing report

47102. The board shall file with the secretary a copy of the report and the plans and specifications, and a notice of the filing of the report stating all the following:

(a) The purpose of the report.

(b) Where the report may be inspected by any person interested.

(c) The time within which protests against the adoption of the report and the levying of any assessment thereunder may be filed.

(d) The time and place when a hearing on any protests will be had.

Hearings

47103. The hearings shall be public, and held at the ordinary place of business of the board.

Objections

47104. At the hearing all protestants shall be permitted to appear in person or by attorney and present their objections to the report.

Powers of board

47105. At the conclusion of the hearing, the board may either:

(a) Adopt the report.

(b) Modify the report.

(c) Cause a new report to be made to be again set for hearing as in the first instance.

(d) Abandon, either in whole or in part, the levying of any assessment pursuant to the report.

(e) Determine that the assessment is necessary and make an order of supplementary assessment.

Article 2. Levy

Apportionment of supplementary assessment

47125. The supplementary assessment shall be apportioned among the respective tracts of land in the proportions which the total amounts assessed against the tracts by the original and all subsequent assessments for construction purposes bear to one another.

Assessment order

47126. The order making the supplementary assessment shall be entered in the minutes of the board, shall state the total amount necessary to be raised, and shall fix the rate of assessment, which shall be the percentage of the total amount assessed by the original and all subsequent assessments for construction purposes which is required to produce the amount necessary to be raised.

Preparation of roll

47127. Upon making the assessment order, the board shall prepare a supplementary assessment roll showing all the following:

(a) A description of each tract assessed.

(b) The total of assessments against each tract for construction purposes.

(c) The rate of assessment.

(d) The exact amount assessed against each tract by the supplementary asessment.

Filing with county treasurer

47128. Upon the completion of the supplementary assessment roll, the board shall file with the county treasurer of each county in which is situated land subject to the assessment, a copy of so much of the assessment roll as pertains to land within that county.

Lien created

47129. The supplementary assessment is a lien upon each tract shown to be assessed by the copy of the assessment roll filed with the county treasurer for the amount assessed against it. The lien is of the same character and has the same incidents as the lien of an original assessment for purposes of construction.

Amendment of assessment roll

47130. At any time within 60 days from the filing of the copy of the assessment roll with the county treasurer, it may be amended by the board to correct errors either on its own initiative or at the instance of any land owner affected. The amendment shall be made by endorsement upon the assessment roll by the county treasurer upon the certification of the error to him by the board.

Article 3. Collection

Collection procedure

47155. The supplementary assessment shall be collected in the manner provided in this division for the collection of original assessments and the board may call the same as a whole or in installments from time to time.

Report as basis of allocation, etc

47156. The report of the commissioners allocating or spreading the original assessment levied for construction purposes and all assessment rolls for the original assessment or for supplementary assessments for construction purposes shall continue in force as the basis for allocating and spreading assessments for operation of the works of the project, or for the management and conduct of the works or of the district.

Construction

47157. All provisions of this division with respect to the levy and collection of assessments shall, so far as appropriate, be applicable to supplementary assessments.

Article 4. Charges

Charges for irrigation, etc

47180. For the purpose of the care, operation, management, or improvement of such portions of the project as are in use, including salaries of officers and employees, and all other operating expenses, the board may in lieu (either in part or in whole) of levying assessments as in this chapter provided for, fix rates of tolls and charges for irrigation or available irrigation and other services rendered by the district, and collect the same from all persons receiving the benefit of the irrigation or other services. The tolls and charges shall be proportional as nearly as possible to the service rendered.

Payment of charges, etc

47181. Whenever any tolls or charges for the use of the water or for other services rendered by the district provided for by this division have been fixed by the board, they may be made payable in advance.

Delinquent charges

47182. In case any tolls or charges remain unpaid for a period of 30 days after they become payable, they become delinquent and a penalty of 10 percent shall be added thereto, and they bear interest at the rate of 12 percent per year.

Delinquent list

47183. After any toll or charge becomes delinquent, the board may file in the office of the county recorder of the county in which is situated the land as to which such tolls or charges are delinquent, a list showing:

(a) The names of the owners of the land, if known, and if not known, a statement of that fact.

(b) A description of the land sufficient for identification.

(c) The amounts of tolls and charges which are delinquent.

Upon the filing of the list, the tolls and charges so listed, together with the penalties and interest thereon, shall become a lien upon the land as to which such tolls and charges are delinquent in the same manner and of the same character as the lien of a district assessment.

Suit for delinquent charge

47184. The board may, at any time after any toll or charge provided for in this division has become delinquent, direct that

proceedings be not taken to enforce the lien therefor, and in place of such proceedings bring suit in the name of the district against the delinquent to enforce collection of the delinquent toll or charge.

Amount of recovery

47185. In the suit the district may recover the amount of the toll or charge, together with penalties and interest, and costs of suit.

CHAPTER 8. ASSESSMENTS UPON WHICH BONDS HAVE BEEN ISSUED

Article 1. Lien and Additional Assessments

Duration of lien

47300. The lien of any unpaid assessment upon which bonds have been issued continues until all the bonds have been paid in full.

Additional, etc., assessments

47301. If for any reason any part of the principal or interest of the bonds remains unpaid after enforcement of the assessment as provided in this division, the board shall order an additional or supplemental assessment to be made as provided in this division sufficient to pay the unpaid principal and interest.

Enforcement

47302. The additional or supplemental assessment shall be enforced and collected in the same manner as the original assessment.

Interest on unpaid assessment

47303. Where bonds of the district have been authorized to be issued on the assessments, all unpaid assessments bear interest at the rate of 7 percent per year from the date of the bonds issued thereon until the bonds have been fully paid and discharged.

Interest call

47304. The interest due at any time on unpaid assessments may be called without calling any installment of the assessment.

Installment

47305. The word installment as used in this chapter shall be construed as applying to interest as well as to principal, as the case may be.

Article 2. Levy and Collection

Certifying the amount to be collected

47325. At least 90 days before any interest date of the bonds, the treasurer of the district shall certify to the county treasurer of each affected county an estimate of the amount of money and the percentage of the assessment together with the interest thereon, or only of the interest, necessary to pay interest and principal or the interest maturing on the interest date after crediting thereon the funds in the treasury applicable to the payment thereof, to be collected by such county treasurer, and shall add thereto 15 percent of such aggregate sum to cover possible delinquencies.

Publishing installment notice

47326. Each county treasurer shall cause to be published once a week for two successive weeks in the county of which he is county treasurer a notice substantially in the following form:

(Name of water storage district.) Notice is hereby given that an installment of assessment (describing it) or (amount or proportion thereof including interest thereon or only for interest) is payable within 30 days from date by all assessed landowners of said district in the county of (name of county) to the treasurer of said county. All or any part of said installment of interest which remains unpaid on the (day fixed) will be delinquent, together with accrued interest thereon, with 10 percent of such installment and interest added as penalty.

Dated, _____.

(Signed) _____,

Treasurer of _____ County.

If no newspaper is published in the county, publication shall be made in a newspaper published in an adjoining county.

Delinquency charge

47327. If any part of the installment or any interest thereon remains unpaid at the expiration of 30 days from the date of the notice, it becomes delinquent, and 10 percent of the unpaid amount of the installment and interest shall be added thereto and collected by the county treasurer.

Article 3. Sale of Property

Notice of sale

47350. When any installment has become delinquent, the county treasurer shall, within 10 days, publish a notice in the county once a week for two successive weeks containing all the following:

(a) A description of each parcel of land within the county, as described on the assessment list, on which a delinquent installment is due.

(b) The name of the person to whom the installment is assessed, or if the owner is unknown, a statement of that fact.

(c) The amount of the installment delinquent on each parcel.

(d) The amount of interest on the delinquent installment, reckoned to the day of sale.

(e) The amount of the 10 percent penalty.

(f) A statement that each of the described parcels will be sold at public auction by the county treasurer in front of the county courthouse at a specified day and hour to pay the delinquent installment plus accrued interest and penalty.

The day of sale shall not be less than 30 nor more than 60 days from the date of delinquency.

Sale

47351. At the time stated in the notice, the county treasurer shall sell each parcel of land described in the notice to the highest bidder, unless prior thereto he shall have received payment in full of the delinquent installment, together with interest and penalty. No bid for any parcel shall be accepted less than the aggregate sum then due on the installment thereon with interest and penalty.

Payment

47352. The sale shall be made for cash, except the treasurer may receive from any purchaser, at their face value in lieu of cash, bonds of the district or their interest coupons,

issued on the assessment and then matured or to mature within 60 days after the sale. Any bond or coupon received in payment for property sold by the county treasurer shall be canceled and filed by the county treasurer in the office of the treasurer of the district. If the entire amount of the bond or coupon tendered in payment is not required to complete payment of the purchase money, the county treasurer shall endorse thereon as paid the amount of the purchase money credited thereon.

Sale to county treasurer

47353. If no bid is made for any parcel at the sale equal to the amount of the installment delinquent thereon, with interest and penalty, the county treasurer shall bid in and sell the parcel to himself and his successors in office, as trustee of the bond fund of the district, as purchaser, for the amount of the installment, interest, and penalty.

Certificate of sale

47354. The county treasurer shall execute to each purchaser, including himself as trustee, a certificate of sale, and shall record a duplicate in the county recorder's office.

Article 4. Redemption

Redemption period

47375. Any person interested in property sold pursuant to this chapter may redeem it at any time within three years after the date of sale by paying to the county treasurer a sum equal to the purchase price stated in the certificate, with interest thereon at the rate of 12 percent per year from the date of sale to the date of redemption.

Deed to purchaser

47376. If no redemption is made within three years, the county treasurer, upon demand and surrender of the certificate of purchase, shall execute to the purchaser, his heirs or assigns, a deed of conveyance of the parcel of land described in the certificate.

Interest conveyed

47377. The deed shall convey the land to the grantee free and clear of all encumbrances, except state, county, and municipal taxes, assessments or taxes levied or assessed by or under statutory authority, and any district assessment, or portion thereof, remaining unpaid at the date of the sale, installments of which may be called and collected as provided in this division

Land sold to district

47378. No parcel sold and conveyed to the district shall thereafter be subject to sale by the county treasurer for delinquent installments.

Deed as evidence

47379. Every deed by a county treasurer purporting to be executed under this chapter shall be prima facie evidence of the truth of the matters therein recited, and of ownership by the grantee of the land therein described.

Chapter 9. Amendatory Assessments

Amendatory assessment

47400. The board shall levy an amendatory assessment in the manner provided for original assessments in Chapter 2 of this part if the original assessment was one levied pursuant to Chapter 2 of this part and any of the following occur:

(a) Any land within the district is omitted from any assessment roll.

(b) Land appears in the assessment roll but is neither assessed nor stated not to be assessed.

(c) A final judgment of a court of competent jurisdiction has held that any assessment is invalid as to any part of the land assessed.

This amendatory assessment shall be based upon a determination, as nearly as may be, of the amount the original assessment upon the land would have been except for the omission or invalidity.

Same Basis and procedure

47401. In case the assessment to be amended was not one made under Chapter 2 of this part, the board shall cause an amendatory assessment as to such land to be made upon the basis and in the manner in which the assessment to be amended was made. The proceedings for making, levying, and collecting such amendatory assessment shall be the same as those provided in this division for the making, levying, and collecting the assessment of which such assessment is amendatory. This assessment shall be made within two years after the making of the original assessment.

CHAPTER 10. ASSESSMENT OF INCLUDED LAND

Assessment of included lands

47550. Upon the inclusion of any land within a district pursuant to Chapter 2 of Part 10 of this division an assessment shall be levied upon the land, the amount of the assessment against each tract or parcel to be the amount, as nearly as can be determined, of all assessments, other than those levied under the authority of Chapter 7 of this part, which would have been levied against the tract or parcel if it had been included in the district from its organization.

Commissioners

47551. The department shall appoint commissioners to make the assessment in the number and manner provided by Article 1 of Chapter 2 of this part.

Manner of making assessments

47552. The assessment shall be made in the same manner and with the same incidents as an original assessment under Chapter 2 of this part, and all of the provisions of this division as to assessments shall, so far as they are applicable, apply to such assessment.

CHAPTER 11. DEDUCTION OF POWER REVENUES FROM ASSESSMENTS

Electric power revenue

47700. Upon the call of any assessment, or portion thereof, as provided in this division the board shall ascertain the total net revenue which has been derived by the district from the generation of electric power since the call of the last preceding assessment, or portion thereof.

Deduction due to power revenue

47701. From the assessment called upon each tract of land which has been assessed for the costs of the properties comprising the portion of the project to be used for the generation of electric energy, there shall be deducted by the county treasurer of each affected county an amount equal to such proportion of the total net revenue ascertained to have been derived

from the generation of electric energy as the portion of costs assessed under Chapter 2 of this part against the tract bears to the total of such costs. In making the deduction, fractions of cents upon each tract shall be disregarded and no error in the computation of the deduction shall invalidate any such call.

PART 10. CHANGES IN ORGANIZATION

CHAPTER 1. EXCLUSION

Article 1. Petition and Notice

Exclusion petition

48000. The holder or holders of title to one or more tracts of land which constitute a portion of a district may jointly or severally file with the department a petition, praying that the tract or tracts, and any other tracts contiguous thereto, may be excluded from the district.

Contents

48001. The petition shall state the grounds and reasons upon which it is claimed that the land should be excluded and shall describe the boundaries thereof, and also the land of such petitioner or petitioners which is included within the boundaries. The description of the land need not be more particular or certain than is required when the land is entered in the assessment book by the county assessor.

Acknowledgment

48002. The petition shall be acknowledged, and the acknowledgment shall have the same force and effect as evidence as the acknowledgment of a conveyance of real property.

Notice of filing

48003. The department shall cause a notice of the filing of the petition to be published once a week for two successive weeks in some newspaper published in the office county, and in a newspaper published within each other affected county. If no newspaper be published therein, the notice shall be posted for the same time in at least three public places in the district, and one of the notices shall be posted on the land proposed to be excluded.

Contents of notice

48004. The notice shall state all of the following:

(a) The filing of the petition.

(b) The names of the petitioners.

(c) A description of the land mentioned in the petition.

(d) The prayer of the petition.

(e) That all interested persons may appear at the office of the board at a time named in the notice and show cause in writing why the change of the boundaries of the district, as proposed in the petition, should not be made.

Article 2. Hearing and Order

Hearing on petition

48025. At the time and place provided in the notice of hearing on the exclusion petition published pursuant to Article 1 of this chapter, or at the time to which the hearing may be adjourned, the department shall hear all the following:

(a) The petition.

(b) All evidence or proofs that may be introduced by or on behalf of the petitioners.

(c) All objections to the petition that may be presented in writing by any person showing cause as provided in Article 1 of this chapter.

(d) All evidence or proofs that may be introduced in support of objections to the petition.

Failure to show cause

48026. The failure of any person interested in the district, other than the holders of bonds thereof outstanding at the time of the filing of the petition with the board, to show cause, in writing, why the land mentioned in the petition should not be excluded from the district constitutes an assent by him to the exclusion of such land, or any part thereof, from the district.

Petition as assent to exclusion

48027. The filing of the petition with the department constitutes an assent by each and all of the petitioners to the exclusion from the district of the land mentioned in the petition, or any part thereof.

Expenses

48028. The expenses of giving the notice provided for in Article 1 of this chapter and of the hearing on the exclusion petition shall be paid by the persons filing the petition.

Denial of exclusion

48029. Upon the hearing of an exclusion petition the department shall order that the petition be denied:

(a) Entirely when no evidence in support of the petition is introduced.

(b) As to any land described in the petition as to which the evidence introduced fails to sustain the petition.

(c) As to any land described in the petition which the department deems it not for the best interests of the district to exclude, except when the department judges that the land will not be benefited by the operations of the district.

Exclusion ordered

48030. The department, after the hearing of any exclusion petition, shall order the exclusion of all or any part of the land described in it when as to the land to be excluded either:

(a) The department judges that the land will not be benefited by the operations of the district.

(b) The department deems the exclusion to be for the best interests of the district and one of the following is true:

(1) No interested person has filed objections in writing showing cause why the land should not be excluded.

(2) All written objections made to the exclusion have been withdrawn.

(3) No written objection made to the exclusion is sustained at the hearing.

Result of exclusion

48031. No exclusion of land from any district impairs its existence, its rights, including those in or to property, or its obligations.

Article 3. Bondholders' Assent to Exclusion

Assent by bondholders

48055. If there are outstanding bonds of the district at the time of the filing of the exclusion petition, the holders of the outstanding bonds may give their assent, in writing, to the

effect that they severally consent that the land mentioned in the petition, or such portion thereof as may be excluded from the district by order of the department, may be excluded from the district. If the land or any portion thereof is thereafter excluded from the district, the land so excluded is released from the lien of such outstanding bonds.

Acknowledgment

48056. The assent shall be acknowledged by the several holders of the bonds, and the acknowledgment shall have the same force and effect as evidence as the acknowledgment of a conveyance of real property.

Filing assent

48057. The assent shall be filed with the department and be recorded in its minutes. The minutes, or a copy thereof, certified by the department, shall be admissible in evidence with the same effect as the assent. The certified copy may be recorded in the office of the county recorder of the county wherein the land is situated.

Article 4. Liability of Excluded Land

Change of boundaries

48080. In the event the department excludes any land from the district upon petition therefor, the department shall make an entry in its minutes describing the boundaries of the district, should the exclusion of the land change its boundaries. For that purpose the department may cause a survey to be made of such portions of the district as it deems necessary.

Recordation

48081. A certified copy of the entry in the minutes of the department excluding any land shall be filed for record in the recorder's office of each affected county.

Effect of exclusion

48082. Notwithstanding the exclusion of land, the district remains a district as fully to every intent and purpose as it would be had no change been made in its boundaries, or had the land excluded therefrom never constituted a portion of the district.

Re-establishing district boundaries

48083. In case land is excluded from any district, the department may, not less than 60 days before any election in the district, re-establish the boundaries of the divisions within the district.

Effect on lien or obligation

48084. Nothing in this division shall operate to release any of the land excluded from the district from any obligation to pay, or any lien thereon of any valid outstanding bonds or other indebtedness of the district at the time of the filing of the petition for the exclusion of the land. The excluded land shall be subject to any lien, and answerable and chargeable for and with the payment and discharge of all outstanding obligations of the district at the time of the filing of the petition for the exclusion, as fully as though the petition for such exclusion were never filed and the order of exclusion never made.

Procedure to compel payment

48085. All provisions which might be resorted to to compel the payment by the land of its quota or portion of outstanding district obligations, had the exclusion never been accomplished, may, notwithstanding the exclusion, be resorted to to compel and enforce the payment on the part of the land of its

quota and portion of outstanding district obligations for which it is liable as provided in this division.

Subsequent obligations

48086. The land excluded shall not be held answerable or chargeable for any obligation incurred after the exclusion of the land from the district.

Bondholders' assent

48087. The provisions of this article shall not apply to any outstanding bonds, the holders of which have assented to the exclusion of the land from the district, as provided in Article 3 of this chapter.

CHAPTER 2. INCLUSION

Article 1. Petition and Notice

Inclusion petition

48200. The holders of title representing one-half or more of any body of land adjacent to the boundary of a district may file with the department a written petition praying that the boundaries of the district may be so changed as to include their land. A copy of the petition shall be filed with the board.

Land description

48201. The petition shall describe the boundaries of the parcel or tract of land and the boundaries of the several parcels owned by the petitioners, if the petitioners are the owners, respectively, of distinct parcels The descriptions need not be more particular than they are required to be when such land is entered by the county assessor in the assesment book.

Acknowledgment

48202. The petition shall be acknowledged, and shall contain the assent of the petitioners to the inclusion within the district of the land described in the petition and of which the petition alleges they are the owners.

Notice of filing

48203 The department shall cause a notice of the filing of the petition to be published in the same manner and for the same time that notices of special elections for the issue of bonds are required by this division to be published.

Contents of notice

48204. The notice shall state all the following:

(a) The filing of the petition and the names of the petitioners.

(b) A description of the land mentioned in the petition.

(c) The prayer of the petition.

(d) That all interested persons may appear at the time stated in the notice at the office of the board and show cause in writing why the change of the boundaries of the district, as proposed in the petition, should not be made.

Costs

48205. The petitioners shall advance to the department sufficient money to pay the estimated costs of all proceedings upon the petition.

Article 2. Hearing and Order

Hearing

48225. At the time and place mentioned in the notice of filing of the inclusion petition, or at such other time or times to which the hearing of the inclusion petition may be adjourned, the department shall proceed to hear the petition and all the objections thereto presented in writing by any person showing

cause why the proposed change of the boundaries of the district should not be made.

Failure to show cause

48226. The failure of any interested person to show cause in writing as provided in this article shall be an assent on his part to a change of the boundaries of the district as prayed for in the petition, or to any such change thereof as will include a part of the land.

Change of boundaries

48227. The department shall order the boundaries of the district changed so as to include the land described in the inclusion petition, or such portion thereof as the department has found it feasible to irrigate by the system of works of the district and for the best interests of the district to include, only if:

(a) No protest against such change is made to the department in writing by the board, or a protest has been made and withdrawn.

(b) No protest against such change is made by holders of title to land pursuant to Section 48250, or such protest has been made and enough signatures withdrawn to render it insufficient.

Boundary description

48228. The order of the department shall describe the boundaries as changed, and shall also describe the entire boundaries of the district as they will be after the change is made; and for that purpose the department may cause a survey to be made of such portions of the boundaries as it deems necessary.

Recordation of inclusion order

48229. A certified copy of the inclusion order shall be recorded in the office of the county recorder of each county in which land to be included is situated. Thereupon the land becomes a part of the district.

Denial of inclusion

48230. If the department determines that it is not feasible and practicable to irrigate any of the land described in the petition or that it is not for the best interest of the district that any of the land be included, it shall make an order denying the petition.

Result of inclusion

48231. No inclusion of land into any district impairs its existence, its rights, including those in or to property, or its obligations.

Article 3. Inclusion Elections

Finding favoring inclusion

48250. If upon the inclusion hearing the department concludes that it is feasible to irrigate the land, or a portion thereof, described in the inclusion petition, and that it is for the best interest of the district to include the land, or a portion thereof, within the district, it shall make a finding in writing describing the boundaries of the land which it proposes to include, if any of the following have occurred:

(a) The board has protested in writing against the inclusion of the land, and not withdrawn the protest.

(b) A protest signed by not less than 3 percent of the holders of title to not less than 3 percent in value of the land within the district according to the last equalized county tax assessment roll has been presented to the department, and after deducting all withdrawals is still signed by 3 percent of the holders of title to land within the district.

A copy of the finding shall be transmitted to the board.

Inclusion election

48251. Upon the making of a finding by the department as provided in Section 48250, it shall order that an inclusion election be held within the district to determine whether the boundaries of the district shall be changed to include the land specified in the finding.

Time of election

48252. The department shall fix the time at which the election shall be held and cause notice thereof to be published.

Notice etc of election

48253. The notice shall be published and the election shall be held and conducted, returns thereof shall be made and canvassed, and the result of the election ascertained and declared, and all things pertaining thereto conducted in the manner prescribed by this division in the case of a special election to determine whether bonds of a district shall be issued.

Contents of notice

48254. The notice of election shall state that the election is for the purpose of determining whether certain land, describing its boundaries, shall or shall not be included in the district.

Form of ballot

48255. The ballots cast at the election shall contain the words "For change of boundary—Yes" and "For change of boundary—No."

Denial of inclusion petition

48256. If at the election a majority of all the votes cast are against the change of the boundaries of the district, the petition is denied.

Change of boundaries

48257. If a majority of the votes are in favor of the change of boundaries, the department shall make its order, as provided in Article 2 of this chapter, that the boundaries of the district are changed so as to include the land therein.

Recording inclusion order

48258. A certified copy of the inclusion order shall be recorded in the office of the county recorder of each county wherein land to be included is situated. Thereupon the land becomes a part of the district.

Re-establishing boundaries

48259. In case land is included within any district as provided in this chapter, the board shall re-establish the boundaries of the divisions within the district so as to include the land therein, and so as to segregate into separate divisions land possessing the same general character of water rights or interests in and to the waters of the common source of supply of the district.

Re-establishing election precincts

48260. The board shall also re-establish the boundaries of the election precincts within the district, except that in the case of the inclusion of any land within less than 30 days before an election within the district, the election precincts shall not be re-established until after the election, and the holders of title to the newly included land shall not be entitled to vote at such election.

CHAPTER 3. DISSOLUTION

Dissolution procedure

48400. Any district organized pursuant to this division may be dissolved for the same reasons, under the same circumstances, in the same manner, upon the same conditions, and with the same results as is or may be provided by the laws of this State for the dissolution of irrigation districts.

48401. In case a contract authorized by law has been made between a district and the United States pertaining to the construction, maintenance, or operation of the works of the district, or the delivery or supply of water therefor, no such district shall be dissolved nor shall any proceedings be initiated by a court or otherwise for the purpose of dissolving such district, unless and until the consent in writing of the Secretary of the Interior to such dissolution or proceedings has first been obtained. Contracts with United States

SEC. 2. The California Water Storage District Act, Chapter 914 of the Statutes of 1921, is repealed. Repeal

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CHAPTER 392

An act to amend Section 46325, and to add Chapter 5 to Part 5 of Division 14, of the Water Code and to amend Section 19a of and to add Section 19.1 to the California Water Storage District Act, relating to water storage districts. Stats. 1921, p. 1727, amended

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Chapter 5 is added to Part 5, Division 14 of the Water Code, to read:

CHAPTER 5. ADDITIONAL PROJECTS

42750. If the board shall find, by a two-thirds vote of its entire membership, that some project, other than any project (whether original, modified, substituted, or other) already adopted, should be adopted then the board shall proceed under Chapter 1 of this part to prepare and file with the department an additional report which shall be complete in itself and shall set up the project as an additional project for the district. The additional report shall not modify, rescind, or terminate any other project which has already been adopted. Additional project report

42751. Thereafter all proceedings in respect of the additional report shall be conducted as set forth in this part for an original report. Procedure

42752. If for any reason funds are not available to the district to defray all expenses under this chapter as estimated by the board to be incurred for the general benefit of the district up to the time that a new assessment for such additional project has been levied and become available under Chapter 2 of Part 9 of this division, the board may levy assessments from time to time pursuant to Chapter 1 Part 9 of this division to raise the necessary funds to defray such expenses. Assessment to defray expenses

SEC. 2. Section 46325 of the Water Code is amended to read:

Reapportionment of assessment

46325. When any tract of land upon which any assessment provided for by this division has been levied is subdivided into smaller parcels the board shall, upon written application therefor signed by all of the landowners of record within the subdivided tract, reapportion the assessment upon such tract in such manner as will, in the judgment of the board, charge each of the smaller parcels with a just portion of the assessment. Such reapportionment shall be entered in the minutes of the board and, upon such entry, shall then become final. If an application for reapportionment is signed by less than all of the landowners within the subdivided tract, the board may make such reapportionment only after a hearing for which notice to all persons interested shall have been given in the manner prescribed by the board.

Hearing

SEC. 3. Section 19a of the California Water Storage District Act is amended to read:

Reapportionment of assessments

Sec. 19a. When any tract of land upon which any assessment provided for by this act has been levied is subdivided into smaller parcels the board shall, upon the written application therefor signed by all of the landowners of record within the subdivided tract, reapportion the assessment upon such tract in such manner as will, in the judgment of the board, charge each of the smaller parcels with a just portion of the assessment. Such reapportionment shall be entered in the minutes of the board and, upon such entry, shall then become final. If an application for reapportionment is signed by less than all of the landowners within the subdivided tract, the board may make such reapportionment only after a hearing for which notice to all persons interested shall have been given in the manner prescribed by the board. Supplementary assessment rolls, showing such reapportionment, shall be made and shall be made separately for lands lying within different counties. Said board of directors shall thereafter file copies of said supplementary assessment rolls with the state engineer and shall also file with the county treasurer of each county in which any portion of said tract so subdivided is situated the supplementary assessment roll relating to the lands in such county, and from and after such filing the said assessment shall be an assessment upon each of said smaller parcels in accordance with such reapportionment and not an assessment upon said tract as a whole; and such supplementary assessment rolls shall be deemed to be a part of and amendatory of the assessment roll or rolls theretofore filed for all purposes. Such reapportionment shall in no wise affect the assessment except as to the lands included in the supplementary assessment rolls.

SEC. 4. Section 19.1 is added to the California Water Storage District Act, to read:

Sec. 19.1. If the board of directors shall find, by a two-thirds vote of its entire membership, that some project, other than any project (whether original, modified, substituted or other) already adopted, should be adopted then the board shall proceed under Section 17 to prepare and file with the State Engineer a further report which shall be called an additional report and which shall be complete in itself and shall set up such project as an additional project for the district; but such additional report shall not modify, rescind or terminate any other project which has already been adopted. Additional projects Procedure

Thereafter all proceedings in respect of such additional report shall be conducted as set forth for an original report

If for any reason funds are not available to the district to defray all expenses under this article as estimated by the board of directors to be incurred for the general benefit of the district up to the time that a new assessment for such additional project has been levied and become available under Section 19 the board of directors may levy assessments from time to time pursuant to Section 16 to raise the necessary funds to defray such expenses.

SEC. 5. Sections 1 and 2 of this act become operative only if Division 14 of the Water Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 14 takes effect, at which time Section 19.1 added to the California Water Storage District Act by this act, and Section 19a of the California Water Storage District Act as amended by this act, are repealed Effect Stats. 1951, Ch. 391

CHAPTER 393

An act to add Section 3331 to the Penal Code, relating to temporary action taken by a member of the Board of Trustees of the California Institution for Women.

[Approved by Governor May 9, 1951. Filed with Secretary of State May 9, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3331 is added to the Penal Code, to read:

3331. Following the adjournment of any meeting of the board, and until the convening of the following meeting, any member of the board shall have the power to suspend temporarily the parole of any prisoner, or to take any other action within the power of the board except the fixing and refixing of sentences and the granting of parole, by an order in writing. Temporary action while board adjourned

tion Insurance and Safety Act of 1917, as amended. In all such cases, such an officer, warrant officer, enlisted man or woman shall be held and deemed to be an employee of the State. The compensation to be awarded to any such officer, warrant officer, enlisted man or woman shall be ascertained, determined, and fixed upon the basis of his average income from all sources during the year immediately preceding the date of such injury or death or the commencement of such disability, but such compensation shall in no case exceed the maximum prescribed in the Workmen's Compensation Insurance and Safety Act of 1917

Such order shall be made only with the oral or written approval of two other members of the board and shall be effective only until the adjournment of the next succeeding meeting of the board. Such order shall be entered in the minutes of that meeting of the board. At that meeting the board shall suspend, cancel, revoke or restore a parole temporarily suspended. No such temporary suspension shall be made without cause, which cause must be stated in the written order.

CHAPTER 394

An act to amend the title to Chapter 3, Part 2, Division 2, and to amend Sections 51, 120, 422, 550, 562, 565, 640, and 643.1, of the Military and Veterans Code, relating to the change of the name of the California Defense and Security Corps to California National Guard Reserve and to disability and death benefits for the state military forces, and declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 10, 1951. Filed with Secretary of State May 10, 1951.]

The people of the State of California do enact as follows:

SECTION 1. The title to Chapter 3, Part 2, Division 2, of the Military and Veterans Code is amended to read:

CHAPTER 3. CALIFORNIA NATIONAL GUARD RESERVE ACT

SEC. 2. Section 51 of said code is amended to read:

Office of the Adjutant General

51. The Office of the Adjutant General shall include the National Guard, the California National Guard Reserve, the California Cadet Corps and the Naval Militia.

SEC. 3. Section 120 of said code is amended to read:

State militia

120. The militia of the State shall consist of the National Guard, California National Guard Reserve and the Naval Militia —which constitute the active militia—and the unorganized militia.

SEC. 4. Section 422 of said code is amended to read:

Unauthorized wearing of uniform

422. Any person other than an officer or enlisted man of the National Guard or of the unorganized militia when called into the service of the State or of the California National Guard Reserve or that may be appointed under Section 141 or authorized by Sections 502, 502.1, 502.2 of this code or Naval Militia of this State or of another state or of the United States Army, Navy, Marine Corps, Coast Guard Service, or Forest Service or personnel of the Division of Fish and Game or members of the State Highway Patrol, an inmate of any veterans' or soldiers' home, or other person authorized by the laws of the United

States, who at any time wears the uniform of the United States Army or Navy or National Guard or Naval Militia, or any part of such uniform, or a uniform or part of a uniform similar thereto, is guilty of a misdemeanor and is punishable by a fine of not less than one hundred dollars ($100) nor more than two hundred fifty dollars ($250), or by imprisonment in the county jail not exceeding 60 days, or by both.

SEC. 5. Section 550 of said code is amended to read:

550. Whenever any part of the National Guard of this State is in active federal service, or when Congress so consents thereto, the Governor is hereby authorized to organize and maintain within this State during such period, under such regulations as the Secretary of Defense of the United States may prescribe for discipline in training, such military forces as the Governor may deem necessary to defend and for the security of this State. Such forces shall be composed of officers commissioned or assigned, and such qualified citizens of the State as shall volunteer for service therein, supplemented, if necessary, by members of the unorganized militia enrolled by draft or otherwise as provided by law. Such forces shall be additional to and distinct from the National Guard and shall be known as the California National Guard Reserve. Such forces shall be uniformed under such conditions and subject to such regulations as the Governor may prescribe. Whenever the name California Defense and Security Corps is used in any statute, act, law, appropriation, budget or other place or in any section of this code the same shall be held and deemed to include, refer to and mean the California National Guard Reserve.

California National Guard reserve

California Defense and Security Corps

SEC. 6. Section 562 of said code is amended to read:

562. In all cases in which any officer, warrant officer or enlisted man or woman of the California National Guard Reserve when ordered into the active service of the State is wounded, injured, disabled or killed in active service and in line of duty, such officer or warrant officer or enlisted man or woman or the dependents of such officer or warrant officer or enlisted man or woman shall be entitled to receive compensation from the State in accordance with the provisions of the Workmen's Compensation Insurance and Safety Act of 1917, as amended. In all such cases, such an officer, warrant officer, enlisted man or woman shall be held and deemed to be an employee of the State. The compensation to be awarded to any such officer, warrant officer, enlisted man or woman shall be ascertained, determined, and fixed upon the basis of his average income from all sources during the year immediately preceding the date of such injury or death or the commencement of such disability, but such compensation shall in no case exceed the maximum prescribed in the Workmen's Compensation Insurance and Safety Act of 1917, as amended.

Injury, etc., in line of duty

In the determination of the benefits to be awarded any member of the California National Guard Reserve or his or her dependents under the provisions of this section it shall be conclusively presumed that the average yearly earning of such injured or deceased member is not less than one thousand two hundred dollars ($1,200). Any injury, death or disability shall be deemed to have been suffered in line of duty unless the same resulted from misconduct or disobedience of lawful orders by the injured or deceased member.

SEC. 7. Section 565 of said code is amended to read:

Short title

565. This chapter may be cited as the California National Guard Reserve Act.

SEC. 8. Section 640 of said code is amended to read:

Decorations

640. The following decorations are authorized for members of the National Guard, California National Guard Reserve, and Naval Militia:

(a) Medal of Valor
(b) Military Cross
(c) Medal of Merit
(d) Commendation Ribbon
(e) Service Medal

The Adjutant General may provide and procure appropriate emblematic devices for each such decoration, together with suitable ribbons and insignia to be worn therewith or in lieu thereof.

SEC. 9. Section 643 1 of said code is amended to read:

Commendation ribbon

643.1. A commendation ribbon with pendant may be presented to each person, who, while an officer, warrant officer, or enlisted man of the National Guard, California National Guard Reserve or Naval Militia distinguishes himself while serving in any capacity with the National Guard, California National Guard Reserve or Naval Militia by meritorious achievement or meritorious service. The meritorious achievement or meritorious service is less exceptional than that required for the Medal of Merit but must be accomplished with distinction.

Urgency

SEC. 10. This act is hereby declared to be an urgency measure necessary for immediate preservation of public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

It is imperative during the present emergency that the name of the California Defense and Security Corps be immediately changed to distinguish its organization and mission from other agencies and to promptly provide disability and death benefits for members of the military force which is replacing the California National Guard as it enters federal service.

CHAPTER 395

An act to repeal existing Section 491 of, and to add new Section 491 to, the Government Code, relating to the division of the State into assembly districts.

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 491 of the Government Code is repealed.

SEC. 2. Section 491 is added to said code, to read:

Assembly districts

491. The State is divided into 80 assembly districts, which shall be designated and constituted as follows:

1. The Counties of Del Norte, Humboldt and Mendocino shall constitute the First Assembly District.

2. The Counties of Trinity, Shasta, Siskiyou, Modoc, Lassen, Plumas and Sierra shall constitute the Second Assembly District.

3. The Counties of Tehama, Glenn, Lake, Colusa and Yolo shall constitute the Third Assembly District.

4. The Counties of Butte, Yuba and Sutter shall constitute the Fourth Assembly District.

5. The Counties of Napa and Solano shall constitute the Fifth Assembly District.

6. The Counties of Nevada, Placer, El Dorado, Amador, Calaveras, Alpine, Tuolumne, Mariposa, Inyo and Mono shall constitute the Sixth Assembly District.

7. The Counties of Sonoma and Marin shall constitute the Seventh Assembly District.

8. All that portion of the County of Sacramento bounded and described as follows:

Commencing at the point of intersection of an extension of the center line of K Street in the City of Sacramento with the westerly boundary of the county; thence easterly along the center line of K Street to the center line of Alhambra Boulevard; thence southerly along the center line of Alhambra Boulevard to the center line of R Street; thence easterly along the extension of the center line of R Street to the center of the intersection of 40th Street with R Street; thence continuing easterly along the center line of R Street and an easterly extension of R Street to the easterly boundary of the City of Sacramento; thence northerly along the easterly boundary of said city to the intersection of said city boundary with the middle of the channel of the American River; thence easterly along the middle of the channel of the American River to the intersection of said river with the northerly boundary of the County of Sacramento; thence westerly along the northerly boundary of said county to the westerly boundary of said county; thence southerly along the westerly boundary of said county to the point of commencement, shall constitute the Eighth Assembly District.

Assembly districts

9. All that portion of the County of Sacramento not included in the Eighth Assembly District, as fixed and defined by this section, shall constitute the Ninth Assembly District.

10. All that portion of the County of Contra Costa not included within the Eleventh Assembly District, as fixed and defined by this section, shall constitute the Tenth Assembly District.

11. All that portion of the County of Contra Costa included in and comprising the first supervisorial district as the same existed on January 1, 1951, with the exception of South Berkeley Park Precinct and Kensington Precincts 1 to 8, inclusive, shall constitute the Eleventh Assembly District.

12. The County of San Joaquin shall constitute the Twelfth Assembly District.

13. All that portion of the County of Alameda, described as follows:

All that portion of the County of Alameda lying southerly and easterly of a line described as follows:

Commencing at the point of intersection of the westerly boundary line of the County of Alameda with the line separating Eden Township from Alameda Township; thence easterly and northerly along the southerly and easterly boundary lines of Alameda Township to the line separating Eden Township from Brooklyn Township; thence in a general easterly direction along the southerly boundary line of Brooklyn Township to the southwesterly boundary line of the City of San Leandro; thence southeasterly, northeasterly, northwesterly and southwesterly along the southwesterly, southeasterly, northeasterly and northwesterly boundary lines of the City of San Leandro to the center line of East 14th Street; thence northwesterly along the center line of East 14th Street to the center line of 98th Avenue; thence southwesterly along the center line of 98th Avenue to the center line of the right of way of the Central Pacific Railway; thence northwesterly along the center line of the right of way of the Central Pacific Railway to the center line of High Street; thence northeasterly along the center line of High Street to the center line of East 14th Street; thence southeasterly along the center line of East 14th Street to the center line of 69th Avenue; thence northeasterly along the center line of 69th Avenue to the center line of Flora Street; thence northwesterly along the center line of Flora Street to the center line of Church Street; thence northeasterly and northerly along the center line of Church Street to the center line of Foothill Boulevard; thence easterly and southeasterly along the center line of Foothill Boulevard to the center line of 98th Avenue; thence northeasterly along the center line of 98th Avenue to the center line of Golf Links Road; thence in a general easterly direction, following along the center line of Golf Links Road to the center line of Grass Valley Road; thence northeasterly along the center line of Grass Valley Road to an intersection with the line separating Brooklyn Township from Eden Township; thence northerly along the westerly boundary line of Eden Township to an intersection with the

northerly boundary line of the County of Alameda, shall constitute the Thirteenth Assembly District. Assembly districts

14. All that portion of the County of Alameda, described as follows:

Commencing at the point of intersection of the westerly boundary line of the County of Alameda with the line separating Eden Township from Alameda Township; thence easterly and northerly along the southerly and easterly boundary lines of Alameda Township to the line separating Eden Township from Brooklyn Township; thence in a general easterly direction along the southerly boundary line of Brooklyn Township to the southwesterly boundary line of the City of San Leandro; thence southeasterly, northeasterly, northwesterly and southwesterly along the southwesterly, southeasterly, northeasterly and northwesterly boundary lines of the City of San Leandro to the center line of East 14th Street; thence northwesterly along the center line of East 14th Street to the center line of 98th Avenue; thence southwesterly along the center line of 98th Avenue to the center line of the right of way of the Central Pacific Railway; thence northwesterly along the center line of the right of way of the Central Pacific Railway to the center line of High Street; thence southwesterly along the center line of High Street to the southwesterly boundary line of the City of Oakland; thence northwesterly along the southwesterly boundary line of the City of Oakland to an intersection with the direct extension southwesterly of the center line of 13th Avenue; thence northeasterly along said direct extension and along the center line of 13th Avenue to the center line of Hopkins Street; thence northwesterly along the center line of Hopkins Street to the center line of Excelsior Avenue; thence continuing northwesterly along the center line of Excelsior Avenue to the center line of Lake Shore Avenue; thence southwesterly along the center line of Lake Shore Avenue to an intersection with the line separating Oakland Township from Brooklyn Township; thence northwesterly and southwesterly along the line separating Oakland Township from Brooklyn Township to the northerly boundary line of the City of Alameda; thence westerly along the northerly boundary line of the City of Alameda to an intersection with the westerly boundary line of the County of Alameda; and thence southeasterly along the westerly boundary line of the County of Alameda to the point of commencement, shall constitute the Fourteenth Assembly District.

15. All that portion of the County of Alameda described as follows:

Commencing at the point of intersection of the northeasterly boundary line of the County of Alameda with the direct extension easterly of the center line of Park Boulevard; thence westerly along said direct extension easterly of the center line of Park Boulevard, and continuing in a general southwesterly direction along the center line of Park Boulevard, following along the curvature thereof to the center line of Sausal Creek;

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thence westerly and southwesterly along the center line of Sausal Creek to the center line of Park Boulevard; thence southwesterly along the center line of Park Boulevard to an intersection with the direct extension southeasterly of the northeasterly boundary line of the City of Piedmont; thence northwesterly along said direct extension to the most easterly corner of the City of Piedmont; thence southwesterly along the southeasterly boundary line of the City of Piedmont to the most southerly corner thereof; thence southeasterly along the direct extension southeasterly of the southwesterly boundary line of the City of Piedmont to the center line of Park Boulevard; thence southwesterly along the center line of Park Boulevard to the center line of 13th Avenue; thence continuing southwesterly along the center line of 13th Avenue and along its direct extension southwesterly to the southwesterly boundary line of the City of Oakland; thence southeasterly along the southwesterly boundary line of the City of Oakland to the center line of High Street; thence northeasterly along the center line of High Street to the center line of East 14th Street; thence southeasterly along the center line of East 14th Street to the center line of 69th Avenue; thence northeasterly along the center line of 69th Avenue to the center line of Flora Street; thence northwesterly along the center line of Flora Street to the center line of Church Street; thence northeasterly and northerly along the center line of Church Street to the center line of Foothill Boulevard; thence easterly and southeasterly along the center line of Foothill Boulevard to the center line of 98th Avenue; thence northeasterly along the center line of 98th Avenue to the center line of Golf Links Road; thence in a general easterly direction, following along the center line of Golf Links Road to the center line of Grass Valley Road; thence northeasterly along the center line of Grass Valley Road to an intersection with the line separating Brooklyn Township from Eden Township; thence northerly along the westerly boundary line of Eden Township to an intersection with the northerly boundary line of the County of Alameda; and thence northwesterly along the northerly boundary line of the County of Alameda to the point of commencement, shall constitute the Fifteenth Assembly District.

16. All that portion of Alameda County described as follows:

Commencing at the point of intersection of the easterly boundary line of the City of Berkeley with the northerly boundary line of the County of Alameda; thence southeasterly along the northeasterly boundary line of the County of Alameda to the point of intersection with the direct extension easterly of the center line of Park Boulevard; thence westerly along said direct extension easterly of the center line of Park Boulevard, and continuing in a general southwesterly direction along the center line of Park Boulevard, following along the meanders thereof to the center line of Sausal Creek; thence westerly and

Assembly districts

southwesterly along the center line of Sausal Creek to the center line of Park Boulevard; thence southwesterly along the center line of Park Boulevard to an intersection with the direct extension southeasterly of the northeasterly boundary line of the City of Piedmont; thence northwesterly along said direct extension to the most easterly corner of the City of Piedmont; thence southwesterly along the southeasterly boundary line of the City of Piedmont to the most southerly corner thereof; thence southeasterly along the direct extension southeasterly of the southwesterly boundary line of the City of Piedmont to the center line of Park Boulevard; thence southwesterly along the center line of Park Boulevard to the center line of 13th Avenue; thence continuing southwesterly along the center line of 13th Avenue to the center line of Hopkins Street; thence northwesterly along the center line of Hopkins Street to the center line of Excelsior Avenue; thence continuing northwesterly along the center line of Excelsior Avenue to the center line of Lake Shore Avenue; thence southwesterly along the center line of Lake Shore Avenue to an intersection with the line separating Oakland Township from Brooklyn Township; thence northwesterly and southwesterly along the line separating Oakland Township from Brooklyn Township to the center line of 12th Street; thence northwesterly along the center line of 12th Street to the center line of Fallon Street; thence northeasterly along the center line of Fallon Street to the center line of 14th Street; thence northerly and northwesterly along the center line of 14th Street to the center line of Harrison Street; thence northeasterly along the center line of Harrison Street to the center line of 19th Street; thence northwesterly along the center line of 19th Street to the center line of Telegraph Avenue; thence northerly along the center line of Telegraph Avenue to the center line of Shattuck Avenue; thence continuing northerly along the center line of Shattuck Avenue to an intersection with the southerly boundary line of the City of Berkeley; and thence in a general easterly and northerly direction along the southerly and easterly boundary lines of the City of Berkeley to the point of commencement, shall constitute the Sixteenth Assembly District.

17. All that portion of Alameda County described as follows:

Commencing at the point of intersection of the Berkeley-Albany city boundary line with the westerly boundary line of the County of Alameda; thence easterly along said city boundary line to the center line of San Pablo Avenue; thence southerly along the center line of San Pablo Avenue to the center line of Dwight Way; thence easterly along the center line of Dwight Way to the center line of Grove Street; thence southerly along the center line of Grove Street to the center line of Derby Street; thence easterly along the center line of Derby Street to an intersection with the direct extension northerly of the center line of Shattuck Avenue, as said Shattuck Avenue exists south of Ward Street; thence southerly along

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said direct extension and along the center line of Shattuck Avenue to the center line of Telegraph Avenue; thence continuing southerly along the center line of Telegraph Avenue to the center line of 19th Street; thence southeasterly along the center line of 19th Street to the center line of Harrison Street; thence southwesterly along the center line of Harrison Street to the center line of 14th Street; thence southeasterly and southerly along the center line of 14th Street to the center line of Fallon Street; thence southwesterly along the center line of Fallon Street to the center line of 12th Street; thence southeasterly along the center line of 12th Street to an intersection with the line separating Oakland Township from Brooklyn Township; thence southwesterly along the line separating Oakland Township from Brooklyn Township to the southwesterly boundary line of the City of Oakland; thence westerly along the southwesterly boundary line of the City of Oakland to the southwest corner thereof being on the westerly boundary line of the County of Alameda; and thence northwesterly along the westerly boundary line of the County of Alameda to the point of commencement, shall constitute the Seventeenth Assembly District.

18. All that portion of Alameda County described as follows:

Commencing at the point of intersection of the Berkeley-Albany city boundary line with the westerly boundary line of the County of Alameda; thence northwesterly along the westerly boundary line of the County of Alameda to the northwest corner thereof; thence easterly and southeasterly along the northerly boundary line of the County of Alameda to the easterly boundary line of the City of Berkeley; thence in a general southerly and westerly direction along the easterly and southerly boundary lines of the City of Berkeley to the center line of Shattuck Avenue; thence northerly along the center line of Shattuck Avenue and along its direct extension northerly to the center line of Derby Street; thence westerly along the center line of Derby Street to the center line of Grove Street; thence northerly along the center line of Grove Street to the center line of Dwight Way; thence westerly along the center line of Dwight Way to the center line of San Pablo Avenue; thence northerly along the center line of San Pablo Avenue to the intersection of San Pablo Avenue with the Berkeley-Albany line; thence westerly along the Berkeley-Albany line to the point of commencement, shall constitute the Eighteenth Assembly District.

19. All that portion of the City and County of San Francisco bounded and described as follows:

Commencing at the point of intersection of the center line of Moraga Street and the shoreline of the Pacific Ocean; thence along the center line of the following streets: Moraga to Lomita Avenue, Lomita Avenue to Aloha Avenue, Aloha Avenue to 14th Avenue, 14th Avenue to Moraga, Moraga to Seventh Avenue, Seventh Avenue to Laguna Honda Boulevard, Laguna Honda Boulevard to Woodside Avenue, Woodside Avenue to

Portola Drive, Portola Drive to Stanford Heights Avenue, Stanford Heights Avenue to O'Shaughnessy Boulevard, O'Shaughnessy Boulevard to Bosworth, Bosworth to Lyell, Lyell to Alemany Boulevard, Alemany Boulevard to Admiral Avenue, Admiral Avenue to Mission, Mission to the boundary line separating the City and County of San Francisco from the County of San Mateo, westerly along said boundary line to the shoreline of the Pacific Ocean, northerly along said shoreline to the center line of Moraga Street and the point of commencement, shall constitute the Nineteenth Assembly District. Assembly districts

20. All that portion of the City and County of San Francisco bounded and described as follows:

Commencing at the point of intersection of the center line of Leavenworth Street and the shoreline of the Bay of San Francisco; thence along the center lines of the following streets: Leavenworth to Columbus Avenue, Columbus Avenue to Mason, Mason to Market, Market to Valencia, Valencia to Mission, Mission to Cortland Avenue, Cortland Avenue to Bay Shore Boulevard, Bay Shore Boulevard to Silver Avenue, Silver Avenue to Quesada Avenue, Quesada to Quint, Quint to Oakdale Avenue, Oakdale Avenue to Third, Third to Islais; thence easterly along said Islais Street to the shoreline of the Bay of San Francisco; thence northerly and westerly along said shoreline to the center line of Leavenworth Street and the point of commencement, and including all the piers and islands in the Bay of San Francisco, and the islands in the Pacific Ocean which are within the territorial boundaries of the City and County of San Francisco, shall constitute the Twentieth Assembly District.

21. All that portion of the City and County of San Francisco bounded and described as follows:

Commencing at the point of intersection of the center line of Leavenworth Street and the shoreline of the Bay of San Francisco; thence along the center line of the following streets: Leavenworth to Columbus Avenue, Columbus Avenue to Mason, Mason to California, California to Arguello Boulevard, Arguello Boulevard to Geary Boulevard, Geary Boulevard to Point Lobos Avenue; thence westerly along Point Lobos Avenue to the shoreline of the Pacific Ocean, northerly along said shoreline to the shoreline of the Bay of San Francisco, easterly along said shoreline of the Bay of San Francisco to Leavenworth Street and the point of commencement, shall constitute the Twenty-first Assembly District.

22. All that portion of the City and County of San Francisco bounded and described as follows:

Commencing at the point of intersection of the center line of Presidio Avenue with the center line of California Street; thence along the center lines of the following streets: Presidio Avenue to Post, Post to Baker, Baker to St. Joseph's Avenue, St. Joseph's Avenue to Turk, Turk to Baker, Baker to Haight, Haight to Scott, Scott to Duboce, Duboce to Sanchez, Sanchez to Market, Market to Portola Drive, Portola Drive to Woodside

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Avenue, Woodside Avenue to Laguna Honda Boulevard, Laguna Honda Boulevard to Seventh Avenue, Seventh Avenue to Moraga, Moraga to 14th Avenue, 14th Avenue to Aloha, Aloha Avenue to Lomita Avenue, Lomita Avenue to Moraga, Moraga to the shore line of the Pacific Ocean; thence northerly along said shore line to Point Lobos Avenue, Point Lobos Avenue to Geary Boulevard, Geary Boulevard to Arguello Boulevard, Arguello Boulevard to California, California to Presidio Avenue and the point of commencement, shall constitute the Twenty-second Assembly District.

23. All that portion of the City and County of San Francisco bounded and described as follows:

Commencing at the point of intersection of the center line of Mission Street and the boundary line separating the City and County of San Francisco from the County of San Mateo, thence easterly along said boundary line to the shore line of the Bay of San Francisco; thence northerly and westerly along said shore line of the Bay of San Francisco to the center line of Islais Street; thence along the center lines of the following streets: Islais to Third, Third to Oakdale Avenue, Oakdale Avenue to Quint, Quint to Quesada Avenue, Quesada Avenue to Silver Avenue, Silver Avenue to Bay Shore Boulevard, Bay Shore Boulevard to Cortland Avenue, Cortland Avenue to Mission, Mission to Valencia, Valencia to 17th, 17th to Church, Church to 19th, 19th to Douglas, Douglas to Romain, Romain to Market, Market to Portola Drive, Portola Drive to Stanford Heights Avenue, Stanford Heights Avenue to O'Shaughnessy Boulevard, O'Shaughnessy Boulevard to Bosworth, Bosworth to Lyell, Lyell to Alemany Boulevard, Alemany Boulevard to Admiral Avenue, Admiral Avenue to Mission, Mission to the boundary line separating the City and County of San Francisco from the County of San Mateo, and the point of commencement, shall constitute the Twenty-third Assembly District.

24. All that portion of the City and County of San Francisco bounded and described as follows:

Commencing at the intersection of the center line of Valencia Street with the center line of 17th Street, thence along the center lines of the following streets: Valencia to Market, Market to Mason, Mason to California, California to Presidio Avenue, Presidio Avenue to Post, Post to Baker, Baker to St. Joseph's Avenue, St. Joseph's Avenue to Turk, Turk to Baker, Baker to Haight, Haight to Scott, Scott to Duboce, Duboce to Sanchez, Sanchez to Market, Market to Romain, Romain to Douglas, Douglas to 19th, 19th to Church, Church to 17th, 17th to Valencia and the point of commencement shall constitute the Twenty-fourth Assembly District.

25. All that portion of the County of San Mateo, bounded and described as follows:

Commencing at a point where a line dividing the City and County of San Francisco and the County of San Mateo intersects the shoreline of the Pacific Ocean, and running thence easterly along said dividing line to the easterly boundary line of

San Mateo County in San Francisco Bay; thence southeasterly along said easterly boundary line of San Mateo County to a point where said boundary line is intersected by the easterly prolongation of the one-quarter section line running east and west through the center of Section 10, Township 4 South, Range 4 West, M. D. B. & M.; thence west along said easterly prolongation and continuing west along the one-quarter section line of Sections 10, 9, and 8 in said township and range to the northwest corner of the southwest quarter of Section 8 in said township and range, said point being in the line dividing the City of Burlingame and the City of San Mateo; thence in a general southerly direction along said dividing line to its intersection with the northeasterly right of way line of the Southern Pacific Company; thence southeasterly along the northeasterly right of way line of said Southern Pacific Company to its intersection with the center line of 19th Avenue (now or formerly County Road No. 16); thence southwesterly along the center line of said 19th Avenue and the southwesterly prolongation of said center line to the southwesterly boundary line of State Highway IV SM 2, commonly known as El Camino Real; thence southeasterly along the said southwesterly boundary line to its intersection with the southeasterly boundary line of that certain 53-acre tract of land described as Parcel Two in that certain deed to Alice Cotton et al., recorded July 7, 1926, in Volume 245 of Official Records at page 106, Records of San Mateo County; thence southwesterly along the southeasterly line of said 53-acre tract of land to the most easterly corner of Lot 511 as said lot is shown on that certain map entitled "San Mateo City Homestead Association" recorded February 20, 1872, in Volume A of Maps at page 43 and a copy entered in Book 1 of Maps at page 46, Records of San Mateo County, said corner being in the corporate limit line of the City of San Mateo; thence southwesterly along the corporate limit line of said City of San Mateo and continuing southwesterly along the corporate limit line of the Town of Hillsborough to the most southerly corner in said corporate limit line; thence in a general northwesterly direction along the westerly corporate limit line of said Town of Hillsborough to the intersection of said line with the southerly line of the Buri Buri Rancho; thence in a general northwesterly direction along the southerly and westerly line of said Buri Buri Rancho to its intersection with the southerly line of the San Pedro Rancho; thence southwesterly along the southerly line of said San Pedro Rancho to the shoreline of the Pacific Ocean; thence in a general northerly direction along the shoreline of the Pacific Ocean to the point of commencement, shall constitute the Twenty-fifth Assembly District. Assembly districts

26. All that portion of the County of San Mateo not included within the Twenty-fifth Assembly District, as fixed and defined by this section, shall constitute the Twenty-sixth Assembly District.

27. The Counties of San Benito and Santa Cruz shall constitute the Twenty-seventh Assembly District.

Assembly districts

28. All that portion of the County of Santa Clara embraced within the following precincts, as constituted at the general election of 1930, to wit: Agnew, Alviso, Barron, Bay View, Berryessa, Burbank, Calderon, Cupertino, Encina, Farwell, Fremont Nos. 1 and 2, Fruitvale, Jefferson Nos. 1 and 2, Linda Vista Nos. 1 and 2, Los Altos Nos. 1 to 3, inclusive, Midway, Milpitas Nos. 1 and 2, Miramonte, Mount Hamilton Nos. 1 and 2, Mountain View Nos. 1 to 5, inclusive, Orchard, Pala, Palo Alto Nos. 1 to 23, inclusive, Purissima, Red Mountain, San Jose Nos. 1 to 33, inclusive, and Nos. 91 to 107, inclusive, Santa Clara Nos. 1 to 9, inclusive, San Tomas, Saratoga Nos. 1 and 2, Seale, Stanford Nos. 1 and 2 and Sunnyvale Nos. 1 to 4, inclusive, shall constitute the Twenty-eighth Assembly District.

29. All that portion of the County of Santa Clara not included in the Twenty-eighth Assembly District, as fixed and defined by this section, shall constitute the Twenty-ninth Assembly District.

30. The County of Stanislaus shall constitute the Thirtieth Assembly District.

31. The Counties of Merced and Madera shall constitute the Thirty-first Assembly District.

32. All that portion of the County of Fresno bounded as follows: Commencing at the point of intersection of the center line of Ashlan Avenue and the center of the main line track of the Southern Pacific Railroad running between the Cities of San Francisco, Merced and Fresno; thence along the center line of the following named streets, to wit: easterly on Ashlan Avenue to Winery Avenue; southerly on Winery Avenue to McKinley Avenue; westerly on McKinley Avenue to Chestnut Avenue; southerly on Chestnut Avenue to Church Avenue; westerly on Church Avenue to Hughes Avenue; northerly on Hughes Avenue to the center of the main line track of the Southern Pacific Railroad named above; northwesterly along the center line of said track to the point of beginning, shall constitute the Thirty-second Assembly District.

33. All that portion of the County of Fresno not included in the Thirty-second Assembly District shall constitute the Thirty-third Assembly District.

34. The County of Monterey shall constitute the Thirty-fourth Assembly District.

35. The Counties of Kings and Tulare shall constitute the Thirty-fifth Assembly District.

36. The Counties of San Luis Obispo and Santa Barbara shall constitute the Thirty-sixth Assembly District.

37. The County of Ventura shall constitute the Thirty-seventh Assembly District.

38. All that portion of the County of Kern, bounded and described as follows:

Beginning at the northeast corner of Section 1, Township 25 South, Range 27 East, M. D. M., said northeast corner being a point on the north boundary line of the County of Kern and

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running thence south along section lines 18 miles to the southeast corner of Section 36, Township 27 South, Range 27 East, M. D. M.; thence west along section lines 2 miles to the northwest corner of Section 2, Township 28 South, Range 27 East, M. D. M.; thence south along section lines 6 miles to the southeast corner of Section 34, Township 28 South, Range 27 East, M. D. M., said corner being on the Seventh standard parallel; thence west along the said Seventh standard parallel to intersect the main line of the Southern Pacific Railroad, said intersection being a point on the north boundary line of Section 4, Township 29 South, Range 27 East, M. D. M.; thence southeasterly along the main line of said Southern Pacific Railroad to intersect the westerly extension of the north boundary line of 34th Street, said intersection being a point on the corporate limits of the City of Bakersfield; thence east along the westerly extension of the north boundary line of said 34th Street and said corporate limits to the center line of Chester Avenue; thence south along the center of said Chester Avenue and said corporate limits to intersect the westerly extension of the south boundary line of 34th Street; thence easterly on and along the said westerly extension and the south boundary of said 34th Street and the said corporate limits of the City of Bakersfield to intersect the west boundary line of Union Avenue; thence south along the said west boundary line and said corporate limits to intersect the westerly extension of the south boundary line of Bernard Street; thence east along the said westerly extension of Bernard Street to the center line of Union Avenue; thence south along the center line of said Union Avenue to intersect the center line of California Avenue, said intersection being a point on the corporate limits of the City of Bakersfield; thence westerly along the center line of said California Avenue and said corporate limits to the west boundary line of Union Avenue; thence south along the west boundary line of Union Avenue and said corporate limits of the City of Bakersfield to the north boundary line of Brundage Lane; thence continuing south along said west boundary line of Union Avenue to the center line of said Brundage Lane, said center line being the north boundary line of Section 6, Township 30 South, Range 28 East, M. D. M.; thence east along the said center line to the northeast corner of said Section 6; thence south along section line 1 mile to the northwest corner of Section 8, Township 30 South, Range 28 East, M. D. M.; thence east along the north boundary line of said Section 8, to the center line of Lotus Lane; thence south along the center line of said Lotus Lane to the south boundary line of said Section 8; thence west along the south boundary line of said Section 8 to the northwest corner of Section 17, Township 30 South, Range 28 East, M. D. M.; thence south along the west boundary line of said Section 17 a distance of 1 mile to the southwest corner of said Section 17; thence east along the north boundary line of Section 20, Township 30 South, Range 28 East, M. D. M., to the center line of Garber Way; thence south along the center line of said Garber Way and

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extension thereof to the south boundary line of Section 20 of said Township; thence west along the south boundary line of said Section 20 to the northwest corner of Section 29, Township 30 South, Range 28 East, M. D. M.; thence south along section lines 3 miles to the southeast corner of Section 6, Township 31 South, Range 28 East, M. D. M.; thence west along the south boundary line of said Section 6 one mile to the northwest corner of Section 7, Township 31 South, Range 28 East, M. D. M.; thence south along section lines 5 miles to the southwest corner of Section 31, Township 31 South, Range 28 East, M. D. M.; thence east along section lines 3 miles to the northeast corner of Section 4, Township 32 South, Range 28 East, M. D. M.; thence south along section lines 6 miles to the southeast corner of Section 33, Township 32 South, Range 28 East, M. D. M., said corner being a point on the Eighth standard parallel; thence east along the Eighth standard parallel to the northeast corner of Fractional Section 25, Township 12 North, Range 20 West, S. B. M.; thence south along section lines to the northwest corner of Section 18, Township 11 North, Range 19 West, S. B. M.; thence easterly along the north boundary line of said Section 18 to the northeast corner thereof; thence south along section lines 4 miles more or less to the southwest corner of Section 32, Township 11 North, Range 19 West, S. B. M.; thence east along the south boundary line of said Township 11 North, Range 19 West, S. B. M., to the southeast corner of said township; thence south along the southerly extension of the east boundary line of Township 11 North, Range 19 West, S. B. M., to intersect the easterly extension of the north boundary line of Township 9 North, Range 19 West, S. B. M.; thence east along the easterly extension of said north boundary line to intersect the northerly extension of the east boundary line of Township 9 North, Range 19 West, S. B. M.; thence south along the said east boundary line and northerly extension of Township 9 North, Range 19 West, S. B. M., to the southeast corner of Township 9 North, Range 19 West, S. B. M.; being a point on the south boundary line of the County of Kern; thence east to the southeast corner of said County of Kern; thence north along the easterly boundary of said county to the northeast corner thereof; thence westerly along the northerly boundary of said county to the point of beginning, shall constitute the Thirty-eighth Assembly District.

39. All that portion of the County of Kern not included in the Thirty-eighth Assembly District, as fixed and defined by this section, shall constitute the Thirty-ninth Assembly District.

40. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the northeasterly prolongation of the center line of Boylston Street and the center line of the Hollywood Parkway; thence southeasterly along the center line of said parkway and the center line of the Santa Ana Parkway to the center line of the Ramona Parkway; thence

northeasterly along the center line of the Ramona Parkway to the southerly prolongation of the center line of Daly Street; thence northerly along said prolongation of the center line of Daly Street to the center line of Mission Road; thence northeasterly along the center line of Mission Road to the center line of Marengo Street; thence southeasterly along the center line of Marengo Street to the center line of Soto Street; thence northeasterly along the center line of Soto Street to the center line of Valley Boulevard; thence southeasterly along the center line of Valley Boulevard to the northerly prolongation of the center line of Indiana Street; thence southerly along said prolongation and center line of Indiana Street to the first intersection with the boundary of the City of Los Angeles as same existed March 1, 1951, lying at or near the intersection of the center lines of Medford and Indiana Streets; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Marianna Avenue; thence northerly and northeasterly along the center line of Marianna Avenue to the center line of Seigneur Avenue; thence southerly along the center line of Seigneur Avenue to the center line of O'Sullivan Drive; thence northeasterly along the center line of O'Sullivan Drive to the center line of Heidleman Road; thence southerly along the center line of Heidleman Road to the center line of Heidleman Walk; thence easterly along the center line of Heidleman Walk to the center line of Landsdowne Avenue; thence northeasterly along the center line of Lansdowne Avenue to the center line of Barnett Road; thence southerly along the center line of Barnett Road to the center line of Farquhar Street; thence easterly along the center line of Farquhar Street to the center line of McGhie Avenue; thence southerly along the center line of McGhie Avenue to the southerly boundary of the aforesaid City of Los Angeles; thence easterly along the boundary of said city to the northerly prolongation of the center line of McBride Avenue; thence southerly along said last mentioned prolongation and the center line of McBride Avenue to the center line of Blanchard Street; thence westerly along the center line of Blanchard Street to the center line of Eastern Avenue; thence southerly along the center line of Eastern Avenue to the center line of Blanchard Street; thence westerly along the center line of Blanchard Street to the center line of Brannick Avenue; thence southerly along the center line of Brannick Avenue to the center line of Folsom Street; thence westerly along the center line of Folsom Street to the center line of Hazard Avenue; thence northerly along the center line of Hazard Avenue to the center line of Dobinson Street; thence westerly and northwesterly along the center line of Dobinson Street to the center line of Geraghty Avenue; thence southerly along the center line of Geraghty Avenue to the center line of Blanchard Street; thence westerly along the center line of Blanchard Street to the center line of Gage Avenue; thence southerly along the center line of Gage Avenue to the center line of Blanchard Street; thence westerly and northwesterly

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along the center line of Blanchard Street to the easterly boundary of the aforesaid City of Los Angeles; thence southerly along the boundary of said city and following the same in all its various courses to the center line of Alameda Street; thence northerly along the center line of Alameda Street to the center line of Olympic Boulevard (from the northwest); thence northwesterly along the center line of Olympic Boulevard and northwesterly along the center line of Ninth Street to the center line of Hill Street; thence northeasterly along the center line of Hill Street to the center line of Fifth Street; thence northwesterly along the center line of Fifth Street and its northwesterly prolongation thereof to the center line of Boylston Street; thence northerly along the center line of Boylston Street to the center line of Fifth Street; thence northwesterly along the center line of Fifth Street to the center line of Lucas Avenue; thence southwesterly along the center line of Lucas Avenue to the center line of Fifth Street; thence northwesterly along the center line of Fifth Street to the center line of Witmer Street; thence southwesterly along the center line of Witmer Street to the center line of Sixth Street; thence northwesterly along the center line of Sixth Street to the center line of Columbia Avenue; thence northerly along the center line of Columbia Avenue to the center line of Fourth Street; thence northwesterly along the center line of Fourth Street to the center line of Loma Drive; thence northwesterly along the center line of Loma Drive to the center line of Fourth Street; thence northwesterly along the center line of Fourth Street to the center line of Union Avenue (from the northeast); thence northeasterly along the center line of Union Avenue to center line of Beverly Boulevard; thence southeasterly along the center line of Beverly Boulevard to the northwesterly prolongation of the center line of Second Street; thence southeasterly along said prolongation and the center line of Second Street to the southwesterly prolongation of the center line of Boylston Street; thence northeasterly along said prolongation and center line of Boylston Street and the northeasterly prolongation of Boylston Street to the point of beginning, shall constitute the Fortieth Assembly District.

41. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the northwesterly corner of the County of Los Angeles, said corner lying on the northerly line of Section 4, Township 8 North, Range 19 West, S. B. B. & M.; thence easterly along the boundary of said county and following the same in all its various courses to the southerly line of Section 31, Township 3 North, Range 7 West, S. B. B. & M.; thence westerly along section lines to the northwest corner of Section 6, Township 2 North, Range 11 West, S. B. B. & M.; thence northerly along the range line between Ranges 11 and 12 West, to the northeast corner of Section 1, Township 2 North, Range 12 West, S. B. B. & M.; thence westerly along section lines to the northwest corner of Section 6, Township 2 North, Range 13 West, S. B. B. & M.; thence southerly along section lines to

the southeast corner of Section 36, Township 3 North, Range 14 West, S. B. B. & M.; thence westerly along section lines to the northwest corner of Section 4, Township 2 North, Range 14 West S. B. B. & M.; thence southerly along section lines to the northerly line of the Hansen Flood Control Basin; thence easterly along the northerly line of the Hansen Flood Control Basin, and following the same in all its various courses to the northerly prolongation of the center line of Clybourn Avenue; thence southerly along the northerly prolongation of the center line of Clybourn Avenue, and the center line of Clybourn Avenue to the center line of Roscoe Boulevard; thence westerly along the center line of Roscoe Boulevard and its westerly prolongation to the center line of Whitsett Avenue; thence southerly along the center line of Whitsett Avenue to the center line of Cantara Street; thence westerly along the center line of Cantara Street to the center line of Coldwater Canyon Avenue; thence southerly along the center line of Coldwater Canyon Avenue to the center line of the Southern Pacific Railroad Co.'s right of way (Coast Line) in Raymer Street; thence northwesterly along the center line of said right of way to the center line of Roscoe Boulevard; thence westerly along the center line of Roscoe Boulevard and along the prolongation of the most westerly portion thereof to the westerly boundary of the City of Los Angeles, as the same existed March 1, 1951; thence northerly along said westerly boundary of the City of Los Angeles to the northerly line of Fractional Section 34, Township 2 North, Range 17 West, S. B. B. & M.; thence westerly along section lines to the westerly boundary of the County of Los Angeles; thence northerly along the boundary of said county and following the same in all its various courses to the point of beginning, shall constitute the Forty-first Assembly District. Assembly districts

42. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the northwest corner of Section 4, Township 2 North, Range 14 West, S. B. B. & M.; thence easterly along section lines to an angle point in the northerly boundary of the City of Los Angeles as the same existed on March 1, 1951, located on the westerly line of Section 6, Township 2 North, Range 13 West, S. B. B. & M.; thence southerly along the boundary of said city and following the same in all its various courses to the center line of Scott Road; thence southerly along the center line of Scott Road to the center line of San Fernando Boulevard; thence southeasterly along the center line of San Fernando Boulevard to the northwesterly boundary of the City of Glendale as the same existed on the above date; thence southwesterly along the boundary of said last-mentioned city, and following the same in all its various courses to the center line of Chevy Chase Drive; thence westerly along the center line of Chevy Chase Drive and the westerly prolongation thereof to the center line of the Los Angeles River; thence northerly along the center line of the Los Angeles River to the southerly line of Section 30, Township 1 North, Range 13 West, S. B. B.

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& M.; thence westerly along section lines to the easterly boundary of the Rancho Ex Mission de San Fernando as shown on map recorded in Book 1, page 605 of Patents, in the office of the recorder of the County of Los Angeles; thence northerly along said easterly rancho line to the westerly boundary of the City of Burbank as the same existed on the above date; thence northerly along the westerly boundary of the City of Burbank to the center line of Riverside Drive; thence westerly along the center line of Riverside Drive to the center line of Coldwater Canyon Avenue; thence northerly along the center line of Coldwater Canyon Avenue to the center line of Cantara Street; thence easterly along the center line of Cantara Street to the center line of Whitsett Avenue; thence northerly along the center line of Whitsett Avenue to the westerly prolongation of the center line of Roscoe Boulevard; thence easterly along the westerly prolongation of Roscoe Boulevard, the easterly prolongation and center line of Roscoe Boulevard to the center line of Clybourn Avenue; thence northerly along the center line of Clybourn Avenue and the northerly prolongation thereof to the southeasterly boundary line of the Hansen Flood Control Basin; thence northeasterly along the boundary line of the Hansen Flood Control Basin, and following the same in all its various courses to the southerly prolongation of the westerly line of Fractional Section 9, Township 2 North, Range 14 West, S. B. B. & M.; thence northerly along said prolongation and section lines to the point of beginning shall constitute the Forty-second Assembly District.

43. All that part of the County of Los Angeles within the following described boundaries:

Beginning at an angle point in the boundary of the City of Los Angeles as same existed March 1, 1951, on the northerly line of Section 34, Township 2 North, Range 14 West, S. B. B. & M.; thence easterly along the boundary of said city to an angle point in said boundary at or near the southeast corner of the southwest one-quarter of Section 29, Township 2 North, Range 13 West, S. B B. & M ; thence easterly along section lines to a point in the northwesterly line of Tract No. 10156 as shown on map recorded in Book 164, pages 1-2 of Maps, in the office of the Recorder of the County of Los Angeles; thence northeasterly along the northwesterly line of said tract and following the same in all its various courses to its first intersection with the boundary of the City of Glendale as same existed on above mentioned date; thence southeasterly along the boundary of said last-mentioned city, and following the same in all its various courses to the center line of San Fernando Boulevard; thence northwesterly along the center line of San Fernando Boulevard to the center line of Scott Road; thence northwesterly along the center line of Scott Road to the easterly boundary of the aforesaid City of Los Angeles; thence northerly along the boundary of said last-mentioned city and following the same in all its various courses to the point of beginning, shall constitute the Forty-third Assembly District.

44. All that part of the County of Los Angeles within the following described boundaries: Assembly districts

Beginning at the northwest corner of the City of Long Beach as same existed March 1, 1951; thence easterly along the boundary of said city and following the same in all its various courses to an angle point in the boundary of said city at or near the northeasterly corner of 70th Street and Orange Avenue; thence due west to the center line of Orange Avenue; thence southerly along the center line of Orange Avenue to the center line of Fourth Street; thence easterly along the center line of Fourth Street to the center line of Cherry Avenue; thence southerly along the center line of Cherry Avenue to the center line of Ocean Boulevard; thence easterly along the center line of Ocean Boulevard to the center line of 16th Place; thence southerly along the center line of 16th Place and the southerly prolongation thereof to the southerly boundary of the County of Los Angeles; thence westerly along the boundary of said County of Los Angeles and following the same in all its various courses to its first intersection with the northeasterly boundary of the City of Los Angeles as same existed on above mentioned date (Ostend Addition); thence northwesterly along the boundary of said last mentioned city and following the same in all its various courses to an angle point in the boundary of the City of Long Beach at or near the intersection of 223d Street and Sperian Avenue; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to the point of beginning, shall constitute the Forty-fourth Assembly District.

45. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center lines of Glendale Avenue and Sunset Boulevard; thence southeasterly along the center line of Sunset Boulevard to the center line of Quintero Street; thence northeasterly along the center line of Quintero Street to the center line of Macbeth Street; thence northwesterly along the center line of Macbeth Street to the center line of Sutherland Street; thence northeasterly along the center line of Sutherland Street to the center line of that certain alley lying adjacent to and parallel with the northerly line of Block 6 of Golden West Heights, as shown on map recorded in Book 34, page 91, of Miscellaneous Records, in the office of the Recorder of the County of Los Angeles, thence northwesterly along the center line of said alley and the northwesterly prolongation thereof to the center line of Portia Street; thence northeasterly along the center line of Portia Street to the center line of Scott Avenue; thence northeasterly along the center line of Scott Avenue to the southwesterly prolongation of the center line of Elysian Park Drive; thence northeasterly along said prolongation and center line of Elysian Park Drive and following the same in all its various courses to the center line of Chavez Ravine Drive (Elysian Park Drive and Chavez Ravine Drive are park roads lying within Elysian Park as per

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Ordinance No. 37351 of the City of Los Angeles); thence northeasterly along the center line of Chavez Ravine Drive and following the same in all its various courses to the southwesterly prolongation of the center line of Dallas Street; thence northeasterly along said last mentioned prolongation, the center line and northeasterly prolongation of the center line of said Dallas Street to the center line of the Official Bed of the Los Angeles River; thence southeasterly along the center line of said river and following the same in all its various courses to the southwesterly prolongation of the center line of Granada Street; thence northeasterly along said last mentioned prolongation to the southwesterly line of the Southern Pacific Railroad Company's right of way (Valley Line); thence northwesterly along the southwesterly line of said right of way to its intersection with the southwesterly prolongation of the center line of Division Street, said point being near the southwesterly corner of Tract No. 3867 as shown on map recorded in Book 44, pages 20 and 21, of Maps in the office of the Recorder of the County of Los Angeles; thence northeasterly along said prolongation and center line of Division Street to the center line of Avenue 30; thence southeasterly along the center line of Avenue 30 to the center line of Bank Street; thence northeasterly along the center line of Bank Street to the center line of Isabel Street; thence southeasterly along the center line of Isabel Street and following the same in all its various courses to the center line of Amabel Street; thence southeasterly along the center line of Amabel Street to the center line of Figueroa Street; thence northeasterly along the center line of Figueroa Street to the center line of Avenue 37; thence southeasterly along the center line of Avenue 37 to the center line of Arroyo Seco Avenue; thence northeasterly along the center line of Arroyo Seco Avenue to the center line of Marmion Way; thence northerly along the center line of Marmion Way and following the same in all its various courses to the northwesterly prolongation of the center line of that portion of Avenue 44 lying between Figueroa Street and Marmion Way; thence southeasterly along said prolongation and center line of Avenue 44 to the center line of Figueroa Street; thence northeasterly along the center line of Figueroa Street to the center line of Avenue 45; thence southeasterly along the center line of Avenue 45 and the southeasterly prolongation thereof to the center line of the Arroyo Seco Parkway; thence northeasterly along the center line of said parkway to the center line of Hermon Avenue; thence easterly along the center line of Hermon Avenue to the center line of Bushnell Way; thence southwesterly along the center line of Bushnell Way to the center line of Pullman Street; thence southeasterly along the center line of Pullman Street to the center line of Armour Avenue; thence southwesterly along the center line of Armour Avenue to the center line of Burr Street; thence southeasterly along the center line of Burr Street to the center line of Lomitas Drive; thence southwesterly along the center line of Lomitas Drive to the center line of Monterey Road;

thence southerly along the center line of Monterey Road (easterly roadway) to the center line of Pacific Electric Railway right of way; thence northeasterly along the center line of said right of way and following the same in all its various courses to the center line of Eastern Avenue, thence southerly along the center line of Eastern Avenue to the center line of Lombardy Boulevard; thence southeasterly along the center line of Lombardy Boulevard and following the same in all its various courses to the center line of Endicott Street; thence southeasterly along the center line of Endicott Street and its southeasterly prolongation to the center line of Southern Pacific Railroad right of way (Main Line to Yuma); thence northeasterly along the center line of said last mentioned right of way and following the same in all its various courses to the westerly boundary of the City of Alhambra as the same existed March 1, 1951; thence southerly along the boundary of said city and following the same in all its various courses to the southerly prolongation of the center line of Hathaway Walk; thence southerly along the southerly prolongation of the center line of Hathaway Walk to the center line of Garvey Avenue; thence easterly along the center line of Garvey Avenue and following the same in all its various courses to the center line of Valley Boulevard; thence southeasterly along the center line of Valley Boulevard to the center line of the Official Bed of the San Gabriel River; thence southwesterly along the center line of said last mentioned river and following the same in all its various courses to the southeasterly prolongation of the center line of Siphon Road; thence northwesterly along the center line of said last mentioned prolongation and the center line of Siphon Road and San Gabriel Boulevard to the northeasterly prolongation of Lincoln Avenue; thence southwesterly along said last mentioned prolongation to the northeasterly boundary of the City of Montebello as same existed on above mentioned date; thence northwesterly and westerly along said last mentioned boundary and the center line of Pomona Boulevard to an angle point in the westerly boundary of the City of Monterey Park, as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city to the center line of Riggin Avenue; thence northwesterly along the center lines of Riggin Avenue and Brooklyn Avenue to the center line of Roscommon Avenue; thence northerly along the center line of Roscommon Avenue to the center line of Floral Drive; thence westerly along the center line of Floral Drive, its westerly prolongation thereof, and the center line of Floral Drive to the southerly prolongation of the center line of McBride Avenue; thence northerly along said last mentioned prolongation, the center line of McBride Avenue and northerly prolongation thereof to the southerly boundary of the City of Los Angeles, as same existed on above mentioned date; thence westerly along the boundary of said last mentioned city to the center line of McGhie Avenue; thence northerly along the center line of McGhie Avenue to the center line of Farquhar Street; thence westerly along the center line

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of Farquhar Street to the center line of Barnett Road; thence northerly along the center line of Barnett Road to the center line of Lansdowne Avenue; thence southwesterly along the center line of Lansdowne Avenue to the center line of Heidleman Walk; thence westerly along the center line of Heidleman Walk to the center line of Heidleman Road; thence northerly along the center line of Heidleman Road to the center line of O'Sullivan Drive; thence southwesterly along the center line of O'Sullivan Drive to the center line of Seigneur Avenue; thence northerly along the center line of Seigneur Avenue to the center line of Marianna Avenue; thence southwesterly and southerly along the center line of Marianna Avenue to the southerly boundary of the City of Los Angeles as same existed on above mentioned date; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Indiana Street; thence northerly along the center line of Indiana Street and its northerly prolongation thereof to the center line of Valley Boulevard; thence northwesterly along the center line of Valley Boulevard to the center line of Soto Street; thence southwesterly along the center line of Soto Street to the center line of Marengo Street; thence northwesterly along the center line of Marengo Street to the center line of Mission Road; thence southwesterly along the center line of Mission Road to the center line of Daly Street; thence southerly along the southerly prolongation of the center line of Daly Street to the center line of Ramona Parkway; thence southwesterly along the center line of Ramona Parkway to the center line of the Santa Ana Parkway; thence northwesterly along the center line of the Santa Ana Parkway and the center line of Hollywood Parkway to the northeasterly prolongation of the center line of Boylston Street; thence southwesterly along the last mentioned prolongation and center line of Boylston Street to the center line of Second Street; thence northwesterly along the center line of Second Street to the center line of Glendale Boulevard; thence northerly along the center line of Glendale Boulevard to the point of beginning, shall constitute the Forty-fifth Assembly District.

46. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the southwesterly prolongation of the center line of that portion of Culver Boulevard lying between Trolley Way and Ocean Front Walk with the southwesterly boundary of the County of Los Angeles; thence northeasterly along said southwesterly prolongation and center line of Culver Boulevard and following the same in all its various courses to the center line of Pershing Drive (from the northwest); thence northwesterly along the center line of Pershing Drive to the northwesterly boundary of the City of Los Angeles as same existed on March 1, 1951; thence northeasterly along the boundary of said city and following the same in all its various courses to its first intersection with the center line of the Pacific Electric Railway Company's right of way;

thence southeasterly along said last mentioned center line and following the same in all its various courses to its first intersection with the boundary of the City of Los Angeles as same existed on above mentioned date; thence southerly along the boundary of said city to an angle point in said boundary at or near the intersection of the center lines of Augusta Street and Freeman Boulevard; thence southerly along the northerly prolongation of the center line of Freeman Boulevard to the center line of the Atchison, Topeka and Santa Fe Railway Company's right of way (Redondo Branch); thence northeasterly along said last mentioned center line and following the same in all its various courses to the easterly boundary of the City of Inglewood as same existed on above mentioned date; thence southerly along the boundary of said last mentioned city, and following the same in all its various courses to the center line of Imperial Highway; thence westerly along the center line of Imperial Highway to a point due south of an angle point in the boundary of said City of Inglewood, said angle point being at or near the northwesterly corner of Imperial Highway and Crenshaw Boulevard; thence due north to said angle point; thence westerly along boundary of said last mentioned city and following the same in all its various courses to the center line of Imperial Highway; thence westerly along the center line of Imperial Highway to the center line of Prairie Avenue; thence southerly along the center line of Prairie Avenue to the northerly boundary of the City of Hawthorne as same existed on above mentioned date; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to the easterly boundary of said City of Los Angeles; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Imperial Highway; thence westerly along the center line of Imperial Highway to the easterly boundary of the City of El Segundo as same existed on above mentioned date; thence southerly along the boundary of said last mentioned city to the northerly boundary of the City of Manhattan Beach, as same existed on above mentioned date; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to an angle point in the southerly boundary of said last mentioned city, said angle point being at or near the intersection of the center lines of Aviation Boulevard and Redondo Beach Boulevard; thence easterly along the center line of Redondo Beach Boulevard to the center line of Flagler Lane; thence southerly along the center line of Flagler Lane to the boundary of said City of Redondo Beach, at or near the intersection of Beryl Street and Flagler Lane; thence southerly along boundary of said last mentioned city to an angle point in the boundary of said last mentioned city at or near the southeasterly corner of Block 70, Tract 10019, as shown on map recorded in Book 182, pages 1-13, inclusive, of Maps, in the office of the Recorder of the County of Los Angeles, being

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also an angle point in the boundary of said City of Torrance; thence westerly along the boundary of said City of Torrance and following the same in all its various courses to the center line of Pacific Coast Highway; thence southeasterly along the center line of Pacific Coast Highway to the center line of Newton Street (from the southeast); thence southeasterly along the center line of Newton Street to the center line of 242d Street; thence westerly along the center line of 242d Street to the center line of Wilmington Street; thence southerly along the center line of Wilmington Street to the southwesterly boundary of said City of Torrance; thence southeasterly and easterly along the boundary of said last mentioned city to an angle point in the southerly boundary thereof, said angle point being at or near the southwest corner of Tract No. 954, as shown on map recorded in Book 17, page 16, of Maps, in the office of the Recorder of the County of Los Angeles; thence easterly and northeasterly along the southerly and easterly boundary of said last mentioned tract to the southwest corner of Lot 111, Tract No. 3377, as shown on map recorded in Book 37, page 9, of Maps, in the office of the Recorder of the County of Los Angeles; thence easterly along the southerly boundaries of said last mentioned tract and Tract No. 2937, as shown on map recorded in Book 37, page 26, of Maps, in the office of the Recorder of the County of Los Angeles to the center line of Western Avenue; thence southerly along the center line of Western Avenue to a point due west of an angle point in the boundary of the City of Los Angeles, as same existed on above mentioned date, said angle point being at or near the northwesterly corner of Tract No. 10962, as shown on map recorded in Book 250, pages 30 and 31, of Maps, in the office of the Recorder of the County of Los Angeles; thence due east to said last mentioned angle point; thence southerly along the boundary of said last mentioned city and following the same in all its various courses to the southwesterly boundary of the County of Los Angeles; thence northwesterly along the boundary of said county, and following the same in all its various courses to the point of beginning. Also including the Islands of Santa Catalina and San Clemente, shall constitute the Forty-sixth Assembly District.

47. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the westerly boundary of the City of Pasadena as same existed March 1, 1951, with the township line between Township 1 and Township 2 North; thence easterly along the township line to the easterly boundary of said city; thence southerly along the boundary of said city and following the same in all its various courses to the southeasterly corner of Lot 104, as shown on map of Tract No. 7931, recorded in Book 85, page 9, of Maps, in the office of the Recorder of the County of Los Angeles, said last mentioned corner being also an angle point in the boundary of said city as

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same existed on above date; thence southerly along the easterly line of said last mentioned tract and along the southerly prolongation thereof to the center line of Washington Street; thence westerly along the center line of Washington Street to the center line of Wesley Avenue; thence southerly along the center line of Wesley Avenue to the center line of Whitefield Road; thence easterly along the center line of Whitefield Road to the center line of Allen Avenue; thence southerly along the center line of Allen Avenue to the center line of Walnut Street; thence easterly along the center line of Walnut Street to its first intersection with the center line of Foothill Boulevard; thence easterly along the center line of Foothill Boulevard to an angle point in the boundary of the aforesaid City of Pasadena, at or near the center line of Sierra Madre Villa Avenue and the center line of Foothill Boulevard; thence easterly along the boundary of said city to the easterly line of Michillinda Boulevard; thence southerly along the easterly line of Michillinda Boulevard to the boundary of the City of Arcadia as same existed on above mentioned date; thence southerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Las Tunas Drive; thence westerly along the center line of Las Tunas Drive to the easterly boundary of the City of San Gabriel, as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the southerly boundary of the City of San Marino, as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to a point in the easterly boundary of the City of South Pasadena as same existed on above mentioned date, said point being also a point in the boundary of the aforesaid City of Pasadena; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the point of beginning, shall constitute the Forty-seventh Assembly District.

48. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the northwesterly corner of Section 6, Township 2 North, Range 13 West, S. B. B. & M.; thence easterly along the township line to the northeasterly corner of Section 1, Township 2 North, Range 12 West, S. B. B. & M.; thence southerly along section line to the northwesterly corner of Section 6, Township 2 North, Range 11 West, S. B B. & M.; thence easterly along township line to the northeasterly corner of Section 4, Township 2 North, Range 10 West, S. B. B. & M.; thence southerly along section lines to the southeasterly corner of Section 4 Township 1 North, Range 10 West, S. B. B. & M.; thence westerly along section lines to the north and south quarter section line of Section 12, Township 1 North, Range 11 West, S. B. B. & M.; thence southerly along quarter section line to its first intersection with the northerly boundary of the City of Monrovia, as same existed March 1, 1951; thence south-

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erly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Foothill Boulevard; thence westerly along the center line of Foothill Boulevard to the boundary of the City of Arcadia, as same existed on above mentioned date; being at or near the west line of Second Avenue; thence southerly along the boundary of said last mentioned city and following the same in all its various courses to an angle point therein (at or near the easterly line of Michillinda Avenue) thence north in a direct line to the southerly boundary of the City of Pasadena, as same existed on above mentioned date, being in the center line of Foothill Boulevard; thence westerly along said last mentioned boundary and center line of Foothill Boulevard to the center line of Walnut Avenue; thence westerly along the center line of Walnut Avenue to the center line of Allen Avenue; thence northerly along the center line of Allen Avenue to the center line of Whitefield Road; thence westerly along the center line of Whitefield Road to the center line of Wesley Avenue; thence northerly along the center line of Wesley Avenue to the center line of Washington Street; thence easterly along the center line of Washington Street to its intersection with the southerly prolongation of the easterly line of Tract No. 7931, as shown on map recorded in Book 85, page 9, of Maps, in the office of the Recorder of the County of Los Angeles; thence northerly along said southerly prolongation to the southeasterly corner of Lot 104 of said last mentioned tract; said last mentioned corner being also an angle point in the northerly boundary of said City of Pasadena; thence northerly along the boundary of said last mentioned city, and following the same in all its various courses to the township line between Townships 1 and 2 North; thence westerly along township line to the westerly boundary of said City of Pasadena; thence southerly along the boundary of said last mentioned city and following the same in all its various courses to its first intersection with the westerly boundary of the City of Glendale as same existed on above mentioned date; thence southwesterly along the boundary of said last mentioned city and following the same in all its various courses to the most northerly point in said last mentioned city; said point being also the most easterly corner of Tract 10156, as shown on map recorded in Book 164, pages 1 and 2, of Maps, in the office of said recorder; thence northwesterly along the boundary of said last mentioned tract and following the same in all its various courses to its intersection with the northerly line of Fractional Section 33, Township 2 North, Range 13 West, S. B. B. & M.; thence westerly along section lines to its first intersection with the boundary of the City of Los Angeles as same existed on above mentioned date; thence northerly along the boundary of said city, and following the same in all its various courses to the southeasterly corner of Section 36, Township 3 North, Range 14 West, S. B B. & M.; thence northerly along range line to the point of beginning, shall constitute the Forty-eighth Assembly District.

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49. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the northeasterly corner of Section 4, Township 2 North, Range 10 West, S. B. B. & M.; thence easterly along the township line between Townships 2 and 3 North to its intersection with the easterly boundary of the County of Los Angeles; thence southerly along the boundary of said county and following the same in all its various courses to its intersection with the center line of Brea Canyon Road; thence northeasterly along the center line of Brea Canyon Road to the center line of Southern Pacific Railroad Company's right of way (Main Line to Yuma); thence northeasterly along the center line of said right of way to its intersection with the easterly line of the Rancho La Puente, as shown on map recorded in Book 1, pages 43 and 44, of Patents, in the office of the Recorder of the County of Los Angeles; thence northeasterly along the boundary of said rancho and following the same in all its various courses to its intersection with the southerly prolongation of the center line of Valley Center Avenue; thence northerly along said prolongation and the center line of Valley Center Avenue to the east and west quarter section line of Section 8, Township 1 South, Range 9 West, S. B. B. & M.; thence westerly along quarter section lines to the westerly line of Section 9, Township 1 South, Range 10 West, S. B. B. & M.; thence southerly along section line to its first intersection with the boundary of the City of West Covina, as same existed March 1, 1951; thence westerly and southerly along the boundary of said last mentioned city to its intersection with the northerly line of East Ramona Boulevard; thence south in a direct line to the center line of East Ramona Boulevard; thence southwesterly along the center line of East Ramona Boulevard (North Road) to its intersection with the center line of the Southern Pacific Railroad Company's right of way (Covina Branch); thence southwesterly along the center line of said last mentioned right of way to its intersection with the center line of the Pacific Electric Railway Company's right of way; thence southwesterly along the center line of said last mentioned right of way to the center line of San Gabriel River; thence northerly along the center line of said river and following the same in all its various courses to the northeasterly line of the Rancho San Francisquito as shown on map recorded in Book 1, pages 31 and 32 of Patents, in the office of the Recorder of the County of Los Angeles; thence northwesterly along the boundary of said last mentioned rancho to its first intersection with the boundary of the City of Arcadia as same existed on above mentioned date; thence southwesterly along the boundary of said last mentioned city to an angle point therein, at or near the easterly line of Sixth Avenue; thence southwesterly in a direct line to an angle point in the boundary of said last mentioned city, at or near the west line of Sixth Avenue; thence southwesterly along the boundary of said last mentioned city, and following the same in all its various courses to the center line of Foothill Boulevard, at or near its intersection with the

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west line of Second Avenue; thence easterly along the center line of Foothill Boulevard to the westerly boundary of the City of Monrovia as same existed on above mentioned date; thence southerly along the boundary of said last mentioned city, and following the same in all its various courses to the northeasterly corner of said last mentioned city; (said corner being also a point in the north and south quarter section line of Section 12, Township 1 North, Range 11 West, S. B. B. & M.); thence northerly along quarter section line to the northerly line of said last mentioned section; thence easterly along section lines to the southeasterly corner of Section 4, Township 1 North, Range 10 West, S. B. B. & M.; thence northerly along section lines to the point of beginning, shall constitute the Forty-ninth Assembly District.

50. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the northeasterly line of the San Francisquito Rancho as shown on map recorded in Book 1, pages 31, 32 of Patents, in the office of the Recorder of the County of Los Angeles, with the southeasterly boundary of the City of Arcadia as same existed March 1, 1951; thence southeasterly along the northeasterly boundary of said rancho to the center line of the San Gabriel River; thence southwesterly along the center line of said river to the center line of the Pacific Electric Railway Company's right of way; thence northeasterly along the center line of said right of way to its intersection with the center line of the Southern Pacific Railroad Company's right of way (Covina Branch); thence northeasterly along the center line of said last mentioned right of way to the center line of East Ramona Boulevard (northerly roadway); thence northeasterly along the center line of East Ramona Boulevard to a point due south of the southwest corner of the northwest annex to the City of West Covina; thence due north to said corner; thence northerly and easterly along the boundary of said last mentioned city to its first intersection with the westerly line of Section 9, Township 1 South, Range 10 West, thence northerly along section line to the east and west quarter section line of said last mentioned section; thence easterly along quarter section lines to the center line of Valley Center Avenue; thence southerly along the center line of Valley Center Avenue and the southerly prolongation thereof to its first intersection with the easterly line of the Rancho La Puente as shown on map recorded in Book 1, pages 33 and 34 of Patents, in the office of the Recorder of the County of Los Angeles; thence southeasterly along the boundary of said rancho and following the same in all its various courses to its first intersection with the center line of the Southern Pacific Railroad Company's right of way (Main Line to Yuma); thence southwesterly along the center line of said last mentioned right of way to the center line of Brea Canyon Road; thence southerly along the center line of Brea Canyon Road to its intersection with the boundary of the County of Los Angeles as same

existed March 1, 1951; thence westerly along boundary of said county and following the same in all its various courses to the north and south quarter section line of Section 13, Township 3 South, Range 11 West; thence westerly along section lines to the center line of Luitwieler Avenue; thence northerly along the center line of Luitwieler Avenue to the center line of Imperial Highway; thence westerly along the center line of Imperial Highway to the center line of Carmenita Road; thence northerly along the center line of Carmenita Road to the center line of Lakeland Road; thence westerly along the center line of Lakeland Road to the center line of The Atchison, Topeka and Santa Fe Railway Company's right of way (San Diego Division); thence northerly along the center line of said last mentioned right of way to the center line of Santa Fe Springs Road; thence northeasterly along the center line of Santa Fe Springs Road to the center line of Los Nietos Road; thence northwesterly along the center line of Los Nietos Road to the center line of Norwalk Boulevard; thence northerly along the center line of Norwalk Boulevard to the center line of Washington Boulevard; thence northwesterly along the center line of Washington Boulevard to the center line of Rosemead Boulevard; thence northerly along the center line of Rosemead Boulevard to the center line of San Gabriel Boulevard; thence southeasterly along the center line of San Gabriel Boulevard and along the center line of Siphon Road and the southeasterly prolongation thereof to the center line of the San Gabriel River; thence northeasterly along the center line of said last mentioned river and following the same in all its various courses to the center line of Valley Boulevard; thence northwesterly along the center line of Valley Boulevard to the center line of Garvey Avenue; thence westerly along the center line of Garvey Avenue to the center line of Potrero Avenue (from the north); thence northerly along the center line of Potrero Avenue and the northerly prolongation thereof to the center line of the Pacific Electric Railway Company's right of way (in Ramona Boulevard); thence easterly along the center line of said last mentioned right of way to the southerly prolongation of the center line of Baldwin Avenue; thence northerly along said prolongation and center line of Baldwin Avenue to the center line of Bessie Avenue; thence southeasterly along the center line of Bessie Avenue to the center line of Shirley Avenue; thence northerly along the center line of Shirley Avenue to the center line of Gidley Street; thence northwesterly along the center line of Gidley Street to the center line of Baldwin Avenue; thence northeasterly along the center line of Baldwin Avenue to the center line of Lower Azusa Road; thence easterly along the center line of Lower Azusa Road to the center line of Cedar Avenue; thence northeasterly along the center line of Cedar Avenue to the southerly boundary of the City of Arcadia as same existed on above mentioned date; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to an angle point

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in the boundary of said city at or near the westerly line of Sixth Avenue; thence northeasterly in a direct line to an angle point in the boundary of said last mentioned city at or near the easterly line of Sixth Avenue; thence northeasterly along the boundary of said last mentioned city and following the same in all its various courses to the point of beginning, shall constitute the Fiftieth Assembly District.

51. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the easterly boundary of the City of Los Angeles, as same existed on March 1, 1951 with the center line of Blanchard Street; thence easterly along the center line of Blanchard Street to the center line of Gage Avenue; thence northerly along the center line of Gage Avenue to the center line of Blanchard Street; thence easterly along the center line of Blanchard Street to the center line of Geraghty Avenue; thence northerly along the center line of Geraghty Avenue to the center line of Dobinson Street; thence southeasterly along the center line of Dobinson Street to the center line of Hazard Avenue; thence southerly along the center line of Hazard Avenue to the center line of Folsom Street; thence easterly along the center line of Folsom Street to the center line of Brannick Avenue; thence northerly along the center line of Brannick Avenue to the center line of Blanchard Street; thence southeasterly along the center line of Blanchard Street to the center line of Eastern Avenue; thence northerly along the center line of Eastern Avenue to the center line of Blanchard Street; thence easterly along the center line of Blanchard Street to the center line of McBride Avenue; thence southerly along the center line of McBride Avenue and the southerly prolongation thereof to the center line of Floral Drive; thence easterly along the center line of Floral Drive, the easterly prolongation of said Floral Drive and the center line of Floral Drive to the center line of Roscommon Avenue; thence southerly along the center line of Roscommon Avenue to the center line of Brooklyn Avenue; thence easterly and southeasterly along the center line of Brooklyn Avenue to the center line of Riggin Avenue; thence southeasterly along the center line of Riggin Avenue to the westerly boundary of the City of Monterey Park, as same existed on above mentioned date; thence southerly and easterly along the boundary of aforesaid City of Monterey Park to its first intersection with the westerly boundary of the City of Montebello, as same existed on above mentioned date; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Lincoln Avenue; thence northeast in a direct line to the center line of San Gabriel Boulevard; thence southeasterly along the center line of San Gabriel Boulevard to the center line of Rosemead Boulevard; thence southwesterly along the center line of Rosemead Boulevard to the center line of Washington Boulevard; thence southeasterly along the center line of Washington Boulevard to the center line of Norwalk Boulevard; thence

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southeasterly and southerly along the center line of Norwalk Boulevard to the center line of Los Nietos Road; thence southeasterly along the center line of Los Nietos Road to the center line of Santa Fe Springs Road; thence southwesterly along the center line of Santa Fe Springs Road to the center line of the Atchison, Topeka and Santa Fe Railway Company's right of way (main line, Los Angeles to San Diego); thence southerly along the center line of said right of way to the center line of Lakeland Road; thence easterly along the center line of Lakeland Road to the center line of Carmenita Road; thence southerly along the center line of Carmenita Road to the center line of Imperial Highway; thence easterly along the center line of Imperial Highway to the center line of Luitwieler Avenue thence southerly along the center line of Luitwieler Avenue to the center line of Rosecrans Avenue; thence easterly along the center line of Rosecrans Avenue to its first intersection with the boundary of the County of Los Angeles; thence southerly along the boundary of the County of Los Angeles and following the same in all its various courses to the northerly boundary of the City of Long Beach, as same existed on above mentioned date; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to an angle point in said boundary, said angle point being at the intersection of the southwesterly line of the right of way of the new San Gabriel River Levee District, as shown on County Surveyor's Map No. 7561 on file in the office of the surveyor of said county, and the easterly prolongation of the southerly line of Tract No. 5023, as shown on map recorded in Book 58, page 1, of Maps, in the office of the recorder of said county; thence due east to the center line of the official bed of the San Gabriel River; thence northerly along the center line of said river and following the same in all its various courses to the center line of Anaheim Telegraph Road; thence northwesterly along the center line of Anaheim Telegraph Road to a point due south of the most southerly corner of the City of Montebello, as same existed on above mentioned date; thence due north to the boundary of said city; thence northwesterly along the boundary of said last mentioned city and following the same in all its various courses to the southeasterly line of Church Road; thence northeasterly along said southeasterly line of Church Road and the northeasterly prolongation thereof to the center line of the Atchison, Topeka and Santa Fe Railway Company's right of way (main line, Los Angeles to San Diego); thence northwesterly along the center line of said right of way to the first intersection with the southeasterly boundary of the City of Vernon as same existed on above mentioned date; thence northeasterly along the boundary of said last mentioned city and following the same in all its various courses to the southerly boundary of the aforesaid City of Los Angeles; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to the point of beginning, shall constitute the Fifty-first Assembly District.

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52. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the northwesterly corner of the City of Vernon, as same existed March 1, 1951, at or near the northwesterly corner of 25th and Alameda Streets, said point of beginning being also an angle point in the boundary of the City of Los Angeles as same existed on the above mentioned date; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to an angle point in aforesaid City of Vernon at or near the northeasterly corner of Lot 16, of Tract No. 8626, as shown on map recorded in Book 121, pages 96 to 100, of Maps, in the office of the Recorder of the County of Los Angeles; thence southwesterly along the boundary of said last mentioned city and following the same in all its various courses to the center line of the Atchison, Topeka and Santa Fe Railway Company's right of way (Main Line, Los Angeles to San Diego); thence southeasterly along the center line of said right of way to the northeasterly prolongation of the southeasterly line of Church Road; thence southwesterly along said northeasterly prolongation of Church Road to its first intersection with the boundary of the City of Montebello, as same existed on above mentioned date; thence southwesterly along the boundary of said last mentioned city and following the same in all its various courses to the most southerly corner thereof; thence due south to the center line of Anaheim Telegraph Road; thence southeasterly along the center line of Anaheim Telegraph Road to the center line of Stoakes Avenue; thence southwesterly along the center line of Stoakes Avenue to the center line of Gallatin School House Road; thence northwesterly along the center line of Gallatin School House Road to the center line of Downey Avenue; thence southwesterly along the center line of Downey Avenue to the center line of Stewart and Gray Road; thence northwesterly along the center line of Stewart and Gray Road to the center line of Brock Avenue; thence northwesterly in a direct line to the intersection of the center lines of Paramount Boulevard and Stewart and Gray Road; thence northwesterly along the center line of Stewart and Gray Road to the center line of Southern Avenue; thence westerly along the center line of Southern Avenue to the center line of Rayo Avenue; thence southwesterly along the center line of Rayo Avenue to the center line of Atlantic Avenue; thence southerly along the center line of Atlantic Avenue to the center line of Tweedy Boulevard; thence westerly along the center line of Tweedy Boulevard to the first intersection with the southerly boundary of the City of South Gate, as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Tweedy Boulevard; thence westerly along the center line of Tweedy Boulevard to the center line of Santa Fe Avenue; thence southerly along the center line of Santa Fe Avenue to an angle point in the boundary of aforesaid City

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of South Gate, near the center line of Santa Fe Avenue and the southerly line of Tweedy Boulevard; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Firestone Boulevard; thence westerly along the center line of Firestone Boulevard to the center line of Alameda Street; thence northerly along the center line of Alameda Street to the center line of Florence Avenue; thence easterly along the center line of Florence Avenue to the westerly boundary of the City of Huntington Park, as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the southerly boundary of aforesaid City of Vernon; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to the point of beginning, shall constitute the Fifty-second Assembly District.

53. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the most westerly point in the boundary of the City of San Marino as same existed March 1, 1951; thence easterly along the northerly boundary of said city and following the same in all its various courses to its first intersection with the boundary of the City of San Gabriel as same existed on above mentioned date; thence southerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Las Tunas Drive; thence easterly along the center line of Las Tunas Drive to its first intersection with the westerly boundary of the City of Arcadia as same existed on above mentioned date; thence southerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Cedar Avenue; thence southerly along the center line of Cedar Avenue to the center line of Lower Azusa Road; thence westerly along the center line of Lower Azusa Road to the center line of Baldwin Avenue; thence southwesterly along the center line of Baldwin Avenue to the center line of Gidley Street; thence southeasterly along the center line of Gidley Street to the center line of Shirley Avenue; thence southwesterly along the center line of Shirley Avenue to the center line of Bessie Avenue; thence northwesterly along the center line of Bessie Avenue to the center line of Baldwin Avenue; thence southwesterly and southerly along the center line of Baldwin Avenue and the southerly prolongation thereof to the center line of Pacific Electric Railway Company's right of way; thence westerly along the center line of said right of way to the northerly prolongation of the center line of Potrero Avenue; thence southerly along said prolongation and along the center line of Potrero Avenue to the center line of Garvey Avenue; thence westerly along the center line of Garvey Avenue to the southerly prolongation of the center line of Hathaway Walk; thence northerly along said prolongation of Hathaway Walk to the southerly boundary of the City of Alhambra as same existed

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on above mentioned date; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to its first intersection with the boundary of the City of San Marino as same existed on above mentioned date; thence northwesterly along the boundary of said last mentioned city and following the same in all its various courses to the point of beginning, shall constitute the Fifty-third Assembly District.

54. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the most southerly corner of the City of Glendale as the same existed on March 1, 1951, said southerly corner lying on the southwesterly line of the Southern Pacific Railroad Company's right of way (Valley Line) being also an angle point in the boundary of the City of Los Angeles, as the same existed on the above mentioned date, thence northeasterly along the boundary of said last mentioned city and following the same in all its various courses to an angle point therein; said angle point being the northerly terminus of the westerly boundary of the City of South Pasadena, as the same existed on above mentioned date; thence easterly along the boundary of the City of South Pasadena, and following the same in all its various courses to the first intersection with the boundary of the City of Los Angeles as same existed on above mentioned date; thence southerly along the boundary of the City of Los Angeles, and following the same in all its various courses to the center line of the Southern Pacific Railroad Company's right of way (Main Line to Yuma); thence westerly along the center line of said Southern Pacific Railroad Company's right of way to the southeasterly prolongation of the center line of Endicott Street; thence northwesterly along the southeasterly prolongation of the center line of Endicott Street and the center line of Endicott Street to the center line of Lombardy Boulevard; thence northwesterly along the center line of Lombardy Boulevard to the center line of Eastern Avenue; thence northerly along the center line of Eastern Avenue to the center line of the Pacific Electric Railway Company's right of way (in Huntington Drive); thence westerly along the center line of said last mentioned Pacific Electric Railway Company's right of way to the center line of Monterey Road; thence northerly along the center line of Monterey Road to the center line of Lomitas Drive; thence northerly along the center line of Lomitas Drive to the center line of Burr Street; thence northwesterly along the center line of Burr Street to the center line of Armour Avenue; thence northeasterly along the center line of Armour Avenue to the center line of Pullman Street; thence northwesterly along the center line of Pullman Street to the center line of Bushnell Way; thence northeasterly along the center line of Bushnell Way to the center line of Hermon Avenue; thence westerly along the center line of Hermon Avenue to the center line of the Arroyo Seco Parkway; thence

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southwesterly along the center line of the Arroyo Seco Parkway to the southerly prolongation of the center line of Avenue 45; thence northwesterly along said prolongation and center line of Avenue 45 to the center line of Figueroa Street; thence southwesterly along the center line of Figueroa Street to the center line of Avenue 44, lying between Figueroa Street and Marmion Way; thence northwesterly along the center line of Avenue 44 and its northwesterly prolongation to the center line of Marmion Way; thence southwesterly along the center line of Marmion Way to the center line of Arroyo Seco Avenue; thence southwesterly along the center line of Arroyo Seco Avenue to the center line of Avenue 37; thence northwesterly along the center line of Avenue 37 to the center line of Figueroa Street; thence southwesterly along the center line of Figueroa Street to the center line of Amabel Street; thence northwesterly along the center line of Amabel Street to the center line of Isabel Street; thence westerly along the center line of Isabel Street to the center line of Bank Street; thence southwesterly along the center line of Bank Street to the center line of Avenue 30; thence northwesterly along the center line of Avenue 30 to the center line of Division Street; thence southwesterly along the center line of Division Street and its southwesterly prolongation to the southwesterly line of the Southern Pacific Railroad Company's right of way (Valley Line); thence southeasterly along the southwesterly line of said right of way to the southwesterly prolongation of the center line of that portion of Granada Street lying between Cypress Avenue and San Fernando Road; thence southwesterly along said last mentioned prolongation to the center line of the Official Bed of the Los Angeles River; thence northwesterly along the center line of said Los Angeles River to the northeasterly prolongation of the center line of Dallas Street; thence southwesterly along said last mentioned prolongation and center line of Dallas Street to the center line of Riverside Drive; thence northwesterly along the center line of Riverside Drive to the southwesterly prolongation of the center line of Tyburn Street; thence northeasterly along said prolongation and center line of Tyburn Street to the point of beginning, shall constitute the Fifty-fourth Assembly District.

55. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center lines of Manchester Avenue and Main Street; thence easterly along the center line of Manchester Avenue to the intersection with the boundary of the City of Los Angeles as same existed March 1, 1951, said point of intersection being at or near the intersection of the center lines of Manchester Avenue and Central Avenue; thence northerly along the boundary of said City of Los Angeles to the center line of Florence Avenue; thence easterly along the center line of Florence Avenue to the center line of Alameda Street; thence southerly along the center line of Alameda Street to the center line of Firestone Boulevard; thence

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southeasterly along the center line of Firestone Boulevard to the westerly boundary of the City of South Gate, as same existed on March 1, 1951; thence southerly along the boundary of said last mentioned city and following the same in all its various courses to an angle point in said boundary, said angle point being at or near the intersection of the center line of Santa Fe Avenue and the south line of Tweedy Boulevard; thence due north to the center line of Tweedy Boulevard; thence easterly along the center line of Tweedy Boulevard to the first intersection with the northwesterly boundary of the City of Lynwood, as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Tweedy Boulevard; thence easterly along the center line of Tweedy Boulevard to the center line of Atlantic Avenue; thence southerly along the center line of Atlantic Avenue to the intersection with the southerly boundary of the City of South Gate, as same existed on above mentioned date; thence easterly and southerly along the boundary of said last mentioned city to an angle point therein said angle point being also in the center line of Imperial Highway; thence westerly along the center line of Imperial Highway and following the same in all its various courses to the westerly boundary of the City of Lynwood, as same existed on above mentioned date; thence southeasterly along the boundary of said last mentioned city and following the same in all its various courses to the intersection with the boundary of the City of Compton, as same existed on above mentioned date, said point of intersection being at or near the center line of Alameda Street; thence southeasterly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Wilmington Avenue; thence northerly along the center line of Wilmington Avenue to an angle point in the boundary of said last mentioned city, said angle point being at or near the intersection of the center lines of El Segundo Boulevard and Wilmington Avenue; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of El Segundo Boulevard; thence westerly along the center line of El Segundo Boulevard to the center line of Avalon Boulevard; thence northerly along the center line of Avalon Boulevard to the boundary of the City of Los Angeles, as same existed on above mentioned date; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Main Street; thence northerly along the center line of Main Street to the point of beginning, shall constitute the Fifty-fifth Assembly District.

56. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the northwesterly corner of Section 36, Township 1 North, Range 14 West, S. B. B. & M.; thence easterly along section lines to the center line of the Los Angeles River; thence southerly along the center line of said Los Angeles River

to the westerly prolongation of the center line of Chevy Chase Drive; thence easterly along said westerly prolongation and the center line of Chevy Chase Drive to the westerly boundary of the City of Glendale, as same existed on March 1, 1951; thence southerly along the boundary of said city and following the same in all its various courses to the center line of Tyburn Street; thence southwesterly along the center line of Tyburn Street and the southwesterly prolongation thereof to the center line of Riverside Drive; thence southeasterly along the center line of Riverside Drive to the southwesterly prolongation of the center line of Dallas Street; thence southwesterly along said last mentioned prolongation to the center line of Chavez Ravine Drive; thence southeasterly along the center line of Chavez Ravine Drive and following the same in all its various courses to the center line of Elysian Park Drive; thence southwesterly along the center line of Elysian Park Drive and the southwesterly prolongation thereof to the center line of Scott Avenue (Elysian Park Drive and Chavez Ravine Drive are park roads lying within Elysian Park as per Ordinance No. 37351 of the City of Los Angeles); thence southwesterly along the center line of Scott Avenue to the center line of Portia Street; thence southwesterly along the center line of Portia Street to the northwesterly prolongation of the center line of that certain alley lying adjacent to and parallel with the northerly line of Block 6, of Golden West Heights, as shown on map recorded in Book 34, page 91, of Miscellaneous Records, in the office of the Recorder of the County of Los Angeles; thence southeasterly along said last mentioned prolongation and center line of said alley to the center line of Sutherland Street; thence southwesterly along the center line of Sutherland Street to the center line of Macbeth Street; thence southeasterly along the center line of Macbeth Street to the center line of Quintero Street; thence southwesterly along the center line of Quintero Street to the center line of Sunset Boulevard; thence northwesterly along the center line of Sunset Boulevard to the center line of Glendale Boulevard; thence southerly along the center line of Glendale Boulevard to the center line of Beverly Boulevard; thence northwesterly along the center line of Beverly Boulevard to the center line of Union Avenue; thence southwesterly along the center line of Union Avenue to the center line of Fourth Street; thence southeasterly along the center line of Fourth Street to the center line of Loma Drive; thence southeasterly along the center line of Loma Drive to the center line of Fourth Street; thence southeasterly along the center line of Fourth Street to the center line of Columbia Avenue; thence southerly along the center line of Columbia Avenue to the center line of Sixth Street; thence southeasterly along the center line of Sixth Street to the center line of Witmer Street; thence northeasterly along the center line of Witmer Street to the center line of Fifth Street; thence southeasterly along the center line of Fifth Street to the center line of Lucas Avenue; thence northeasterly along the center line of Lucas Avenue to

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the center line of Fifth Street; thence southeasterly along the center line of Fifth Street to the center line of Boylston Street; thence southwesterly along the center line of Boylston Street to the northwesterly prolongation of the center line of Fifth Street (from the southeast); thence southeasterly along said prolongation of Fifth Street and the center line of Fifth Street to the center line of Hill Street; thence southwesterly along the center line of Hill Street to the center line of Ninth Street; thence northwesterly along the center line of Ninth Street to the center line of Figueroa Street; thence southwesterly along the center line of Figueroa Street to the center line of Ninth Street; thence northwesterly along the center line of Ninth Street to the center line of Hoover Street; thence northerly along the center line of Hoover Street to the center line of Ninth Street; thence westerly along the center line of Ninth Street to the center line of Vermont Avenue; thence northerly along the center line of Vermont Avenue to the center line of Beverly Boulevard; thence westerly along the center line of Beverly Boulevard to the center line of Western Avenue; thence northerly along the center line of Western Avenue to the center line of Los Feliz Boulevard; thence northeasterly along the center line of Los Feliz Boulevard to the southwesterly prolongation of the center line of a private street known as Fern Dell Drive; thence northeasterly along said prolongation and center line of Fern Dell Drive and the northerly prolongation thereof to the southerly boundary of Griffith Park; as shown on County Surveyor's Map No. 2325 on file in the office of the surveyor of said county; thence westerly and northerly along the boundary of Griffith Park to the point of beginning, shall constitute the Fifty-sixth Assembly District.

57. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center lines of Van Nuys Boulevard and Riverside Drive; thence easterly along the center line of Riverside Drive and following the same in all its various courses to the westerly boundary of the City of Burbank as same existed on March 1, 1951; thence southeasterly along the westerly boundary of said City of Burbank to the most southerly corner of said city, being a point in the easterly line of the Rancho Ex-Mission de San Fernando as shown on map recorded in Book 1, page 605, of Patents in the office of the Recorder of the County of Los Angeles; thence southerly along said last mentioned easterly line and following the same in all its various courses to the northerly line of Section 34, Township 1 North, Range 14 West, S. B. B. & M.; thence easterly along section lines to the westerly boundary of Griffith Park as shown on County Surveyor's Map No. 2325 on file in the office of the surveyor of said county; thence southerly and easterly along the boundary of said Griffith Park to the center line of a private street known as Fern Dell Drive; thence southerly along the center line of said Fern Dell Drive to the center line of Los Feliz Boulevard; thence southwesterly along the

center line of Los Feliz Boulevard to the center line of Western Avenue; thence southerly along the center line of Western Avenue to the center line of Melrose Avenue; thence westerly along the center line of Melrose Avenue to the center line of Cahuenga Boulevard; thence northerly along the center line of Cahuenga Boulevard to the center line of Sunset Boulevard; thence westerly along the center line of Sunset Boulevard to the center line of Hayworth Avenue; thence southerly along the center line of Hayworth Avenue to the boundary of the City of Los Angeles as same existed on above mentioned date; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to the first intersection with the center line of Fairfax Avenue; thence southerly along the center line of Fairfax Avenue to the boundary of said City of Los Angeles; thence westerly along said last mentioned boundary and following the same in all its various courses to the easterly boundary of the City of Beverly Hills as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the northerly terminus of the most westerly line of said last mentioned boundary, being an angle point in the southerly line of Fractional Section 11, Township 1 South, Range 15 West, S. B. B. & M ; thence westerly along section lines to the southwesterly corner of Fractional Section 10, said township and range, being a point in the northeasterly boundary of the Rancho San Vicente y Santa Monica as shown on map recorded in Book 3, pages 30 and 31, of Patents in the office of the recorder of said county; thence northwesterly along said last mentioned boundary to the southerly boundary of that certain territory annexed to said City of Los Angeles, and known as the San Fernando Addition; said point being also the northwest corner of Fractional Section 33, Township 1 North, Range 15 West, S. B. B. & M ; thence northeasterly along a direct line to the intersection of the center lines of Oakfield Drive and Van Nuys Boulevard; thence northwesterly along the center line of Van Nuys Boulevard and following the same in all its various courses to the point of beginning, shall constitute the Fifty-seventh Assembly District. Assembly districts

58. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center lines of Sunset Boulevard and Hayworth Avenue; thence easterly along the center line of Sunset Boulevard to the center line of Cahuenga Boulevard; thence southerly along the center line of Cahuenga Boulevard to the center line of Melrose Avenue; thence easterly along the center line of Melrose Avenue to the center line of Western Avenue; thence southerly along the center line of Western Avenue to the center line of Beverly Boulevard; thence easterly along the center line of Beverly Boulevard to the center line of Vermont Avenue; thence southerly along the center line of Vermont Avenue to the center line of Ninth Street; thence westerly along the center line of Ninth Street to the center line

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of Western Avenue; thence southerly along the center line of Western Avenue to the center line of Washington Boulevard; thence westerly along the center line of Washington Boulevard to the center line of West Boulevard; thence northeasterly along the center line of West Boulevard and its northeasterly prolongation to the center line of the Pacific Electric Co.'s right of way (in San Vicente Boulevard); thence northwesterly along the center line of said right of way to the center line of Stanley Avenue; thence northeasterly along the center line of Stanley Avenue to the center line of Wilshire Boulevard; thence westerly along the center line of Wilshire Boulevard to the center line of Fairfax Avenue; thence northerly along the center line of Fairfax Avenue to the center line of Third Street; thence easterly along the center line of Third Street to the center line of La Brea Avenue; thence northerly along the center line of La Brea Avenue to the center line of Willoughby Avenue; thence westerly along the center line of Willoughby Avenue to the boundary of the City of Los Angeles as same existed March 1, 1951, said boundary being on the center line of Willoughby Avenue; thence westerly along the boundary of said last mentioned city to the center line of Fairfax Avenue; thence northerly along the center line of Fairfax Avenue to the boundary of the City of Los Angeles as same existed on above mentioned date; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Hayworth Avenue; thence northerly along the center line of Hayworth Avenue to the point of beginning, shall constitute the Fifty-eighth Assembly District.

59. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center line of Beverly Glen Boulevard and the northerly boundary of the Rancho San Jose De Buenos Ayres, as shown on map recorded in Book 26, pages 19 to 25, inclusive, of Miscellaneous Records, in the office of the Recorder of the County of Los Angeles; thence northeasterly along said boundary to the southwesterly corner of Fractional Section 10, Township 1 South, Range 15 West, S. B. B. & M.; thence southeasterly along the southwesterly line of said section and easterly along section lines to the northerly boundary of the City of Beverly Hills, as same existed on March 1, 1951; thence easterly along the boundary of said city and following the same in all its various courses to the intersection with the boundary of the City of Los Angeles, as same existed on above mentioned date, said point of intersection being at or near the center line of Doheny Drive and south of Beverly Boulevard; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to the center line of the Pacific Electric Railway Company's right of way in San Vicente Boulevard; thence southeasterly along the center line of said right of way to the center line of La Cienega Boulevard; thence due west from

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the center line of La Cienega Boulevard to the easterly boundary of the City of Beverly Hills, as same existed on above mentioned date; thence southeasterly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Robertson Boulevard (south of Whitworth Drive); thence southerly along the center line of Robertson Boulevard to the center line of Adams Boulevard; thence westerly along the center line of Adams Boulevard and following the same in all its various courses to its westerly terminus, as shown on map of Tract No. 14212, recorded in Book 308, pages 30 to 32, of Maps, in the office of said recorder; thence northwesterly in a direct line to the intersection of the center lines of Adams Boulevard and Beverly Drive; thence westerly along the center line of Adams Boulevard and following the same in all its various courses to the center line of Beverwil Drive; thence northerly along the center line of Beverwil Drive to the easterly prolongation of the southerly line of Tract No. 13945, as shown on map recorded in Book 338, pages 43 and 44, of said Maps; thence westerly along said prolongation and southerly line of Tract No. 13945 to the center line of Anchor Avenue; thence northerly along the center line of Anchor Avenue and following the same in all its various courses to the center line of Monte Mar Place; then southwesterly along the center line of Monte Mar Place to the center line of Monte Mar Terrace; thence northwesterly along the center line of Monte Mar Terrace to the center line of McConnell Drive; thence northwesterly along the center line of McConnell Drive to the center line of Monte Mar Drive; thence southwesterly along the center line of Monte Mar Drive to the center line of Lorenzo Drive; thence southeasterly along the center line of Lorenzo Drive to the center line of Motor Avenue; thence southerly along the center line of Motor Avenue and following the same in all its various courses to the northwesterly boundary of the City of Culver City, as same existed on above mentioned date; thence southwesterly along the boundary of said last mentioned city and following the same in all its various courses to an angle point in said last mentioned city boundary; said point being in the northwesterly prolongation of the northeasterly line of Bledsoe Avenue; thence northwesterly along said last mentioned prolongation to the center line of the Pacific Electric Railway Company's right of way (in Venice Boulevard); thence southwesterly along the center line of said last mentioned right of way to the center line of Centinela Avenue; thence northwesterly along the center line of Centinela Avenue and Bundy Drive to a point due east of the most easterly corner of the City of Santa Monica, as same existed on above mentioned date; thence due west to said corner; thence northwesterly along the boundary of said city and following the same in all its various courses to the center line of Santa Monica Boulevard; thence northeasterly along the center line of Santa Monica Boulevard to the center line of Manning Avenue; thence northwesterly along the center line

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of Manning Avenue to the center line of Wilshire Boulevard; thence northeasterly along the center line of Wilshire Boulevard to the center line of Beverly Glen Boulevard; thence northwesterly along the center line of Beverly Glen Boulevard to the point of beginning, shall constitute the Fifty-ninth Assembly District.

60. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the northwesterly boundary of the County of Los Angeles and the north line of Section 8, Township 1 South, Range 19 West, S. B. B. & M.; thence easterly along section lines to the northeast corner of Section 11, said last mentioned township and range; thence southerly along the easterly line of last mentioned section to the northwesterly corner of Section 13, said last mentioned township and range; thence easterly and southerly along the northerly and easterly lines of said last mentioned section to the northwesterly corner of Section 19, Township 1 South, Range 18 West, S. B. B. & M.; thence easterly along section lines to the first intersection with the boundary of the City of Los Angeles, as same existed March 1, 1951, thence northeasterly along the boundary of said city to the southerly boundary of the San Fernando Addition to said city; thence easterly along the southerly boundary of said addition to the northeasterly boundary of the Rancho San Vicente y Santa Monica, as shown on map recorded in Book 3, pages 30 and 31, of Patents, in the office of the Recorder of the County of Los Angeles; thence southeasterly along the boundary of said rancho, and following the same in all its various courses to the center line of Beverly Glen Boulevard; thence southerly along the center line of Beverly Glen Boulevard to the center line of Wilshire Boulevard; thence southwesterly along the center line of Wilshire Boulevard to the center line of Manning Avenue; thence southerly along the center line of Manning Avenue to the center line of the Pacific Electric Railway Company's right of way (in Santa Monica Boulevard); thence southwesterly along the center line of said last mentioned right of way and the center line of Santa Monica Boulevard to the northeasterly boundary of the City of Santa Monica, as same existed on above mentioned date; thence southeasterly along the boundary of said last mentioned city, and following the same in all its various courses to the center line of Lincoln Boulevard; thence northwesterly along the center line of Lincoln Boulevard to the center line of Pico Boulevard; thence southwesterly along the center line of Pico Boulevard and the southwesterly prolongation thereof to the southwesterly boundary of the County of Los Angeles, thence northwesterly along the boundary of said county, and following the same in all its various courses to the point of beginning, shall constitute the Sixtieth Assembly District.

61. All that part of the County of Los Angeles within the following described boundaries: Assembly districts

Beginning at the intersection of the boundary of the City of Los Angeles, as same existed on March 1, 1951, and the center line of the Pacific Electric Railway Co.'s right of way (in San Vicente Boulevard); thence easterly along the boundary of said City of Los Angeles and following the same in all its various courses to an angle point in said last mentioned boundary, being the intersection of the center line of Willoughby Avenue and the southerly prolongation of the westerly line of Tract No. 4885, as shown on map recorded in Book 45, page 87, of Maps, in the office of the Recorder of the County of Los Angeles; thence easterly along the center line of Willoughby Avenue to the center line of La Brea Avenue; thence southerly along the center line of La Brea Avenue to the center line of Third Street; thence westerly along the center line of Third Street and following the same in all its various courses to the center line of Fairfax Avenue; thence southerly along the center line of Fairfax Avenue to the center line of Wilshire Boulevard; thence easterly along the center line of Wilshire Boulevard to the center line of Stanley Avenue; thence southerly along the center line of Stanley Avenue to the center line of the Pacific Electric Railway Company's right of way (in San Vicente Boulevard); thence southeasterly along the center line of said last mentioned right of way to the center line of La Brea Avenue; thence southerly along the center line of La Brea Avenue to the center line of 21st Street; thence easterly along the center line of 21st Street to the center line of Vineyard Avenue; thence southerly along the center line of Vineyard Avenue to the center line of 23d Street; thence easterly along the center line of 23d Street to the center line of Hillcrest Drive; thence southwesterly along the center line of Hillcrest Drive to the center line of Adams Boulevard; thence easterly along the center line of Adams Boulevard to the center line of Crenshaw Boulevard; thence southerly along the center line of Crenshaw Boulevard to the center line of the Pacific Electric Railway Co.'s right of way (in Exposition Boulevard); thence westerly along the center line of said last mentioned right of way to the center line of Jefferson Boulevard; thence southerly along the center line of Jefferson Boulevard to the center line of Moynier Lane; thence southerly along the center line of Moynier Lane to the easterly boundary of said City of Culver City, as same existed on above mentioned date; thence southerly along boundary of said city and following the same in all its various courses to the center line of La Cienega Boulevard; thence southerly along the center line of said La Cienega Boulevard and following the same in all its various courses to the northerly boundary of said City of Los Angeles; thence westerly along the boundary of said City of Los Angeles and following the same in all its various courses to the center line of Pershing Drive; thence southeasterly along the center line of Pershing Drive to the center line of Culver Boulevard; thence

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southwesterly along the center line of Culver Boulevard and following the same in all its various courses and the southwesterly prolongation thereof to the southwesterly boundary of said county; thence northwesterly along the boundary of said county and following the same in all its various courses to the southwesterly prolongation of the center line of Pico Boulevard; thence northeasterly along the center line of Pico Boulevard to the center line of Lincoln Boulevard; thence southeasterly along the center line of Lincoln Boulevard to the southwesterly boundary of the City of Santa Monica, as same existed on above mentioned date; thence northeasterly along the boundary of said last mentioned city and following the same in all its various courses to the northeasterly corner of said last mentioned city; thence due east to the center line of Bundy Drive; thence southeasterly along the center line of Bundy Drive and the center line of Centinela Avenue to the center line of the Pacific Electric Railway Company's right of way (in Venice Boulevard); thence northeasterly along the center line of said last mentioned right of way to the northwesterly prolongation of the northeasterly line of Bledsoe Avenue; thence southeasterly along said last mentioned prolongation to the northwesterly boundary of the City of Culver City, as same existed on above mentioned date; thence northeasterly along said last mentioned boundary and following the same in all its various courses to the center line of Motor Avenue; thence northwesterly along the center line of Motor Avenue and following the same in all its various courses to the center line of Lorenzo Drive; thence westerly along the center line of Lorenzo Drive to the center line of Monte Mar Drive; thence northeasterly along the center line of Monte Mar Drive and following the same in all its various courses to the center line of McConnell Drive; thence easterly along the center line of McConnell Drive and following the same in all its various courses to the center line of Monte Mar Terrace; thence northeasterly along last mentioned center line and following the same in all its various courses to the center line of Monte Mar Place; thence northeasterly along last mentioned center line and following the same in all its various courses to the center line of Anchor Avenue; thence southerly along last mentioned center line to the southerly line of Tract No. 13945, as shown on map recorded in Book 338, pages 43 and 44, of Maps, in the office of said recorder; thence easterly along last mentioned southerly line and its easterly prolongation to the center line of Beverwil Drive; thence southerly along the center line of Beverwil Drive and following the same in all its various courses to the center line of Adams Boulevard; thence easterly along the center line of Adams Boulevard and following the same in all its various courses to the center line of Beverly Drive; thence southeasterly in a direct line to the most westerly terminus of the center line of Adams Boulevard, as shown on map of Tract No. 14212, recorded in Book 308, pages 30 to 32, inclusive, of said Maps; thence easterly along last mentioned center line of Adams Boulevard and following the same in all

its various courses to the center line of Robertson Boulevard; thence northerly along the center line of Robertson Boulevard and following the same in all its various courses to the southerly boundary of said City of Beverly Hills, as same existed on above mentioned date; thence easterly along last mentioned boundary of said City of Beverly Hills and following the same in all its various courses to the center line of La Cienega Boulevard; thence due north to the center line of the Pacific Electric Railway Co.'s right of way (in San Vicente Boulevard); thence northwesterly along the center line of said last mentioned right of way to the point of beginning, shall constitute the Sixty-first Assembly District. Assembly districts

62 All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center lines of Union Avenue and Ninth Street; thence southeasterly along the center line of Ninth Street, to the center line of Figueroa Street; thence northeasterly along the center line of Figueroa Street to the center line of Ninth Street; thence southeasterly along the center line of Ninth Street to the center line of Alameda Street; thence southerly along the center line of Alameda Street to the southerly boundary of the City of Los Angeles, as same existed March 1, 1951; thence westerly and southerly along the boundary of said city to an angle point in said boundary, said mentioned angle point being at or near the intersection of the center lines of Alamada Street and the Atchison, Topeka & Santa Fe Railway Company's right of way (Redondo Branch), said mentioned angle point being also a point in the southerly boundary of the City of Vernon, as same existed on above mentioned date; thence southeasterly along the boundary of said last mentioned city to its first intersection with the westerly boundary of the City of Huntington Park, as same existed on above mentioned date; thence southerly along the westerly boundary of said last mentioned city and following the same in all its various courses to the intersection with the center line of Florence Avenue; thence westerly along the center line of Florence Avenue to the first intersection with the boundary of the aforesaid City of Los Angeles; thence northerly along the boundary of said city to the center line of Slauson Avenue; thence westerly along the center line of Slauson Avenue to the center line of Broadway; thence northerly along the center line of Broadway to the center line of Broadway Place; thence northeasterly along the center line of Broadway Place to the center line of 39th Street; thence northwesterly along the center line of 39th Street to the center line of Flower Drive; thence northerly along the center line of Flower Drive to the center line of 38th Street; thence westerly along the center line of 38th Street to center line of Figueroa Street; thence northerly and northeasterly along the center line of Figueroa Street to the center line of Washington Boulevard; thence northwesterly along the center line of Washington Boulevard to the center line of Union Avenue; thence northeasterly along the center line of Union Avenue

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to the center line of Venice Boulevard; thence southeasterly along the center line of Venice Boulevard to the center line of Union Avenue; thence northeasterly along the center line of Union Avenue to the point of beginning, shall constitute the Sixty-second Assembly District.

63. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center lines of La Brea Avenue and the Pacific Electric Railway Company's right of way (in San Vicente Boulevard); thence southeasterly along the center line of said right of way to the center line of West Boulevard; thence southerly along the center line of West Boulevard to the center line of Washington Boulevard; thence easterly along the center line of Washington Boulevard to the center line of Vermont Avenue; thence southerly along the center line of Vermont Avenue to the center line of the Los Angeles Railway Company's right of way (in Santa Barbara Avenue); thence westerly along said last mentioned center line and following the same in all its various courses to the center line of Hyde Park Boulevard; thence westerly along said center line of Hyde Park Boulevard to the easterly boundary of the City of Inglewood, as same existed on March 1, 1951; thence northerly along said boundary of said last mentioned city and following the same in all its various courses to the center line of La Cienega Boulevard; as shown on map of Tract No. 14461, recorded in Book 301, pages 40 and 41, of Maps, in the office of the recorder of said county; thence northerly along the center line of La Cienega Boulevard to the northerly boundary of the City of Los Angeles, as same existed on above mentioned date; thence westerly along last mentioned boundary to the center line of La Cienega Boulevard, as shown on County Surveyor's Map No. B-1914, Sheet 1, on file in the office of the surveyor of said county; thence northerly along last mentioned center line and following the same in all its various courses to the southerly boundary of the City of Culver City, as same existed on above mentioned date; thence easterly along said boundary of the City of Culver City and following the same in all its various courses to the center line of Moynier Lane; thence northerly along the center line of Moynier Lane to the center line of Jefferson Boulevard; thence northerly along the center line of Jefferson Boulevard to the intersection with the center line of the Pacific Electric Railway Company's right of way (Santa Monica Air Line); thence southeasterly along the center line of said last mentioned right of way to the center line of Crenshaw Boulevard; thence northerly along the center line of Crenshaw Boulevard to the center line of Adams Boulevard; thence westerly along the center line of Adams Boulevard to the center line of Hillcrest Drive; thence northeasterly along the center line of Hillcrest Drive to the center line of 23d Street; thence westerly along the center line of 23d Street to the center line of Vineyard Avenue; thence northerly along the center line of Vineyard Avenue to the center line of 21st Street;

thence westerly along the center line of 21st Street to the center line of La Brea Avenue; thence northeasterly along the center line of La Brea Avenue and following the same in all its various courses to the point of beginning, shall constitute the Sixty-third Assembly District. Assembly districts

64. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the northerly line of Section 8, Township 1 South, Range 19 West, S. B. B. & M., and the northwesterly boundary of the County of Los Angeles; thence northeasterly along the boundary of said county and following the same in all its various courses to the northerly line of Fractional Section 33, Township 2 North, Range 17 West, S. B. B. & M.; thence easterly along section lines to the westerly boundary of the City of Los Angeles, as the same existed on March 1, 1951; thence southerly along the boundary of said City of Los Angeles to the westerly prolongation of the center line of the most westerly portion of Roscoe Boulevard; thence easterly along said prolongation and center line of Roscoe Boulevard to the center line of the Southern Pacific Railroad Company's right of way (Coast Line); thence southeasterly along the center line of said right of way to the center line of Coldwater Canyon Avenue; thence southerly along the center line of Coldwater Canyon Avenue and the southerly prolongation thereof and the center line of Coldwater Canyon Avenue to the center line of Riverside Drive; thence westerly along the center line of Riverside Drive to the center line of Van Nuys Boulevard; thence southerly along the center line of Van Nuys Boulevard and following the same in all its various courses to the center line of Oakfield Drive; thence southwesterly along a direct line to the northwesterly corner of Fractional Section 33, Township 1 North, Range 15 West, S. B. B. & M., said point being also in the southerly boundary of that certain territory annexed to the City of Los Angeles, and known as the San Fernando Addition; thence westerly along the boundary of said last-mentioned addition and following the same in all its various courses to an angle point in the boundary of the City of Los Angeles as the same existed on above mentioned date, said angle point being also the most easterly corner of Fractional Section 33, Township 1 North, Range 16 West, S. B. B. & M.; thence southwesterly along the boundary of said last-mentioned city to the southerly line of Fractional Section 18, Township 1 South, Range 16 West, S. B. B. & M.; thence westerly along section lines to the southeast corner of Section 13, Township 1 South, Range 19 West, S. B. B. & M.; thence northerly and westerly along the easterly and northerly lines of said Section 13 to the southeast corner of Section 11, said last-mentioned township and range; thence northerly along the easterly line of said last-mentioned section to the northeast corner thereof; thence westerly along section lines to the point of beginning, shall constitute the Sixty-fourth Assembly District.

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65. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center lines of Ninth Street and Western Avenue; thence easterly along the center line of Ninth Street to the center line of Hoover Street; thence southerly along the center line of Hoover Street to the center line of Ninth Street; thence southeasterly along the center line of Ninth Street to the center line of Union Avenue; thence southwesterly along the center line of Union Avenue to the center line of Venice Boulevard; thence northwesterly along the center line of Venice Boulevard to the center line of Union Avenue; thence southwesterly along the center line of Union Avenue to the center line of Washington Boulevard; thence southeasterly along the center line of Washington Boulevard to the center line of Figueroa Street; thence sonthwesterly and southerly along the center line of Figueroa Street to the center line of 38th Street; thence easterly along the center line of 38th Street to the center line of Flower Drive; thence southerly along the center line of Flower Drive to the center line of 39th Street; thence southeasterly along the center line of 39th Street to the center line of Broadway Place; thence southwesterly along the center line of Broadway Place to the center line of Broadway; thence southerly along the center line of Broadway to the center line of Slauson Avenue; thence westerly along the center line of Slauson Avenue to the center line of the Los Angeles Railway Company's right of way (in Crenshaw Boulevard); thence northerly along the center line of said right of way and following the same in all its various courses to the center line of Vermont Avenue; thence northerly along the center line of Vermont Avenue to the center line of Washington Boulevard; thence westerly along the center line of Washington Boulevard to the center line of Western Avenue; thence northerly along the center line of Western Avenue to the point of beginning, shall constitute the Sixty-fifth Assembly District.

66. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center lines of Slauson Avenue and the Los Angeles Railway Company's right of way in Crenshaw Boulevard; thence easterly along the center line of Slauson Avenue to its first intersection with the boundary of the City of Los Angeles as same existed March 1, 1951; thence southerly along the boundary of said city to its first intersection with the center line of Manchester Avenue; thence westerly along the center line of Manchester Avenue to the center line of Main Street; thence southerly along the center line of Main Street to the center line of 94th Street; thence westerly along the center line of 94th Street to the easterly boundary of the City of Inglewood, as same existed March 1, 1951; thence northerly along the boundary of said city and following the same in all its various courses to the center line of the Atchison Topeka and Santa Fe Railway Company's right of way (Redondo Branch); thence southwesterly along the center line of said last

mentioned right of way and following the same in all its various courses to the southerly prolongation of the center line of Freeman Boulevard; thence northerly along said last mentioned prolongation to an angle point in the boundary of the aforesaid City of Inglewood at or near the intersection of Augusta Street and Freeman Boulevard; thence northerly along the boundary of said last mentioned city to its intersection with the center line of the Pacific Electric Railway Company's right of way (Redondo Branch); thence northwesterly along the center line of said right of way to its intersection with the boundary of the City of Los Angeles, as same existed on above mentioned date; thence northeasterly along the boundary of said city and following the same in all its various courses to the center line of La Cienega Boulevard, said center line being at the intersection with the northerly boundary of Tract No. 14461, as shown on map recorded in Book 301, pages 40 and 41, of Maps, in the office of the Recorder of the County of Los Angeles; thence southerly along the center line of La Cienega Boulevard to the northerly boundary of the City of Inglewood, as same existed on above mentioned date; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Hyde Park Boulevard; thence easterly along the center line of Hyde Park Boulevard to the center line of the Los Angeles Railway Company's right of way in Crenshaw Boulevard; thence northerly along the center line of said right of way to the point of beginning, shall constitute the Sixty-sixth Assembly District

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67. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center line of 94th Street and the easterly boundary of the City of Inglewood as same existed March 1, 1951; thence easterly along the center line of 94th Street to the easterly boundary of the City of Los Angeles (in Normandie Avenue); thence southerly along the boundary of said last mentioned city to the center line of 94th Street; thence easterly along the center line of 94th Street to the westerly boundary of said last mentioned city (in Vermont Avenue); thence northerly along the boundary of said city to the center line of 94th Street; thence easterly along the center line of 94th Street to the center line of Main Street; thence southerly along the center line of Main Street to the southerly boundary of the said last mentioned City of Los Angeles; thence easterly along the boundary of said last mentioned city to the center line of Avalon Boulevard; thence southerly along the center line of Avalon Boulevard to the center line of Rosecrans Avenue; thence westerly along the center line of Rosecrans Avenue to the center line of San Pedro Street; thence southerly along the center lines of San Pedro Street and Avalon Boulevard to the center line of 165th Street; thence westerly along the center line of 165th Street to the center line of Main Street; thence southerly along the center line of Main Street to the center line of Victoria Street; thence southwesterly along the

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center line of Victoria Street to the easterly boundary of the said last mentioned City of Los Angeles; thence southerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Vermont Avenue; thence northerly along the center line of Vermont Avenue to the center line of 190th Street; thence southwesterly and westerly along the center line of 190th Street to the easterly boundary of the City of Torrance as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Flagler Lane; thence northerly along the center line of Flagler Lane to the center line of Redondo Beach Boulevard; thence westerly along the center line of Redondo Beach Boulevard to an angle point in the southeasterly boundary of the City of Manhattan Beach, as same existed on above mentioned date, at or near the intersection of the center lines of Aviation Boulevard and Redondo Beach Boulevard; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the southerly boundary of the City of El Segundo as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city to the center line of Imperial Highway; thence easterly along the center line of Imperial Highway to the easterly boundary of the City of Los Angeles (in Freeman Avenue) as same existed on above mentioned date; thence southerly along the boundary of said last mentioned city and following the same in all its various courses to the northerly boundary of the City of Hawthorne as same existed on above mentioned date; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Prairie Avenue; thence northerly along the center line of Prairie Avenue to the center line of Imperial Highway; thence easterly along the center line of Imperial Highway to the westerly boundary of the City of Inglewood as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to an angle point in the boundary of said last mentioned city at or near the northwesterly corner of Crenshaw Boulevard and Imperial Highway; thence due south to the center line of Imperial Highway; thence easterly along the center line of Imperial Highway to the easterly boundary of the said last mentioned City of Inglewood; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to the point of beginning, shall constitute the Sixty-seventh Assembly District.

68. All that part of the County of Los Angeles within the following described boundaries:

Beginning at an angle point in the boundary of the City of Torrance, as same existed March 1, 1951, said angle point being at or near the intersection of the center lines of Redondo Beach Boulevard and Hawthorne Avenue; thence northeasterly

along the boundary of said city and following the same in all its various courses to the center line of 190th Street; thence easterly and northeasterly along the center line of 190th Street to the center line of Vermont Avenue; thence southerly along the center line of Vermont Avenue to its first intersection with the southeasterly boundary of the City of Los Angeles, as same existed on above mentioned date; thence northeasterly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Victoria Street; thence northeasterly along the center line of Victoria Street to the center line of Main Street; thence northerly along the center line of Main Street to the center line of 165th Street; thence easterly along the center line of 165th Street to the center line of Avalon Boulevard; thence northerly along the center lines of Avalon Boulevard and San Pedro Street to the center line of Rosecrans Avenue; thence easterly along the center line of Rosecrans Avenue to the center line of Central Avenue (from the south); thence southerly along the center line of Central Avenue to the center line of 168th Street; thence easterly along the center line of 168th Street to the southerly prolongation of the center line of Northwood Avenue; thence northerly along said prolongation to an angle point in the boundary of the City of Compton, as same existed on above mentioned date; thence easterly along the boundary of said last mentioned city to its first intersection with the boundary of Annexation No. 80 to the City of Compton as per Resolution No. 5550; thence southerly along the boundary of said annexation and following the same in all its various courses to an angle point in the boundary of the City of Long Beach as same existed on above mentioned date near the intersection of Gardner Avenue and Delta Avenue; thence easterly along the boundary of said last mentioned city and following the same in all its various courses to the first intersection with the easterly boundary of the City of Los Angeles, as same existed on above mentioned date; thence southerly along the boundary of said last mentioned city and following the same in all its various courses to its intersection with the southerly boundary of the County of Los Angeles; thence westerly along the boundary of said County of Los Angeles and following the same in all its various courses to its first intersection with the southwesterly boundary of the City of Los Angeles, as same existed on above mentioned date, thence northeasterly along said last mentioned boundary and following the same in all its various courses to an angle point in said last mentioned boundary, said point being at or near the northwest corner of Tract No. 10962, as shown on map recorded in Book 250, pages 30 and 31, of Maps, in the office of the Recorder of the County of Los Angeles; thence due west to the center line of Western Avenue; thence northerly along the center line of Western Avenue to its intersection with the southerly line of Tract No 2937, as shown on map recorded in Book 37, page 26, of Maps, in the office of the Recorder of the County of Los Angeles; thence westerly along the southerly

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boundaries of said last mentioned tract and Tract No. 3377, as show on map recorded in Book 37, page 9, of Maps, in the office of the Recorder of the County of Los Angeles to the southwest corner of Lot 111, said last mentioned tract; thence southwesterly and westerly along the easterly and southerly lines of Tract No. 954, as shown on maps recorded in Book 17, page 16, of Maps, in the office of the Recorder of the County of Los Angeles to the southwesterly corner of said last mentioned tract, said corner being also on the boundary line of the City of Torrance, as same existed on above mentioned date; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Wilmington Street; thence northerly along the center line of Wilmington Street to the center line of 242d Street; thence easterly along the center line of 242d Street to the center line of Newton Street; thence northwesterly along the center line of Newton Street to the center line of Pacific Coast Highway; thence northwesterly along the center line of Pacific Coast Highway to the easterly boundary of the City of Torrance, as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city and following the same in all its various courses to an angle point in said boundary at or near the southeasterly corner of Block 70, Tract No. 10019, as shown on map recorded in Book 182, pages 1 to 13, inclusive, of Maps, in the office of the Recorder of the County of Los Angeles, being also an angle point in the boundary of the City of Redondo Beach, as same existed on above mentioned date; thence northerly along the boundary of said last mentioned city to an angle point in the boundary of the City of Torrance, as same existed on above mentioned date, at or near the intersection of Beryl Street and Flagler Lane; thence northeasterly along the boundary of said last mentioned city and following the same in all its various courses to the point of beginning, shall constitute the Sixty-eighth Assembly District.

69. All that part of the County of Los Angeles within the following described boundaries:

Beginning at the intersection of the center lines of Avalon Boulevard and El Segundo Boulevard; thence easterly along the center line of El Segundo Boulevard to a point in the westerly boundary of the City of Compton, as same existed on March 1, 1951, said point being also at or near the intersection of the center line of El Segundo Boulevard and the east line of Central Avenue; thence northerly along the boundary of the aforesaid City of Compton and following the same in all its various courses to an angle point therein, said angle point being also at or near the intersection of the center lines of El Segundo Boulevard and Wilmington Avenue; thence southerly along the center line of Wilmington Avenue to a point in the boundary of aforesaid City of Compton, said point being at or near the intersection of the center line of Wilmington Avenue and the north line of Cressey Street; thence northeasterly along the

boundary of aforesaid City of Compton and following the same in all its various courses to the southerly boundary of the City of Lynwood, as same existed on above mentioned date; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to the center line of Imperial Highway; thence easterly along the center line of Imperial Highway and following the same in all its various courses to an angle point in the easterly boundary of said last mentioned city; thence northerly and westerly along the boundary of said last mentioned city to the center line of Atlantic Avenue; thence northerly along the center line of Atlantic Avenue to its intersection with the center line of Rayo Avenue; thence northeasterly along the center line of Rayo Avenue to the center line of Southern Avenue; thence easterly along the center line of Southern Avenue to its intersection with the center line of Stewart and Gray Road; thence southeasterly along the center line of Stewart and Gray Road, the easterly prolongation of the center line of Stewart and Gray Road, and the center line of Stewart and Gray Road to the center line of Downey Avenue; thence northeasterly along the center line of Downey Avenue and following the same in all its various courses to the center line of Gallatin School House Road; thence southeasterly along the center line of Gallatin School House Road to the center line of Stoakes Avenue; thence northeasterly along the center line of Stoakes Avenue to the center line of Anaheim Telegraph Road; thence southeasterly along the center line of Anaheim Telegraph Road to the center line of the official bed of the San Gabriel River; thence southwesterly along the center line of said river and following the same in all its various courses to a point due east of an angle point in the boundary of the City of Long Beach, as same existed on above mentioned date, said angle point being at the intersection of the southwest line of the right of way of the new San Gabriel River Levee District, as shown on County Surveyor's Map No. 7561 on file in the office of the Surveyor of the County of Los Angeles, with the easterly prolongation of the southerly line of Tract No. 5023, as shown on map recorded in Book 58, page 1, of Maps, in the office of the recorder of said county; thence due west to said last mentioned angle point; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to an angle point in said boundary near the intersection of Gardner Avenue and Delta Avenue, said angle point also being a point in the boundary of Annexation No. 80 to the City of Compton as per Resolution No. 5550; thence southerly along said last mentioned boundary and following the same in all its various courses to its first intersection with the southerly boundary of the City of Compton, as same existed on above mentioned date; thence westerly along the boundary of said last mentioned city and following the same in all its various courses to an angle point in the boundary of said last mentioned city at or near the northwest corner of the intersection of Northwood

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Avenue and 168th Street; thence due south to the center line of 168th Street; thence westerly along the center line of 168th Street to the center line of Central Avenue; thence northerly along the center line of Central Avenue to the center line of Rosecrans Avenue; thence westerly along the center line of Rosecrans Avenue to the center line of Avalon Boulevard; thence northerly along the center line of Avalon Boulevard to the point of beginning, shall constitute the Sixty-ninth Assembly District.

70. All that part of the County of Los Angeles within the following described boundaries:

Beginning at an angle point in the boundary of the City of Long Beach as same existed March 1, 1951, at or near the northeasterly corner of 70th Street and Orange Avenue; thence easterly along the boundary of said city and following the same in all its various courses to the southeasterly boundary of the County of Los Angeles; thence southwesterly along the boundary of said county and following the same in all its various courses to the southerly prolongation of the center line of 16th Place; thence northerly along said last mentioned prolongation and center line of 16th Place to the center line of Ocean Boulevard; thence westerly along the center line of Ocean Boulevard to the center line of Cherry Avenue; thence northerly along the center line of Cherry Avenue to the center line of Fourth Street; thence westerly along the center line of Fourth Street to the center line of Orange Avenue; thence northerly along the center line of Orange Avenue to a point due west of an angle point in the boundary of said City of Long Beach at or near the northeasterly corner of 70th Street and Orange Avenue; thence due east to the point of beginning, shall constitute the Seventieth Assembly District.

71. The County of Riverside shall constitute the Seventy-first Assembly District.

72. All that portion of the County of San Bernardino within the following described boundaries:

Beginning at the intersection of the north line of Section 30, Township 3 North, Range 7 West, S. B. B. & M., San Bernardino County, State of California, with the county boundary line between San Bernardino and Los Angeles Counties; thence easterly along section lines to the northeast corner of Section 27 of aforesaid Township 3 North, Range 7 West; thence southerly along section line to the southeast corner of said Section 27; thence easterly along section lines to the northeast corner of the west half of Section 31, Township 3 North, Range 6 West; thence southerly along the east line of the west half of said Section 31 to the southeast corner thereof; thence easterly along the township line between Townships 2 and 3 North to the northeast corner of Section 5, Township 2 North, Range 6 West; thence southerly along section line to the southeast corner of said Section 5; thence easterly along section line to the northeast corner of Section 9, same township and range; thence southerly along section line to the northwest corner of the south

half of Section 10, same township and range; thence easterly along the north line of the south half of said Section 10 to the northeast corner thereof; thence southerly along section line to the southeast corner of said Section 10; thence easterly along section line to the northeast corner of the west half of Section 14, same township and range; thence southerly along the east line of the west half of said Section 14 and Section 23, same township and range, to the southeast corner of the west half of said Section 23; thence easterly along section lines to the northeast corner of Section 25, same township and range; thence southerly along the range line between Ranges 5 and 6 West to the northwest corner of Section 31, Township 2 North, Range 5 West; thence easterly along section line to the northeast corner of said Section 31; thence southerly along section line to the northeast corner of Section 6, Township 1 North, Range 5 West; thence southerly along the east line of said Section 6 and along the extension of said line southerly to an intersection with the center line of the main channel of Lytle Creek; thence southeasterly following the center line of the main channel of said Lytle Creek to an intersection with the range line between Ranges 4 and 5 West; thence southerly along said range line to an intersection with the center line of Base Line Street; thence easterly along said Base Line Street to an intersection with the center line of Sterling Avenue; thence southerly along the center line of said Sterling Avenue to an intersection with the center line of the main channel of the Santa Ana River; thence southwesterly along the center line of the main channel of said Santa Ana River to an intersection with the county boundary line between San Bernardino and Riverside Counties; thence westerly, northerly and westerly following said boundary line between San Bernardino County and the Counties of Riverside, Orange and Los Angeles along its various courses to an intersection with the north line of aforesaid Section 30, Township 3 North, Range 7 West, S. B. B. & M., being the place of beginning, shall constitute the Seventy-second Assembly District. Assembly districts

73 All that portion of the County of San Bernardino not included within the Seventy-second Assembly District, as fixed and defined by this section, shall constitute the Seventy-third Assembly District.

74 All that portion of the County of Orange lying south and east of the middle of the channel of the Santa Ana River shall constitute the Seventy-fourth Assembly District.

75. All that portion of the County of Orange not included in the Seventy-fourth Assembly District, as fixed and defined by this section, shall constitute the Seventy-fifth Assembly District.

76. The County of Imperial shall constitute the Seventy-sixth Assembly District.

77. All that portion of the County of San Diego, including all that portion of the City of San Diego, not included within the Seventy-eighth and Seventy-ninth Districts, as fixed and

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defined by this section, and included within the following described boundary lines to wit: Lying northerly and westerly of the point of intersection of the westerly prolongation of the center line of 30th Street, National City, with the shore line of the Bay of San Diego; thence running easterly along said center line of 30th Street, National City, to its intersection with the center line of Sweetwater Road (County Road Surveys Nos. 471 and 558) thence running in a general easterly direction along said center line of Sweetwater Road to its intersection with the prolongation of the southerly boundary line of Spring Valley Precinct 5; thence running easterly along said prolongation and the southerly boundary lines of Spring Valley Precincts 5 and 6 to the latter's intersection with the easterly boundary line of Spring Valley Precinct 6; thence running northerly along easterly boundary lines of Spring Valley Precincts 6 and 2 to their intersection with the northerly boundary line of said Spring Valley Precinct 2; thence running westerly along the northerly boundary line of said Spring Valley Precinct 2 to its intersection with the westerly boundary line of Oro Precinct 1; thence running northerly along said westerly boundary line of said Oro Precinct 1 to its intersection with the northerly boundary line of said Spring Valley Precinct 2; thence running in a general westerly direction along the northerly boundary lines of Spring Valley Precincts 2 and 1 and southerly line of Helix Precinct 1 to the latter's intersection with the westerly boundary line of Helix Precinct 1; thence running northerly along said westerly boundary line of Helix Precinct 1 to its intersection with the northerly boundary line of said Helix Precinct 1; thence running easterly along said northerly boundary line of Helix Precinct 1 to its intersection with the westerly boundary lines of Helix Precincts 2 and 5; thence running northerly along said westerly boundary lines of Helix Precincts 2 and 5 to the former's intersection with the easterly boundary line of Murray Precinct 1; thence running northerly and northwesterly along said easterly boundary line of Murray Precinct 1, to its intersection with the most southeasterly corner of Encinitas Township; thence running northerly along the most easterly boundary lines of Encinitas, Escondido and Fallbrook Townships to the latter's intersection with the northerly boundary line of the County of San Diego and including all of the Townships of Encinitas, Oceanside Vista, Escondido and Fallbrook as such existed on March 1, 1951, and including the United States Military Reservation Santa Margarita y las Flores shall constitute the Seventy-seventh Assembly District.

78. All that portion of the County of San Diego included and being in the incorporated limits of the City of San Diego, as the same existed on January 1, 1941, and included within the following described boundary lines, to wit: Lying northerly and westerly of the center line of Commercial Street, at its westerly end, to wit: At the bayshore line; thence running

easterly along said center line of Commercial Street to its intersection with the center line of 25th Street; thence running northerly along said center line of 25th Street to its intersection with the center line of Imperial Avenue; thence running westerly along said center line of Imperial Avenue to its intersection with the center line of 24th Street; thence running northerly along said center line of 24th Street to its intersection with the center line of B Street; thence running westerly along said center line of B Street to its intersection with the center line of 23d Street; thence running northerly along said center line of 23d Street to its intersection with the center line of A Street; thence running easterly along said center line of A Street to its intersection with the center line of 28th Street; thence running northerly along said center line of 28th Street to its intersection with the center line of Upas Street; thence running westerly along said center line of Upas Street to its intersection with the center line of Park Boulevard; thence running northerly along said center line of Park Boulevard to its intersection with the center line of Myrtle Street; thence running easterly along said center line of Myrtle Street to its intersection with the center line of Indiana Street; thence running northerly along said center line of Indiana Street to its intersection with the center line of Cypress Street; thence running westerly along said center line of Cypress Street to its intersection with the center line of Park Boulevard; thence running northerly along said center line of Park Boulevard to its intersection with the center line of Adams Street; thence running northerly along an extension of the center line of Park Boulevard to its intersection with the center line of El Camino del Rio; thence running easterly along the center line of El Camino del Rio to its intersection with the city boundary line, shall constitute the Seventy-eighth Assembly District. Assembly districts

79. All that portion of the County of San Diego, included and being within the incorporated limits of the City of San Diego as the same existed on January 1, 1941, which is not included within the Seventy-seventh and Seventy-eighth Assembly Districts as fixed and defined by this section except that portion of the City of San Diego which was included in precincts designated as Kensington 1, 2, 3, and 451 to 464, inclusive, as such precincts were defined and effective upon January 1, 1950, but including that portion of Lemon Grove Precinct 1 and Greenwood Precinct lying wholly within the boundary lines of the incorporated limits of the City of San Diego, shall constitute the Seventy-ninth Assembly District.

80. All that portion of the County of San Diego, not included within the Seventy-seventh, Seventy-eighth and Seventy-ninth Assembly Districts, as fixed and defined by this section, including all of the City of Coronado within its incorporated limits as the same existed on March 1, 1951, and the United States Military Reservation of North Island shall constitute the Eightieth Assembly District.

CHAPTER 396

An act to repeal existing Section 470 of, and to add new Section 470 to, the Government Code, relating to the division of the State into congressional districts.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 470 of the Government Code is repealed.

SEC. 2. Section 470 is added to said code, to read:

Congressional districts

470. The State is divided into 30 congressional districts which are designated and constituted as follows:

1. The Counties of Del Norte, Humboldt, Mendocino, Sonoma, Marin, Napa and Lake shall constitute the First Congressional District.

2. The Counties of Siskiyou, Shasta, Modoc, Lassen, Amador, Tehama, Butte, Sierra, Inyo, Mono, Nevada, Alpine, Mariposa, Calaveras, Tuolumne, Plumas, El Dorado, Placer and Trinity shall constitute the Second Congressional District.

3. The Counties of Glenn, Colusa, Sutter, Yuba, Yolo and Sacramento shall constitute the Third Congressional District.

4. All that portion of the City and County of San Francisco comprising the Ninteenth, Twenty-first and Twenty-second Assembly Districts shall constitute the Fourth Congressional District.

5. All that portion of the City and County of San Francisco not included in the Fourth Congressional District shall constitute the Fifth Congressional District.

6 The Counties of Solano and Contra Costa shall constitute the Sixth Congressional District.

7 All that portion of the County of Alameda comprising the Sixteenth, Seventeenth and Eighteenth Assembly Districts shall constitute the Seventh Congressional District.

8. All that portion of the County of Alameda not included in the Seventh Congressional District shall constitute the Eighth Congressional District.

9. The County of San Mateo shall constitute the Ninth Congressional District.

10. The Counties of Santa Clara, Santa Cruz and San Benito shall constitute the Tenth Congressional District.

11. The Counties of San Joaquin and Stanislaus shall constitute the Eleventh Congressional District.

12. The Counties of Merced, Madera and Fresno shall constitute the Twelfth Congressional District.

13. The Counties of Monterey, San Luis Obispo, Santa Barbara and Ventura shall constitute the Thirteenth Congressional District.

14 The Counties of Kings, Tulare and Kern shall constitute the Fourteenth Congressional District.

Congressional districts

15. All that portion of the County of Los Angeles comprising the Fifty-eighth, Sixty-third and Sixty-fifth Assembly Districts shall constitute the Fifteenth Congressional District.

16. All that portion of the County of Los Angeles comprising the Fifty-ninth and Sixtieth Assembly Districts shall constitute the Sixteenth Congressional District.

17. All that portion of the County of Los Angeles comprising the Forty-sixth, Sixty-seventh and Sixty-eighth Assembly Districts shall constitute the Seventeenth Congressional District.

18. All that portion of the County of Los Angeles comprising the Forty-fourth and Seventieth Assembly Districts shall constitute the Eighteenth Congressional District

19. All that portion of the County of Los Angeles comprising the Fortieth, Forty-fifth and Fifty-first Assembly Districts shall constitute the Nineteenth Congressional District.

20. All that portion of the County of Los Angeles comprising the Forty-third and Forty-seventh Assembly Districts shall constitute the Twentieth Congressional District.

21. All that portion of the County of Los Angeles comprising the Forty-first, Forty-second and Forty-eighth Assembly Districts shall constitute the Twenty-first Congressional District.

22. All that portion of the County of Los Angeles comprising the Fifty-seventh and Sixty-fourth Assembly Districts shall constitute the Twenty-second Congressional District.

23. All that portion of the County of Los Angeles comprising the Fifty-second, Fifty-fifth and Sixty-ninth Assembly Districts shall constitute the Twenty-third Congressional District.

24. All that portion of the County of Los Angeles comprising the Fifty-fourth and Fifty-sixth Assembly Districts shall constitute the Twenty-fourth Congressional District.

25. All that portion of the County of Los Angeles comprising the Forty-ninth, Fiftieth and Fifty-third Assembly Districts shall constitute the Twenty-fifth Congressional District.

26. All that portion of the County of Los Angeles comprising the Sixty-first, Sixty-second and Sixty-sixth Assembly Districts shall constitute the Twenty-sixth Congressional District.

27. The County of San Bernardino shall constitute the Twenty-seventh Congressional District.

28. The County of Orange and all that part of the County of San Diego comprising the Seventy-seventh Assembly District shall constitute the Twenty-eighth Congressional District.

29. The Counties of Riverside and Imperial shall constitute the Twenty-ninth Congressional District.

30. All that portion of the County of San Diego comprising the Seventy-eighth, Seventy-ninth, and Eightieth Assembly Districts shall constitute the Thirtieth Congressional District.

CHAPTER 397

An act to amend Section 480 of the Government Code, relating to the division of the State into senatorial districts.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 480 of the Government Code is amended to read:

Senatorial districts

480. The State is divided into 40 senatorial districts, which shall be designated and constituted as follows:

1. The Counties of Modoc, Lassen and Plumas shall constitute the First Senatorial District.

2. The Counties of Del Norte and Siskiyou shall constitute the Second Senatorial District.

3. The County of Humboldt shall constitute the Third Senatorial District.

4. The Counties of Mendocino and Lake shall constitute the Fourth Senatorial District.

5. The Counties of Trinity and Shasta shall constitute the Fifth Senatorial District.

6. The County of Butte shall constitute the Sixth Senatorial District.

7. The Counties of Sierra, Nevada and Placer shall constitute the Seventh Senatorial District.

8. The Counties of Tehama, Glenn and Colusa shall constitute the Eighth Senatorial District.

9. The Counties of El Dorado and Amador shall constitute the Ninth Senatorial District.

10. The Counties of Yuba and Sutter shall constitute the Tenth Senatorial District.

11. The Counties of Napa and Yolo shall constitute the Eleventh Senatorial District.

12. The County of Sonoma shall constitute the Twelfth Senatorial District.

13. The County of Marin shall constitute the Thirteenth Senatorial District.

14. The City and County of San Francisco shall constitute the Fourteenth Senatorial District.

15. The County of Solano shall constitute the Fifteenth Senatorial District.

16. The County of Alameda shall constitute the Sixteenth Senatorial District.

17. The County of Contra Costa shall constitute the Seventeenth Senatorial District.

18. The County of Santa Clara shall constitute the Eighteenth Senatorial District.

19. The County of Sacramento shall constitute the Nineteenth Senatorial District.

20. The County of San Joaquin shall constitute the Twentieth Senatorial District.

21. The County of San Mateo shall constitute the Twenty-first Senatorial District. Senatorial districts

22. The County of Stanislaus shall constitute the Twenty-second Senatorial District.

23. The Counties of Santa Cruz and San Benito shall constitute the Twenty-third Senatorial District.

24. The Counties of Merced and Madera shall constitute the Twenty-fourth Senatorial District.

25. The County of Monterey shall constitute the Twenty-fifth Senatorial District.

26. The Counties of Tuolumne, Mariposa and Calaveras shall constitute the Twenty-sixth Senatorial District.

27. The County of Kings shall constitute the Twenty-seventh Senatorial District.

28 The Counties of Alpine, Mono and Inyo shall constitute the Twenty-eighth Senatorial District.

29. The County of San Luis Obispo shall constitute the Twenty-ninth Senatorial District.

30. The County of Fresno shall constitute the Thirtieth Senatorial District.

31. The County of Santa Barbara shall constitute the Thirty-first Senatorial District.

32. The County of Tulare shall constitute the Thirty-second Senatorial District.

33. The County of Ventura shall constitute the Thirty-third Senatorial District.

34. The County of Kern shall constitute the Thirty-fourth Senatorial District.

35. The County of Orange shall constitute the Thirty-fifth Senatorial District.

36. The County of San Bernardino shall constitute the Thirty-sixth Senatorial District.

37. The County of Riverside shall constitute the Thirty-seventh Senatorial District.

38. The County of Los Angeles shall constitute the Thirty-eighth Senatorial District.

39. The County of Imperial shall constitute the Thirty-ninth Senatorial District.

40. The County of San Diego shall constitute the Fortieth Senatorial District.

CHAPTER 398

An act to add Section 6489.5 to the Health and Safety Code, relating to sanitary districts.

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6489.5 is added to the Health and Safety Code, to read:

Recall

6489.5. Every member of the board, whether elected or appointed, may be recalled by the voters in accordance with the recall provisions of Chapter 2 of Division 13 of the Elections Code applicable to officers of counties.

CHAPTER 399

An act to amend Sections 2722 and 2724 of the Penal Code, relating to the sale of jute goods.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2722 of the Penal Code is amended to read:

Sale of jute goods

2722. It shall be the duty of the director from time to time to fix the price, and to give public notice of the same, at which jute goods shall be sold by the State. Notice of the price shall be given by publication in at least four newspapers of general circulation, printed and published as follows, to wit: One in Sacramento Valley, one in San Joaquin Valley, one in the Salinas Valley, and one in the Imperial Valley. Between the first day of October of each year and the first day of April of the following year jute bags shall be sold only to consumers thereof. At other times, surplus jute bags remaining unsold, and, at any time, all other jute products may be sold to anyone in such quantities and at such prices as the Director of Corrections in his discretion may deem proper.

SEC. 2. Section 2724 of said code is amended to read:

Resale by purchaser

2724. All orders for jute bags filed with the Director of Corrections between the first day of October of each year and the first day of April of the following year must be accompanied by a statement, signed by the prospective purchaser, that he will not resell such bags for personal profit. A purchaser who resells

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such bags at a price in excess of the price at which he purchased such bags, is guilty of a misdemeanor.

CHAPTER 400

Stats 1947, p 2126, amended

An act to add Section 13.1 to the Escrow Act and Section 17415 to the Financial Code, relating to powers and duties of the Commissioner of Corporations in connection with escrow companies.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 13.1 is added to the Escrow Act, to read:

Sec. 13.1. If the commissioner, as a result of any examination or from any report made to him, shall find that any escrow agent is in an insolvent condition or is conducting business in such an unsafe or injurious manner as to render its further operations hazardous to the public or to any of its customers, the commissioner may forthwith, by an order addressed to and served by registered mail on such escrow agent and on any other person having in his possession or control any escrowed funds, trust funds or other property deposited in escrow with said agent, direct discontinuance of the disbursement of trust funds by said parties or any of them, the receipt of trust funds, the delivery or recording of documents received in escrow, or other business operations. No person having in his possession any such funds or documents shall be liable for failure to comply with such order unless he has received written notice of such order. If, after such an order is made, a request for a hearing is filed in writing and hearing is not commenced within 15 days thereafter, the order is rescinded. The order shall otherwise remain in effect until set aside by the commissioner in whole or in part, the escrow agent has been adjudged bankrupt, or pursuant to a petition filed by the commissioner or other interested party a receiver has been appointed by a superior court

Power over funds of insolvent agent

NOTE The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 3. Section 2 of this act becomes operative only if the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said code takes effect; at which time Section 1 of this act is repealed.

Effect Stats 1951, Ch 364

CHAPTER 401

An act to add Article 14, consisting of Section 20985, to Chapter 7 of Division 8 of the Business and Professions Code, relating to disposition and use of certain moneys in the Department of Agriculture Fund.

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. A new Article 14, consisting of Section 20985, is added to Chapter 7, Division 8, of the Business and Professions Code, to read:

Article 14. Disposition and Use of Moneys

Expenditure of Department of Agriculture Fund money

20985. Any moneys in the Department of Agriculture Fund derived under any of the provisions of Chapters 7 and

10 of Division 8 of this code may be expended for the administration and enforcement of any or all of the provisions of said chapters, notwithstanding any other provision of law limiting the expenditure of any such moneys to the specific purposes or to the administration or enforcement of each of said chapters separately.

CHAPTER 402

An act to amend Section 51 of the Public Utilities Act and Section 851 of the Public Utilities Code, relating to public utilities.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 51 of the Public Utilities Act is amended to read:

Authorization to merge, etc

Sec. 51. (a) No public utility shall henceforth sell, lease, assign, mortgage, or otherwise dispose of or encumber the whole or any part of its railroad, street railroad, line, plant, system, or other property necessary or useful in the performance of its duties to the public, or any franchise or permit or any right thereunder, nor by any means whatsoever, directly or indirectly, merge or consolidate its railroad, street railroad, line, plant, system, or other property, or franchises or permits or any part thereof, with any other public utility, without first having secured from the Railroad Commission an order authorizing it so to do. Every such sale, lease, assignment, mortgage, disposition, encumbrance, merger or consolidation made other than in accordance with the order of the commission authorizing the same shall be void. The permission and approval of the commission to the exercise of a franchise or permit under Section 50 of this act, or the sale, lease, assignment, mortgage or other disposition or encumbrance of a franchise or permit under this section shall not be construed to revive or validate any lapsed or invalid franchise or permit, or to enlarge or add to the powers or privileges contained in the grant of any franchise or permit, or to waive any forfeiture. Nothing in this subsection contained shall be construed to prevent the sale, lease, encumbrance, or other disposition by any public utility of property which is not necessary or useful in the performance of its duties to the public, and any such disposition of its property by such public utility shall be conclusively presumed to have been of property which is not useful or necessary in the performance of its duties to the public, as to any purchaser, lessee or encumbrancer, dealing with such property in good faith for value.

Authorization to acquire corporate stock

(b) No public utility shall hereafter purchase or acquire, take or hold, any part of the capital stock of any other public utility, organized or existing under or by virtue of the laws of this State, without having been first authorized to do so by the commission. Every assignment, transfer, contract or agreement

or assignment or transfer of any stock by or through any person or corporation to any corporation or otherwise in violation of any of the provisions of this section shall be void and of no effect, and no such transfer shall be made on the books of any public utility. Nothing herein contained shall be construed to prevent the holding of stock heretofore lawfully acquired.

(c) The provisions of this section shall not apply to any person or corporation which transacts no business subject to regulation under this act, except performing services or delivering commodities for or to public utilities or municipal or other public corporations primarily for resale or use in serving the public or any portion thereof; provided, that this section shall nevertheless apply to any public utility if the commission shall find, in a proceeding to which the public utility is or may become a party, that the application of this section is required by the public interest. The commission may from time to time by order, rule or regulation, and subject to such terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from the provisions of this section if it finds that the application of this section with respect to such public utility or class of public utility is not necessary in the public interest. Application of provisions

NOTE: The section of the Public Utilities Code affected by this chapter appears in its proper place in that code, Ch 764 of Statutes of 1951, as required by Sec. 9762 of the Government Code.

SEC. 3. It is hereby declared that the amendments to the Public Utilities Act made by this act are intended as a clarification of the meaning thereof rather than a substantive change therein and the provisions thereof should be construed for all purposes as though they had heretofore read as set forth in this act. Any sale, lease, encumbrance or other disposition heretofore made by any public utility of its property to a purchaser, lessee or encumbrancer dealing with such property in good faith for value shall be conclusively presumed to have been of property which is not useful or necessary in the performance of such public utility's duty to the public and such past transactions are hereby confirmed, validated and declared legally effective as having been made and effected in conformity with the provisions of subsection (a) of Section 51 of the Public Utilities Act and Section 851 of the Public Utilities Code. Intent of amendments

SEC. 4 Section 2 of this act becomes operative only if Division 1 of the Public Utilities Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 1 takes effect, at which time Section 51 of the Public Utilities Act is repealed. Effect Stats 1951, p 764

CHAPTER 403

An act to amend Section 6a of an act entitled "An act authorizing the establishment of municipal courts, prescribing their constitution, regulation, government, procedure and jurisdiction, and providing for the election and appointment of Stats 1925, p 648

the judges, clerks and other attaches of such courts, their terms of office, qualification and compensation and for the selection of jurors therein," approved May 23, 1925, relating to municipal courts.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6a of the act cited in the title hereof is amended to read as follows:

San Francisco municipal court salaries

Sec. 6a. The judges of the municipal court in a city or city and county of the first class shall appoint one clerk who shall also act as secretary to the judges of said court, who shall receive a monthly salary of one thousand dollars ($1,000). The clerk of the municipal court in a city or city and county of the first class shall appoint the following deputies and attaches who shall each receive as monthly compensation the sum set opposite the title of their respective offices or positions:

One deputy clerk (jury commissioner, with all the powers of jury commissioner of the superior court insofar as the same may be applicable to municipal courts), six hundred seventy-five dollars ($675);

One deputy clerk (chief division clerk, traffic department), six hundred dollars ($600);

One deputy clerk (chief division clerk, civil department), six hundred dollars ($600);

One deputy clerk (chief division clerk, criminal department), six hundred dollars ($600);

One deputy clerk (chief division clerk, accounting department), six hundred dollars ($600);

Five deputy clerks (assistant chief division clerks), five hundred twenty-five dollars ($525);

Two deputy clerks, four hundred seventy-five dollars ($475);

One deputy clerk (while assigned to the department of the presiding judge), four hundred sixty dollars ($460);

One deputy clerk (while assigned to the law and motion and small claims department), four hundred sixty dollars ($460);

One deputy clerk (while assigned to the master calendar department), four hundred sixty dollars ($460);

Eighteen deputy clerks, four hundred fifty dollars ($450),

Ten deputy clerks, four hundred dollars ($400);

Sixteen deputy clerks, three hundred fifty dollars ($350);

Nineteen deputy clerks, three hundred twenty-five dollars ($325);

Nineteen deputy clerks, three hundred dollars ($300);

Two telephone operators, two hundred seventy-five dollars ($275).

Night Shift Work and Extra Compensation. A night shift is a tour of duty which commences after 2 p.m. and prior to

6 a.m. Attaches who are required to work a night shift shall be paid 6¼ percent more than the amount to which they are otherwise entitled.

Incumbents

All incumbents permanently appointed in any of the aforesaid positions at the time this act becomes effective shall be continued in their respective positions and shall be deemed to have been appointed as of the date of their permanent appointment to said position.

Civil service

In any city or city and county of the first class which has a civil service commission, whenever a position described in this section becomes vacant, the appointing officer shall request the civil service commission to certify to him for appointment the highest person on the list of eligibles of male or female sex as indicated in the request of the appointing authority. Lists of eligibles for such promotive positions, subsequent to those lists in existence at the time this act becomes effective, shall be composed only of persons holding the next lower rank or ranks of deputy clerks in such municipal courts. Monthly compensation shall determine that such deputy clerks are of the next lower rank or ranks. Temporary appointees shall receive the salary set up opposite the title of their respective positions. Temporary appointments to promotive positions shall be made from the next lower rank or ranks.

All attaches heretofore or hereafter appointed to positions created in municipal courts in any city or city and county of the first class, shall be entitled to the benefits of the civil service provisions of the charter in such city or city and county, and said attaches shall be entitled to and shall be subject to any retirement and health service provisions in the charter of such city or city and county of the first class to the same extent and in the same manner as heretofore provided for said attaches of the said municipal court and in accordance with any changes hereafter made in said charter provisions affecting employees of any city or city and county of the first class.

Leave of absence

It is further provided that any attache of the municipal court in any city or city and county of the first class heretofore or hereafter appointed shall be granted indefinite leave of absence by the appointing authority to accept other appointive position or positions in the said municipal court. While on such indefinite leave and while employed in any other appointive position or positions in said municipal court, such attache or attaches shall continue to participate in the retirement and health service provisions of the charter in the same manner as heretofore provided, and there shall accrue to all such attaches all the benefits derived from seniority in the same manner and to the same extent as though such attaches were continuing in the position such attaches held prior to appointment to such other appointive position or positions in said municipal court.

Nothing herein shall affect any rights or benefits which may have accrued to any deputy clerk of the municipal court by reason of military leave of absence or war effort leave. If

any portion of this act shall be declared unconstitutional, it is the express intent of the Legislature that the remainder of the act shall remain in full force and effect.

CHAPTER 404

An act to amend the title of Article 2 of Chapter 10 of, and to repeal Section 25431 of, and to add Sections 25432 and 25673 to, the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Article 2 of Chapter 10 of the Revenue and Taxation Code is hereby amended to read:

Article 2. Amended Returns

Repeal

SEC. 2. Section 25431 of the Revenue and Taxation Code is hereby repealed.

SEC. 3. Section 25432 is added to the Revenue and Taxation Code, to read:

Change, etc., in net income

25432. If the amount of net income for any year of any taxpayer as returned to the United States Treasury Department is changed or corrected by the Commissioner of Internal Revenue or other office of the United States or other competent authority, or where a renegotiation of a contract or subcontract with the United States results in a change in net income, such taxpayer shall report such change or corrected net income, or the results of such renegotiation, within 90 days after the final determination of such change or correction or renegotiation, or as required by the Franchise Tax Board, and shall concede the accuracy of such determination or state wherein it is erroneous. Any taxpayer filing an amended return with such department shall also file within 90 days thereafter an amended return with the Franchise Tax Board which shall contain such information as it shall require.

SEC. 4. Section 25673 is added to the Revenue and Taxation Code, to read:

Failure to report change, etc

25673. If a taxpayer shall fail to report a change or correction by the Commissioner of Internal Revenue or other officer of the United States or other competent authority or shall fail to file an amended return as required by Section 25432, any deficiency resulting from such adjustments may be assessed and collected within four years after said change, correction or amended return is reported to or filed with the Federal Government.

CHAPTER 405

An act to repeal Article 3 of Chapter 10, Part 10 of Division 2, consisting of Sections 18451, 18452, 18453, and 18454 of, and to add Article 3 of Chapter 10, Part 10 of Division 2, consisting of Section 18451 to, and to amend Section 18581 of, and to add Section 18586.2 to, the Revenue and Taxation Code, relating to personal income taxes.

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Article 3 of Chapter 10, Part 10 of Division 2, consisting of Sections 18451, 18452, 18453, and 18454, of the Revenue and Taxation Code is hereby repealed. Repeal

SEC. 2. Article 3, consisting of Section 18451, is added to Chapter 10, Part 10 of Division 2 of the Revenue and Taxation Code, to read:

Article 3. Amended Returns

18451. If the amount of net income for any year of any taxpayer as returned to the United States Treasury Department is changed or corrected by the Commissioner of Internal Revenue or other officer of the United States or other competent authority, or where a renegotiation of a contract or subcontract with the United States results in a change in net income, such taxpayer shall report such change or corrected net income, or the results of such renegotiation, within 90 days after the final determination of such change or correction or renegotiation, or as required by the Franchise Tax Board, and shall concede the accuracy of such determination or state wherein it is erroneous. Any taxpayer filing an amended return with such department shall also file within 90 days thereafter an amended return with the Franchise Tax Board which shall contain such information as it shall require. Report of change of net income

SEC. 3. Section 18581 of the Revenue and Taxation Code is amended to read:

18581. The Franchise Tax Board may proceed under this article or Article 4 whether or not it requires a return as an amended return under Article 3 of Chapter 10. Board procedure

SEC. 4. Section 18586.2 is added to the Revenue and Taxation Code, to read:

18586.2. If a taxpayer shall fail to report a change or correction by the Commissioner of Internal Revenue or other officer of the United States or other competent authority or shall fail to file an amended return as required by Section 18451, any deficiency resulting from such adjustments may be assessed and collected within four years after said change, correction or amended return is reported to or filed with the Federal Government. Failure to report change, etc

CHAPTER 406

An act to amend Section 650.6 of the Vehicle Code, relating to equipment of vehicles.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 650.6 of the Vehicle Code is amended to read:

Restrictions on lamps

650.6. Special Restrictions on Lamps. (a) Any lighted lamp or illuminating device upon a motor vehicle other than headlamps, spot lamps, fog lamps, signal lamps or auxiliary driving lamps which projects a beam of light of an intensity greater than 300 candlepower shall be so directed that no part of the beam will strike the level of the roadway on which the vehicle stands at a distance of more than 75 feet from the vehicle.

Flashing lights

(b) Flashing lights are prohibited on motor vehicles except as a means of indicating right or left turn. Emergency vehicles shall be exempt from this regulation, and tow cars to the extent as provided in Section 586.5. Vehicles used by highway authorities in highway maintenance work may be equipped with flashing or other red lights, to the front or rear, which may be used during the nighttime or at times of low visibility when such vehicles are parked or working on the highway.

Application

(c) No vehicle shall be equipped with any lamp or illuminating device not required or permitted in this code. The provisions of this section shall not apply to:

1. Interior lamps;

2. Lamps needed in the operation or utilization of those vehicles mentioned in Section 623.5, or vehicles used by public utilities in the repair or maintenance of their services; or

3. Lamps or devices that emit a diffused nonglaring light of not more than .05 of one candlepower per square inch of area.

Diffused nonglaring light

Any diffused nonglaring light shall not display red to the front, but may display other colors notwithstanding the color limitations in Section 640. Such diffused nonglaring light shall not resemble nor be installed within 12 inches or in such position as to interfere with the visibility or effectiveness of any required lamp, reflector or other device upon the vehicle, nor shall any such diffused nonglaring light resemble any traffic sign, signal or control device nor any street or highway regulatory, warning, directional or informational sign. Every such diffused nonglaring light shall be subject to approval by the California Highway Patrol.

Such lamps or devices shall be limited in size to an area of 720 square inches and where any lease, rental or donation is involved the installation of such lamps or devices shall be limited to those vehicles operated either wholly within business

or residential districts or municipalities, or between business districts, residential districts and municipalities in close proximity.

(d) The department may issue a permit for the use of lamps or devices for experimental purposes. The use of any lamp or device under such permit shall not be deemed to be a violation of this code. Permit

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CHAPTER 407

An act to amend Section 650.5 of the Vehicle Code, relating to equipment of vehicles.

[Approved by Governor May 11, 1951 Filed with Secretary of State May 11, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 650.5 of the Vehicle Code is amended to read:

650.5. Number of Driving Lamps Required or Permitted. Driving lamps

(a) At all times specified in Section 618, at least two lighted lamps shall be displayed, one on each side at the front of every motor vehicle other than motorcycles or motor-driven cycles except when such vehicle is parked subject to the regulations governing lights on parked vehicles.

(b) Whenever a motor vehicle equipped with headlamps as herein required is also equipped with any auxiliary driving, passing, or fog lamps, any spot lamps or any other lamp on the front thereof projecting a beam of an intensity greater than 300 candlepower, not more than a total of four of any such lamps on the front of a vehicle shall be lighted at any one time when upon a highway, except that not to exceed six such lamps on the front of an authorized emergency vehicle may be lighted at any one time. The total light output of any such combination of lamps, excluding spot lamps and warning lamps on emergency vehicles, shall not exceed the limitations in Section 648.

CHAPTER 408

An act to amend Sections 102, 103, 146, 170, 188, 215, 254, 260, 262, 320, 321, 340, 394, 450, 451, 452, 457, 459, 461, 463, 464, 465, 550, 644, 644.1, 647, 648 of, and to add Section 213 to, the Military and Veterans Code, and to amend Section 37392 of the Government Code, relating to the call of the militia to active service, federal service, the reduction of noncommissioned officers, the discharge of personnel, pay and allowances, disability benefits, courts-martial jurisdiction and procedure, disciplinary action and punishment, the admission to bail, Uniform Code of Military Justice, courts-martial process, confinement of minors, competitive exercises, discrimination against members of the National 50 U S C §551

Guard, service awards, correction of orders and directives, emergency purchases and services, membership in the California Defense and Security Corps, reversion to state control, leasing of land for military purposes, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 1[illegible], 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 102 of the Military and Veterans Code is amended to read:

Articles of War

102. The Articles of War governing the Army of the United States and the United States Air Force are hereby adopted as a part of this code so far as they are applicable and not modified by this division. From and after May 31, 1951, the provisions of the Uniform Code of Military Justice (Public Law 506, Eighty-first Congress, Second Session, Chapter 169) and the rules and regulations published thereunder shall govern and be applicable except as otherwise provided in this code to the active militia including the California National Guard.

SEC. 2. Section 103 of said code is amended to read:

Application

103. Whenever reference is made in the Articles of War or in the Uniform Code of Military Justice (Public Law 506 Eighty-first Congress, Second Session, Chapter 169) to the military service or to the Army of the United States, or to the United States Air Force or to the United States Navy such reference shall be deemed to include the military and naval service of this State.

SEC. 3. Section 146 of said code is amended to read:

Militia Call to active service

146. The Governor may call into active service such portion of the active militia as may be necessary, and if the number available be insufficient, he may call into active service such portion of the unorganized militia as may be necessary, in any of the following events:

(a) In case of war, insurrection, rebellion, invasion, tumult, riot, breach of the peace, public calamity or catastrophe, or other emergency, or imminent danger thereof, or resistance to the laws of this State or the United States.

(b) Upon call or requisition of the President of the United States.

(c) Upon call of any United States marshal in California or upon call of any officer of the United States Army commanding an army, army area, or military administrative or tactical command including generally the State of California, or upon call of any officer of the United States Air Force commanding an air force, air defense force, air defense command or air command including generally the State of California.

(d) Upon call of the chief executive officer of any city or city and county, or of any justice of the Supreme Court, or of any judge of the superior court, or of any sheriff, setting forth that there is an unlawful or riotous assembly with intent to

commit a felony, or to offer violence to person or property, or to resist the laws of the State or the United States or that there has occurred a public calamity or catastrophe for which aid to the civil authorities is required.

(e) Upon call of the sheriff setting forth that the civil power of the county is not sufficient to enable him to execute process delivered to him.

SEC. 4. Section 170 of said code is amended to read:

Seal

170. The seal now used in the Office of the Adjutant General is the seal of his office, and shall be delivered by him to his successor. All orders issued from his office shall be authenticated with his seal. Any order or directive inadvertently or mistakenly made or entered in the Office of the Adjutant General may for good cause and a reasonable time be vacated and set aside by the Adjutant General and a proper and correct order or directive made and entered in lieu thereof.

SEC. 5. Section 188 of said code is amended to read:

Supplies, etc

188. In the event of a call to active duty in case of insurrection, invasion, tumult, riot, breach of the peace, public calamity or catastrophe, or other emergency, or imminent danger thereof, the Adjutant General, with the approval of the Governor, may secure all necessary supplies, equipment, meals, quarters, subsistence, transportation, medical, surgical, and hospital services for the officers and men called to active duty. Such purchases and services shall be exempt from the rules and regulations of the State Board of Control, and Chapter 4 of Part 3 of Division 3 of Title 2 of the Government Code. Claims for expenses thus incurred, when approved by the Adjutant General as purchases for the emergency, shall be deemed valid claims against appropriations for military purposes.

Except as otherwise provided in this act all claims shall be subject to all the provisions of law relating to audit by the Controller and the Department of Finance and the requirements of Chapter 4 of Part 3 of Division 3 of Title 2 of the Government Code.

SEC. 6. Section 215 of said code is amended to read:

Federal service

215. For all purposes under this code, officers and enlisted men of the National Guard and California Defense and Security Corps who entered the active service of the United States in time of war or under a call or draft by the President or who hereafter enter such service under like conditions shall be entitled to credit for time so served as if such service had been rendered in the state forces.

SEC. 7. Section 254 of said code is amended to read:

Transfers

254. Enlisted men may be transferred to or from organizations or units Noncommissioned officers may be reduced one or more grades upon good cause appearing therefor. In transferring or reducing an enlisted man or noncommissioned officer the procedure laid down in regulations for the National Guard shall be followed.

An order discharging a member of the militia may be vacated by the Adjutant General for good cause; provided, a certificate or other evidence of discharge has not been delivered to the discharged member.

SEC. 8. Section 260 of said code is amended to read:

Discharge

260. The following shall be causes for discharge of enlisted men:

(a) Expiration of term of service.

(b) Attainment of the age of 64 years.

(c) Acceptance of appointment as a commissioned officer in the state or federal service.

(d) To enlist in the United States Army, Navy, Marine Corps, or Coast Guard.

(e) To accept appointment in the United States Military Academy, Naval Academy, or Coast Guard Academy.

(f) To accept appointment as a flying cadet.

(g) To re-enlist.

(h) Discontinuance of the organization in which he is serving.

(i) Change of residence.

(j) Certificate of disability.

(k) Inaptness or misconduct.

(*l*) Fraudulent enlistment.

(m) Action of civil or military court.

(n) Draft into the service of the United States.

(o) Business or educational interference.

(p) Any other reason which the Governor deems adequate and satisfactory.

(q) For the best interests of the military service.

(r) For the good of the service.

SEC. 9. Section 262 of said code is amended to read:

Discharge certificate

262. An enlisted man discharged from the National Guard or the unorganized militia when called or ordered into active service of the State shall receive a discharge in writing in such form and with such qualifications as may be prescribed under the laws and regulations prescribed for the government of the National Guard by the United States and which are not inconsistent with this code. Such certificates of discharge may be in the form of an honorable, a general, or undesirable discharge Bad conduct and dishonorable discharges shall be awarded only by courts-martial as provided in this code.

SEC. 10. Section 320 of said code is amended to read:

Pay and allowances Officers

320. Officers on active duty in the service of the State shall receive the same pay and allowances as officers of similar grade in the United States Army, United States Air Force and United States Navy.

SEC. 11. Section 321 of said code is amended to read:

Same Enlisted men

321. Enlisted men while on active duty in the service of the State shall receive the same pay and allowances except family allowances as enlisted men of similar grade in the United States Army, United States Air Force, and United States Navy

SEC. 12. Section 340 of said code is amended to read:

340. In all cases in which any officer or enlisted man of the National Guard, or the unorganized militia when called into active service, or Naval Militia not in active service of the United States is wounded, injured, disabled, or killed in active service and in line of duty, such officer or enlisted man or the dependents of such officer or enlisted man shall be entitled to receive compensation from the State, in accordance with the provisions of the Workmen's Compensation Insurance and Safety Act of 1917. In all such cases, such an officer or enlisted man shall be held and deemed to be an employee of the State. The compensation to be awarded to any such officer or enlisted man shall be ascertained, determined, and fixed upon the basis of his average income from all sources during the year immediately preceding the date of such injury or death or the commencement of such disability; but such compensation shall in no case exceed the maximum prescribed in the Workmen's Compensation Insurance and Safety Act of 1917; except, and provided further, that all officers, warrant officers and enlisted men on active duty with the Office of the Adjutant General shall be entitled to receive from the State all rights and benefits provided in Section 3, Public Law 108, Chapter 225, Eighty-first Congress, First Session; provided further, that there shall be no duplication of such federal and state benefits.

Insurance

Lab. C., §3201, ff

SEC. 13. Section 394 of said code is amended to read:

394 No person shall discriminate against any officer, warrant officer or enlisted man of the military or naval forces of the State or of the United States because of his membership therein. No member of such military forces shall be prejudiced or injured by any person, employer, officer or agent of any corporation, company or firm with respect to his employment, position or status or denied or disqualified for employment by virtue of his membership or service in the military forces of this State or of the United States.

Discrimination

No officer or employee of the State, or of any county, city and county, municipal corporation, school district, irrigation district, water district or other district shall discriminate against any officer, warrant officer or enlisted man of the military or naval forces of the State or of the United States because of his membership therein. No member of such military forces shall be prejudiced or injured by any officer or employee of the State, or of any county, city and county, municipal corporation, school district, irrigation district, water district or other district with respect to his employment, appointment, position or status or denied or disqualified for or discharged from his employment or position by virtue of his membership or service in the military forces of this State or of the United States.

No person shall prohibit or refuse entrance to any officer or enlisted man of the Army or Navy of the United States or of the military or naval forces of this State into any public entertainment or place of amusement or into any of the places described in Sections 51 and 53 of the Civil Code because such

officer or enlisted man is wearing the uniform of the organization to which he belongs.

No employer or officer or agent of any corporation, company, or firm, or other person shall discharge any person from employment because of the performance of any ordered military duty or training or by reason of being an officer, warrant officer or enlisted man of the military or naval forces of this State, or hinder or prevent him from performing any military service or from attending any military encampment or place of drill or instruction, he may be called upon to perform or attend by proper authority, or prejudice or harm him in any manner in his employment or position or status by reason of his performance of military service or duty or attendance at military encampments or places of drill or instruction or dissuade, prevent or stop any person from enlistment or accepting a warrant or commission in the National Guard or Naval Militia by threat of or injury to him in respect to his employment, position, status, trade, or business in case of his enlistment or acceptance of a warrant or commission.

Penalty

Any person violating any of the provisions of this section is guilty of a misdemeanor.

SEC. 14. Section 450 of said code is amended to read:

Military courts

450. The military courts of this State are: (a) general courts-martial; (b) special courts-martial; (c) summary courts martial; and (d) courts of inquiry.

Under such regulations as the Adjutant General may prescribe, any commanding officer may, for minor offenses, impose one of the following disciplinary punishments upon persons of his command without the intervention of a court-martial, unless the accused demands trial by court-martial:

(1) Upon officers and warrant officers of his command: (a) admonition, reprimand, (b) withholding of privileges not exceeding two consecutive weeks, (c) if imposed by the commanding officer of a division, wing, separate or provisional brigade or equivalent command, forfeiture of not to exceed one-half of his pay per month for a period not exceeding one month, (d) if imposed when the militia is in the active service of the State or in field training, restriction to certain specified limits, with or without suspension from duty, for a period not to exceed two consecutive weeks.

(2) Upon other military personnel of his command (a) admonition, reprimand, (b) withholding of privileges for a period not to exceed two consecutive weeks, (c) if imposed when the militia is in the active service of the State or in field training, extra duties for a period not to exceed two consecutive weeks, and not to exceed two hours per day, holidays included; restriction to certain specified limits, with or without suspension from duty, for a period not to exceed two consecutive weeks; reduction to next inferior grade if the grade from which demoted was established by the command or an equivalent or lower command.

SEC. 15. Section 451 of said code is amended to read:

Same

451. The constitution and jurisdiction of general courts-martial, special courts-martial, summary courts-martial, and courts of inquiry, the form and manner in which the proceedings are conducted and recorded, the forms of oaths and affirmations taken in the administration of military law by such courts, the limits of punishment, and the proceedings in the revision thereof, shall be governed by the terms of the Articles of War, the National Defense Act, the laws and regulations governing the Army of the United States and the United States Air Force, and the law and procedure of similar courts of the United States Army, and the United States Air Force, except as otherwise provided in this chapter.

From and after May 31, 1951, the provisions of the Uniform Code of Military Justice (Public Law 506, Eighty-first Congress, Second Session, Chapter 169) the rules and regulations published thereunder, shall govern and be applicable except as otherwise provided in this code to the active militia including the California National Guard.

SEC. 16. Section 452 of said code is amended to read:

General courts-martial

452. General courts-martial may be convened by the President of the United States or the Governor. The convening authority shall be the approving, reviewing and confirming authority. After authentication the record will be sent by the trial counsel to the reviewing authority for proper action and will thereafter be filed in the Office of the Adjutant General.

SEC. 17. Section 457 of said code is amended to read:

Special courts-martial

457. Special courts-martial have power:

(a) To try:

(1) Officers, warrant officers and enlisted men of the National Guard.

(2) Officers, warrant officers and enlisted men of the unorganized militia whenever they are called out for service with the State.

(b) To adjudge:

(1) Dismissal, in case of a warrant officer.

(2) Dishonorable discharge, in the case of an enlisted man.

(3) Reduction to the ranks, in the case of a noncommissioned officer.

(4) Forfeiture of pay and allowances.

(5) Fine not exceeding one hundred dollars ($100).

(6) Confinement not exceeding 100 days.

(7) Fine and confinement, the total of the number of dollars of fine and the number of days of confinement not to exceed 100.

(8) Reprimand.

SEC. 18. Section 459 of said code is amended to read:

Prosecution

459. The trial counsel of a general or special court-martial in the National Guard shall prosecute in the name of the State.

If military authorities order the arrest by civil authorities of military persons for trial before a military court, such arrested persons can be admitted to bail by any civil magistrate

within the county wherein the arrest is made. The admission to, taking of and release upon bail shall be in accordance with applicable provisions and principles of the California Penal Code.

SEC. 19. Section 461 of said code is amended to read:

Commissions and subpenas

461. Commissions and subpenas may be issued by the president or the trial counsel of the court, both before and after being sworn, for witnesses whose attendance or testimony before such court may be necessary in behalf of the prosecution, and upon application in behalf of any person to be tried by such court, either the president or the trial counsel may direct the commanding officer of any organization to cause such subpena to be served on any member of his command.

SEC. 20. Section 463 of said code is amended to read:

Process and mandates

463. Military courts may issue all process and mandates, including writs and warrants, necessary and proper to carry into full effect the powers vested in such courts. Such process or mandates may be directed to the sheriff of any county, any peace officer, the police of any city and the constables and marshals of any town or city, or to any officer or enlisted man appointed by the court to serve or execute the same. All officers to whom process or mandates are directed shall execute such process or mandates and make return of their acts thereunder according to the requirements thereof.

SEC. 21. Section 464 of said code is amended to read:

Custody of persons committed

464. The keepers or warden of any jail shall receive the bodies of persons committed by the process or mandate of a military court and confine them in the manner prescribed by law. Except as otherwise specially provided in this division, no fees or charges of any nature shall be demanded or required to be paid by the State, or any military court or member thereof, or by the person executing its mandate or process, or by any public officer for receiving, executing, or returning any such process or mandate, or for any service in connection therewith, or for receiving or confining the person in jail or custody thereunder. Minors shall be confined in a detention home or equivalent place of confinement, and shall not be confined in a jail with other persons. Persons committed by the process or mandate of a military court shall not be photographed or fingerprinted unless such process or mandate expressly so directs

SEC. 22. Section 465 of said code is amended to read:

Power to issue warrants, etc

465. Presidents of courts-martial and summary court officers shall have power to issue warrants to arrest an accused person and to bring him before the court for trial whenever such person shall have disobeyed an order in writing from the convening authority to appear before such court, a copy of the charges and specifications having been delivered to the accused with such order. A court shall be ordered for his trial within the time similarly prescribed by the rules and regulations of the United States Army. If a copy of the charges and specifications is not served, or a court is not ordered within the time herein

limited, the arrest shall cease, but such charges and specifications may be served, a court ordered, and the officer or enlisted man be brought to trial after such release from arrest within the time prescribed by the rules and regulations of the United States Army in similar circumstances. The appearance of the accused, without objection and pleading to the charges, shall be a waiver of any defect or irregularity of such service of any of the papers mentioned in this section.

SEC. 23. Section 550 of said code is amended to read:

State defense forces

550. Whenever any part of the National Guard of this State is in active federal service, or when Congress so consents thereto, the Governor is hereby authorized to organize and maintain within this State during such period, under such regulations as the Secretary of Defense of the United States may prescribe for discipline in training, such military forces as the Governor may deem necessary to defend and for the security of this State. Such forces shall be composed of officers commissioned or assigned, and such qualified citizens or aliens who have declared their intentions to become citizens as shall volunteer for service therein, supplemented, if necessary, by members of the unorganized militia enrolled by draft or otherwise as provided by law. Such forces shall be additional to and distinct from the National Guard and shall be known as the California Defense and Security Corps. Such forces shall be uniformed under such conditions and subject to such regulations as the Governor may prescribe.

SEC. 24. Section 644 of said code is amended to read:

Service medal, etc

644. A service medal or bar shall be issued for 10 years' service in the California National Guard or the Naval Militia, and for each period of five years of service thereafter. Such medal or bar shall be issued to those entitled to the same upon application.

SEC. 25. Section 644.1 of said code is amended to read:

Federal Service Ribbon

644.1. A Federal Service Ribbon may be presented by the Adjutant General to each person inducted into the federal service as a member of a California National Guard unit after September 15, 1940, and who has completed not less than a total of 12 months honorable service in the armed forces of the United States between September 15, 1940, and September 16, 1945, and to each person inducted into the federal service as a member of a California National Guard unit after August 1, 1950, and who has completed not less than a total of 12 months honorable service in the armed forces of the United States while the United States is engaged in war as defined in Section 18 of this code.

The Federal Service Ribbon and lapel miniature shall be prepared, designed, awarded and issued according to rules and regulations to be adopted by the Adjutant General and all applications therefor shall be in writing and filed in the Office of the Adjutant General. The applicant shall have the burden of proof as to his military service and the decision of the Adjutant General, in case of dispute, shall be final.

SEC. 26. Section 647 of said code is amended to read:

Badges, etc

647. The Adjutant General may hold and conduct competitions and competitive military exercises and may procure and issue appropriate badges or insignia in connection therewith and for excellence in marksmanship, for drill attendance and for military training. All expenses in relation thereto shall be paid from state funds.

SEC. 27. Section 648 of said code is amended to read:

Wearing of decorations

648. Decorations authorized by this chapter and decorations, medals, badges, ribbons, and insignia authorized by the laws or regulations of the United States pertaining to the National Guard and Naval Militia may be worn by officers and enlisted men in accordance with such laws or regulations. No other decorations, medals, badges, ribbons, or insignia may be worn. A violation of the provisions of this section shall constitute a misdemeanor.

Penalty

SEC. 28. Section 213 is added to the Military and Veterans Code, to read:

Reversion to state control
32 U S C

213. Members of the National Guard who have reverted to state control pursuant to Section 111, National Defense Act as amended, shall thereby and without further action become members of the California Defense and Security Corps and shall be subject to the provisions of Sections 550 to 567 of this code for the unexpired period of their enlistment or appointment unless upon reversion such members are assigned to active units of the California National Guard which have not been called or ordered into federal service. Upon a finding by the Adjutant General that a member of the California National Guard is not eligible for or is to be deferred from active federal service such member shall thereby and without further action become a member of the California Defense and Security Corps and shall be subject to the provisions of Sections 550 to 567 of this code for the unexpired period of his enlistment or appointment.

SEC. 29. Section 37392 of the Government Code is amended to read:

Leases, etc

37392. A city or any of its departments may lease or sublease land to the Department of Natural Resources for housing men and equipment, or to the State Adjutant General for military or armory purposes, for not to exceed 99 years.

Urgency

SEC. 30. This act is hereby declared to be an urgency measure necessary for the immediate preservation of public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

The Articles of War are being replaced by the Uniform Code of Military Justice which was approved by Public Law 506, Chapter 169, Eighty-first Congress, Second Session (H. R. 4080) and such code must be immediately adopted for the control of the California National Guard. The international situation requires immediate changes in administrative procedures which control, and in the status and employment of, the California National Guard.

CHAPTER 409

An act to add Sections 9193 to 9196, inclusive, to the Education Code, relating to incidental fees in classes for adults.

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 9193 is added to the Education Code, to read:

Incidental expense accounts

9193. The governing board of a school district conducting classes for adults may establish an account in a bank for each school of the district in which classes for adults are maintained. The account shall be known as "The Incidental Expense Account of (insert name of school) school of (insert name of district) District." The governing board may establish regulations providing for the collection of an incidental fee from each pupil enrolled in such classes for adults as the governing board may determine. The fee collected from each pupil shall not to exceed fifty cents ($0.50) in any school year. All fees shall be deposited in the account for that school and shall be expended only for (1) materials, services, or supplies for the operation of classes for adults in such school; and (2) activities of particular benefit to pupils in classes for adults in such school.

For the purposes of this article, classes for adults maintained in connection with a school shall be deemed to be maintained in such school.

SEC. 2. Section 9194 is added to said code, to read:

Same Custody

9194. The governing board of the district shall designate an employee or employees of the district to have custody of the incidental expense account, or accounts, who shall be responsible for the payment into the account, or accounts, of all moneys required to be paid into the account or accounts, and for all expenditures therefrom, subject to such regulations as the governing board prescribes.

SEC. 3. Section 9195 is added to said code, to read:

Sale of materials

9195. The regulations of the governing board may provide for the sale of materials purchased from the incidental expense account to pupils in classes for adults, for use in connection with such classes. The proceeds of all such sales shall be deposited in that account and shall be available for the purposes of that account.

SEC. 4. Section 9196 is added to said code, to read:

Audit

9196. The governing board of any school district maintaining one or more incidental expense accounts shall provide for an annual audit of the accounts. The cost of the audit constitutes a charge against the funds of the district.

CHAPTER 410

An act to amend Section 378 of the Vehicle Code, relating to delinquent fees of vehicle registration.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 378 of the Vehicle Code is amended to read:

Delinquent fee

378. When Fee Is Delinquent. Penalties. (a) (1) Whenever any vehicle is operated upon any highway of this State without the registration fee having first been paid as required by this code, such fee is delinquent.

(2) Whenever any person has received as transferee a properly endorsed certificate of ownership and the registration card of the vehicle described in said certificate and card and the transfer fee has not been paid as required by this code within 10 days, such fee is delinquent.

(3) Whenever any person becomes an automobile wrecker without first having paid the license or certificate and special plate fees as required by this code, such fees are delinquent.

Penalty

(b) A penalty shall be added upon any application for annual renewal of registration made on or after February 5th except as provided in Section 164.5 of this code.

(c) A penalty shall be added upon any application for renewal of any special plate or plates made on or after December 1st

(d) Except as otherwise provided in subdivision (b), if any fee is not paid within 30 days after the same becomes delinquent a penalty shall be added thereto.

(e) In every event the penalty shall be equal to the fee after the same has been computed as provided in Sections 372.5 and 373 5 and shall be collected therewith, except that the penalty for delinquency in respect to any transfer shall be one dollar ($1), and shall apply only to the last transfer.

CHAPTER 411

An act to amend Section 132 of the Vehicle Code, relating to granting or refusing applications for registration and transfers of title of vehicles.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 132 of the Vehicle Code is amended to read:

Authority to grant or refuse applications

132. Authority to Grant or Refuse Applications. The department shall examine and determine the genuineness and

regularity of every application for registration of a vehicle and for an operator's or chauffeur's license and of every other application herein provided for and may in all cases require additional information and reject any such application if not satisfied of the genuineness and regularity thereof or the truth of any statement contained therein.

If the application for a transfer is made in the manner provided in this code the department shall not be required to withhold the transfer of any right, title or interest in or to a vehicle if the application on its face appears to be genuine and regular and the department has not received from any law enforcement agency a request that action on the application be deferred or unless an order of a court of the United States or of the State of California restraining such transfer has been filed with the department within two years prior thereto.

CHAPTER 412

An act to amend Section 2980 of the Civil Code, relating to the recording of conditional sales contracts of animate chattels and of mining machinery and oil drilling equipment, and to add Section 2980.5 to the Civil Code, relating to the recording of conditional sales contracts and feeding agreements covering livestock and animate chattels.

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2980 of the Civil Code is amended to read:

Recording of conditional sales contracts of mining equipment, etc

2980. Every conditional sales contract of equipment and machinery used or to be used for mining purposes, must be acknowledged, or proved and certified, and must be recorded within twenty (20) days after its execution in the office of the recorder of the county where the buyer resides at the time he executes such contract, or in case the buyer is a nonresident of this State, in the office of the recorder of the county or counties where the property involved is located at the time the contract is executed by the buyer, and also in every case in the county where the property is situated otherwise, it shall be void as to the lien or interest of the seller against bona fide purchasers, encumbrancers and those having no actual knowledge of the contract who become creditors of the buyer while said property is in the possession of any of the last mentioned parties.

As used in this section the term "mining purposes" includes oil drilling purposes.

Sections 2959a and 2965 of the Civil Code are hereby made applicable to the instruments required to be recorded by this

section in the same manner as to mortgages of personal property; provided, however, that the provisions of Section 2965 of the Civil Code shall not apply to any instrument covering any materials or equipment used in, or in connection with, the drilling or production or refining of crude oil or other hydrocarbon substances.

SEC. 2. Section 2980.5 is added to said code, to read:

Definitions

2980.5. (a) As used in this section "contract" means any agreement for the conditional sale, leasing, bailment or feeding of livestock or other animate chattels; "vendor" means the conditional seller, lessor, bailor or person owning any such chattels under a feeding agreement; "vendee" means the conditional buyer, the lessee, the bailee or the person feeding any such chattels.

Failure to record

(b) Unless any such contract is recorded in accordance with subsection (d) of this section within 10 days after the contract is executed, every provision therein reserving title or property in any such chattels to the vendor after possession of the chattels is delivered to the vendee shall be void as to any purchaser, creditor or encumbrancer who, without actual knowledge of such provision, in good faith and for value purchases the chattels from the vendee or acquires a security interest therein or lien thereon by pledge, attachment, levy or mortgage, before the contract is so recorded, and as to any other creditor who, without actual knowledge of such provision, in good faith and for value becomes a creditor after possession of the chattels is delivered to the vendee and before the contract is so recorded, and as against any such purchaser, creditor or encumbrancer title or property in any such chattels shall be conclusively presumed to have been transferred to the vendee unless the contract is so recorded.

Lien

(c) Without limiting the generality of subsection (b) of this section, for the purposes of this section a mortgagee, under a mortgage of livestock or other animate chattels which provides that such mortgage shall cover or become a lien on any such chattels subsequently acquired by the mortgagor, shall be deemed to acquire a lien upon any such chattels, the possession of which is thereafter delivered to the mortgagor under any contract as above defined, at the time possession thereof is acquired by the mortgagor, and such lien shall be prior and superior to the right, title or interest of the vendor under any such contract unless the contract is recorded within 10 days after the contract is executed.

Acknowledgment, etc

(d) Any such contract must be acknowledged or proved, certified, recorded and re-recorded in the same manner as mortgages of animate personal property other than crops growing or to be grown. Sections 2959a and 2965 of the Civil Code are hereby made applicable to the instruments required to be recorded by this section in the same manner as to mortgages of personal property.

CHAPTER 413

An act to amend Sections 625, 640, 645, 660, and 675.5 of the Vehicle Code, relating to equipment of vehicles.

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 625 of the Vehicle Code is amended to read:

625. Side Clearance Lamps on Wide Vehicles. (a) Every vehicle or load upon a vehicle or any vehicle and load thereon having a total outside width in excess of 80 inches, at the times specified in Section 618 hereof, shall be equipped with at least four clearance lamps, mounted at the outer extremity, one on each side near the front displaying an amber light visible from a distance of 500 feet to the front and to the side of the vehicle on which it is located, and one on each side near the rear displaying an amber or red light visible from a distance of 500 feet to the rear and to the side of the vehicle on which it is located. The provisions of this section shall not apply to:

Side clearance lamps on wide vehicles

(1) Passenger common carrier vehicles.

(2) Passenger type vehicles

(3) Truck tractor or auxiliary dollies while operating in combination with other vehicles displaying side clearance lamps.

(b) Every trailer coach having a total outside width of less than 80 inches shall be equipped with two clearance lamps, one on each side near the rear, each of which shall display an amber light visible for a distance of 500 feet to the rear and to the side of the vehicle on which it is located.

SEC. 2. Section 640 of the Vehicle Code is amended to read:

640. Regulations Governing the Color of Lights. The following regulations shall apply to the color of lights upon a vehicle operated upon any highway:

Color of lights

(a) All lights visible from in front of a vehicle, other than from a clearance, or identification or signal lamp or signal device shall be white or amber, except that an authorized emergency vehicle may display red light or authorized emergency vehicles used by members of the California Highway Patrol in the performance of their duties may in addition display blue light, as prescribed by the commissioner, visible from in front thereof.

(b) All lights visible from the rear of a vehicle, other than the light illuminating the rear license plate and the light from a clearance or back-up lamp or signal lamp or signal device thereon, shall be red, except that in addition to a red light as otherwise required hereunder, a light of distinctive color, which color has been approved by the department, may be visible from the rear of a vehicle operated by a police or traffic officer while in the actual performance of his duties as such officer.

(c) This section shall apply to the color of any lamp whether lighted or unlighted, and to any reflector exhibiting or reflecting perceptible light of 0.05 of one candlepower or more per foot-candle of incident illumination.

(d) Public utility repair vehicles necessarily parked other than adjacent to the curb in a highway for purposes of repairing public utility services, may be equipped with red lights displayed to the front, sides and rear, but these lights shall not be lighted when headlamps are lighted.

(e) Vehicles used by highway authorities in highway maintenance are exempt from the provisions of this section to the extent provided in Section 650.6.

(f) Trucks actually engaged in the towing of houses or buildings upon any highway may display a red spotlight to the front or side thereof.

SEC. 3. Section 645 of the Vehicle Code is amended to read:

Approval, etc., of lamps, etc

645. What Lamps and Devices Must Be Tested and Approved Before Sale or Use. No person shall sell or offer for sale for use upon or as part of the equipment of a motor vehicle, trailer or semitrailer, nor shall any person use upon any such vehicle any lamp or device referred to in this section unless of a type which has been submitted to and approved by the department.

This section shall apply to every headlamp, auxiliary driving, passing, or fog lamp, every rear or tail lamp, license plate lamp, clearance lamp, signal lamp or signal device, and any equipment regulating the light emitted from any such lamps or the light sources therein, also to reflectors, including red reflectors for use on bicycles, and reflectors used for required warning devices, and any other device required to be approved by the department except any rear or tail lamp or stop lamp in use on or prior to December 1, 1935.

No person shall sell or offer for sale for use upon any motor vehicle any special lamp or lighting device required for use in dimout areas or during air raid alarms unless of a type which has been submitted to and approved by the department.

Every lamp, reflector, or other device referred to in this division and requiring approval shall comply with the engineering requirements and specifications, including mounting and aiming instructions, determined and publicized by the department.

SEC. 4. Section 660 of the Vehicle Code is amended to read:

Light and brake adjustments

660 Light and Brake Adjustments on Sale of New or Used Vehicles. No dealer shall sell a new or used motor vehicle without first testing and if necessary adjusting the lights and brakes on such vehicle to conform with the provisions of this code unless such vehicle is sold for the purpose of being wrecked or dismantled.

SEC. 5. Section 675.5 of the Vehicle Code is amended to read:

675.5. Safety Glass Required. (a) On and after January 1, 1936, no person shall sell or operate any new motor vehicle, except motorcycles and motor-driven cycles, in this State and commencing January 1, 1948, no motor vehicle manufactured after January 1, 1936, and first registered in this State after January 1, 1948, shall be operated unless such motor vehicle is equipped with safety glass of a type approved by the department wherever glass or glazing materials is used in partitions, doors, windows, windshields, or wind deflectors. Safety glass

(b) The term "safety glass," as used in this code shall be construed as meaning glass, or glazing material so manufactured, fabricated, or treated or combined with other materials as to reduce, in comparison with ordinary sheet glass or plate glass, the likelihood of injury to persons by objects from external sources or by glass or glazing material when the same is cracked or broken.

(c) The department shall establish specifications or requirements for approved safety glass and such specifications or requirements shall not be lower in standard than those specifications or requirements for safety glass established by the American Standards Association for Glazing in Motor Vehicles and shall maintain a list of approved types of safety glass.

(d) It shall be a misdemeanor for any person to replace any glass or glazing materials used in partitions, doors, windows, windshield or wind deflectors in any motor vehicle with any material other than safety glass of a type approved by the department. Penalty

(e) On those motor vehicles operated as passenger common carriers under the jurisdiction of the Public Utilities Commission the glazing used above the normal window line on the side may be colored safety glass.

(f) On motorcycles or motor-driven cycles the glazing material used in the windshield or wind deflectors shall be of a clear plastic type which need not be of an approved type.

CHAPTER 414

An act to amend Section 533 of the Vehicle Code, relating to school busses.

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 533 of the Vehicle Code is amended to read:

533. Meeting or Passing School Bus. (a) The driver of any vehicle upon a highway, street, or road, upon meeting or Meeting or passing school bus

overtaking from either direction any school bus equipped with signs as herein required which has stopped on a highway, street or road for the purpose of receiving or discharging any school children when such school bus displays a flashing red light signal visible from front and rear shall bring such vehicle to a stop immediately before passing said school bus and shall not proceed past such school bus until said red flashing signal ceases operation. The driver of a vehicle upon a highway with separate roadways need not stop upon meeting or passing a school bus which is upon the other roadway. The driver of a vehicle need not stop upon meeting or passing a school bus when the latter is stopped at an intersection or place where traffic is controlled by a traffic officer or official traffic signal.

(b) Every school bus, when operated for the transportation of school pupils shall bear upon the front and rear thereof a plainly visible sign containing the words "school bus" in letters not less than four inches in height, except that on any school bus purchased or repainted after the effective date of this amendment, said words shall not be less than eight inches in height. Upon every such sign the letters shall be of proportionate width. No vehicle, other than a school bus, shall display such a sign.

(c) Every school bus when operated for the transportation of school children shall be equipped with a flashing red light signal system of a type to be approved by the Department of California Highway Patrol and mounted as prescribed by the Department of the California Highway Patrol. The driver of a school bus shall operate this signal at all times when children are unloading from a school bus to cross a street, highway, or road or when a school bus is stopped for the purpose of loading children who must cross a highway, street, or road to board said bus. Such signal shall not be operated at any other time.

CHAPTER 415

An act to amend Section 1647 of the Revenue and Taxation Code, relating to taxation.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1647 of the Revenue and Taxation Code is amended to read:

Valuation statements

1647. Annually, on or before the third Monday in August, the auditor shall prepare duplicate valuation statements, verified by his attached affidavit, from the local roll as corrected by the county board.

CHAPTER 416

An act to amend Section 1245.3 of the Code of Civil Procedure, relating to proceedings in eminent domain.

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1245.3 of the Code of Civil Procedure is amended to read:

Naming defendants

1245.3. In any action brought under this title the plaintiff may name as defendants, in addition to those persons who appear of record or are known to plaintiff to have or claim an interest in the property, "all persons unknown claiming any title or interest in or to the property," naming them in that manner, and if any person who appears of record to have or claim an interest or who is known to plaintiff to have or claim an interest in the property is dead or is believed by plaintiff to be dead, and if no executor or administrator of the estate of said person has been appointed by the superior court of the county in which the property is located who is then duly qualified, and if no certified copy of an order of the superior court of any other county appointing an executor or administrator of the estate of said person who is then duly qualified and acting has been recorded in the county in which the property is located, and if plaintiff knows of no other duly qualified and acting executor or administrator of the estate of said person and said facts are averred in the complaint or in an affidavit by the plaintiff or its attorney filed with the complaint, plaintiff may also name as defendants, "the heirs and devisees of _____ (naming such deceased claimant), deceased and all persons claiming by, through, or under said decedent," naming them in that manner, and if it is alleged that any such person is believed by plaintiff to be dead, such person may also be named as a defendant. If it appears to the satisfaction of the court by affidavit that after due diligence the plaintiff is unable to ascertain the identity and whereabouts of any person or persons sued as the heirs and devisees of a deceased claimant or one believed to be dead or the identity and whereabouts of any person or persons sued as persons claiming by, through or under said deceased claimant or one believed to be dead or the identity and whereabouts of any person or persons sued as persons unknown claiming any title or interest in the property, the court shall make its order directing that process be served upon such persons by posting a copy of the summons on the property within 10 days after the making of the order and by publication of the same in some newspaper of general circulation published in the county in which the property is located and designated by the court as most likely to give notice to such persons once a week for four successive weeks.

Interest, etc., of one believed dead

Upon the trial the court shall determine the extent of and the value of the interest or damages thereto of any person whom it is alleged is dead or believed by plaintiff to be dead whose interest or claim appears of record or is known to plaintiff and unless such person or a duly qualified and acting executor or administrator of the estate of said person appears in the action, shall order the amount thereof paid to the county clerk to be held by him for the account of the persons entitled thereto and shall determine the extent of and the value of the interest or damages thereto, if any, of all persons sued as persons unknown, whether or not they are in being, and shall order the amount thereof paid to the county clerk to be held by him for the account of the persons entitled thereto Any person claiming any title or interest of any character in or to said property, whether legal or equitable, may appear in said action.

Judgment

Any judgment rendered in such a proceeding shall be binding and conclusive not only upon the persons named as defendants and served with process but upon the heirs and devisees of, and all persons claiming by, through, or under, any decedent sued and served as herein provided and upon all persons unknown claiming any right, title, estate or interest in the property described in the complaint and shall have the force and effect of a judgment in rem.

CHAPTER 417

An act to amend Sections 2924c and 2924b of the Civil Code, relating to mortgages and deeds of trust.

In effect September 22, 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2924c of the Civil Code is amended to read:

Cure of default

2924c. Whenever all or a portion of the principal sum of any obligation secured by deed of trust or mortgage on real property hereafter executed has, prior to the maturity date fixed in such obligation, become due or been declared due by reason of default in payment of interest or of any installment of principal, or by reason of failure of trustor or mortgagor to pay, in accordance with the terms of such obligation or of such deed of trust or mortgage, taxes, assessments, premiums for insurance or advances made by beneficiary or mortgagee in accordance with the terms of such obligation or of such deed of trust or mortgage, the trustor or mortgagor or his successor in interest in the mortgaged or trust property or any part thereof, or any beneficiary under a subordinate deed of trust or any other person having a subordinate lien or encumbrance of record thereon, at any time within three months of the recording of the notice of default under such deed of trust or mortgage, if the power of sale therein is to be exercised, or, otherwise at any time prior to

entry of the decree of foreclosure, may pay to the beneficiary or the mortgagee or their successors in interest, respectively, the entire amount then due under the terms of such deed of trust or mortgage and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of such obligation, deed of trust or mortgage, and trustee's or attorney's fees actually incurred not exceeding one hundred dollars ($100) in case of a mortgage and fifty dollars ($50) in case of a deed of trust) other than such portion of principal as would not then be due had no default occurred, and thereby cure the default theretofore existing, and thereupon, all proceedings theretofore had or instituted shall be dismissed or discontinued and the obligation and deed of trust or mortgage shall be reinstated and shall be and remain in force and effect, the same as if no such acceleration had occurred. The provisions of this section shall not apply to bonds or other evidences of indebtedness authorized or permitted to be issued by the Commissioner of Corporations or made by a public utility subject to the provisions of the Public Utilities Act

SEC. 2. Section 2924b of the Civil Code is amended to read:

Request for notice of default, etc

2924b Any person desiring a copy of any notice of default and of any notice of sale under any deed of trust or mortgage with power of sale upon real property, as to which deed of trust or mortgage the power of sale cannot be exercised until such notices are given for the time and in the manner provided in Section 2924 may, at any time subsequent to recordation or registration of such deed of trust or mortgage and prior to recordation of notice of default thereunder, cause to be filed for record in the office of the recorder of any county in which any part or parcel of the real property is situated, a duly acknowledged request for a copy of any such notice of default and of sale This request shall set forth the name and address of the person requesting copies of such notices, shall identify the deed of trust or mortgage by stating the names of the parties thereto, the date of recordation or registration thereof and the book and page where the same is recorded or the recorder's or registrar's serial number and shall be in substantially the following form:

"In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust (or mortgage) recorded _____, 19__ in Book _____ page _____ records of _____ County, (or filed for record with recorder's serial number _____, or registered under registrar's number _____ County) California, executed by _____ as trustor (or mortgagor) in which __ _____, is named as beneficiary (or mortgagee) and _____ as trustee be mailed to _____ at _____.

Name Address

Signature_____ _____"

Immediately upon the filing for record of such request, the recorder shall enter upon the margin of the record of the deed of trust or mortgage therein referred to a reference to the place where such request is recorded, which reference shall be substantially in the following form:

"Request recorded in Book _____ page _____ of _____ for copy of notice of default and sale."

Mailing notice

The mortgagee, trustee or other person authorized to record the notice of default, shall within 10 days following recordation of such notice of default deposit or cause to be deposited in the United States mail an envelope, registered and with postage prepaid, containing a copy of such notice with the recording date shown thereon, addressed to each person whose name and address are set forth in a duly recorded request therefor, and a reference to which request has, prior to recordation of said notice of default, been entered on the margin of the record of the deed of trust or mortgage, directed to the address designated in said request, and at least 20 days before date of sale the mortgagee, trustee or other person authorized to make the sale shall deposit or cause to be deposited in the United States mail an envelope, registered and with postage prepaid, containing a copy of the notice of the time and place of sale, addressed to each person whose name and address are set forth in a request therefor recorded, within the time herein provided, a reference to which request has been entered upon the record as above provided at the address set forth in such request.

Request in deed of trust etc

Any deed of trust or mortgage with power of sale hereafter executed upon real property may contain a request that a copy of any notice of default and a copy of any notice of sale thereunder shall be mailed to any person a party thereto at the address of such person given therein, and a copy of any notice of default and of any notice of sale shall be mailed to each such person at the same time and in the same manner required as though a separate request therefor had been filed by each of such persons as herein authorized. If, in any deed of trust or mortgage with power of sale hereafter executed, except a deed of trust or mortgage of any of the classes excepted from the provisions of Section 2924, no address of the trustor or mortgagor is therein set forth and if no request for notice by such trustor or mortgagor has been recorded as herein provided, a copy of the notice of default shall be published once a week for at least four weeks in a newspaper of general circulation in the county in which the property is situated, such publication to commence within 10 days after the filing of the notice of default. In lieu of such publication a copy of the notice of default may be delivered personally to the trustor or mortgagor within such 10 days or at any time before publication is completed.

Recital as prima facie evidence

A recital in the deed executed pursuant to the power of sale of compliance with all requirements of law regarding the

mailing of copies of notices for which requests have been recorded or the publication of a copy of the notice of default or of personal delivery of the copy of the notice of default shall constitute prima facie evidence of compliance therewith and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value and without notice.

Limitations

No request for copy of any notice filed for record pursuant to this section nor any statement or allegation in any such request nor any record thereof shall affect the title to real property or be deemed notice to any person that any person requesting copies of notice has or claims any right, title or interest in, or lien or charge upon the property described in the deed of trust or mortgage referred to therein.

CHAPTER 418

An act to amend Section 5047 of the Welfare and Institutions Code, relating to the procedure and examination of the mental health of a person alleged to be mentally ill, in respect to the liability of persons filing petitions for such examination.

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5047 of the Welfare and Institutions Code is amended to read:

Petition for mental examination

5047. Any person may file in the superior court a verified petition, alleging that there is in the county a person who is mentally ill and in need of supervision, care, or treatment, and asking that examination be made of the mental health of the person, and that provision be made for the welfare of the person as provided in this chapter.

When no relative, friend, or other person can be found in the county who is able and willing to make and file the petition herein provided, any peace officer, probation officer, physician attending the patient, physician attached to a public hospital or institution, if the person is a patient therein, or public guardian may make and file the petition herein provided. The district attorney or his deputy shall prepare the petition and all other forms required in the proceeding when requested by the party who is to file the petition or other form. When a petition is filed by any such person, neither the person making or filing the petition, nor his superiors, nor the department, hospital, or institution to which he is attached nor any of its employees, shall be rendered liable thereby either civilly or criminally if there was probable cause for the making and filing of said petition.

CHAPTER 419

Stats 1927, p 51, amended

An act to amend Section 14852 of the Financial Code and Section 4 of an act entitled "An act defining credit unions, providing for their incorporation, powers, management and supervision," approved March 31, 1927, relating to the corporate powers of credit unions.

In effect September 22 1951

[Approved by Governor May 11, 1951. Filed with Secretary of State May 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 4 of the act cited in the title is amended to read:

Credit unions Restrictions

Sec. 4. No credit union shall:

1. Pay any commission or compensation for securing members or for the sale of its shares.

2. Make any loan in excess of five hundred dollars ($500) unless security therefor is taken; nor in any event make a loan to any member in excess of three thousand dollars ($3,000) or 10 percent of its paid-in and unimpaired capital, whichever is greater, but not to exceed ten thousand dollars ($10,000). The term "security" within the meaning of this subdivision shall include, but is not limited to, a note which is endorsed by any member or members of the said credit union or by any other person or persons who is a nonmember (provided, however, for any loan in excess of three thousand dollars ($3,000) such excess shall be secured by real and/or personal property) and any obligation, the payment of interest and principal of which is guaranteed by any municipal, or state government, by the Government of the United States or by any instrumentality of the United States. Comaker or comakers, other than the borrower or borrowers, shall be deemed to be an endorser within the provisions of this section.

In the event a credit union shall make a loan or loans to any of its members and the said member or members shall have invested therein, either in the form of shares or in funds received, an amount equal to the said loan or loans, said investment shall be deemed as security within the provisions of this section and said borrower or borrowers shall not be required to give further or additional security. Subject to the limitations as in this section provided nothing contained herein shall prohibit a credit union from simultaneously making different classes of loans, either secured or unsecured to any member.

3. Impose fines in case of failure of members to make payments on shares, loans or other accounts when due, in excess of 1 percent per month or fraction of a month on amounts due, except that no fine shall be less than five cents ($0.05).

4. Make loans to any director, officer or member of the credit committee or supervisory committee directly or indirectly which will result in such director, officer or committee member owing an amount greater than the amount invested by

him in the credit union, or become surety for any loan or advance made by the credit union. In the event that any person elected to the office of director, officer or committee member is at the time of his election so obligated, in order to be eligible to hold such office, he must reduce such indebtedness according to the tenor of his obligation without default or delay. Failure of such director, officer or committee member so to do shall render the office to which he was elected vacant.

5. Issue shares or accept funds in trust, except in the name of the trustee, as such, for a specified beneficiary whose residence shall be disclosed to the credit union by such trustee.

6. Issue any shares except to those qualified for membership under its by-laws; provided, however, that said credit union shall have the right to issue shares to any person designated by those eligible to membership in the credit union in joint tenancy and further provided that upon any shares issued by any credit union to those qualified for membership under its by-laws and to any person designated by those eligible to membership in the credit union in joint tenancy, there shall be printed upon the certificate or other evidence of such shares the words "transferable only to qualified members" as herein set forth.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 3. Section 2 of this act becomes operative only if Division 5 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 5 takes effect, at which time Section 1 of this act is repealed. Effect Stats 1951, Ch 364

CHAPTER 420

An act to amend Section 22 of the Industrial Loan Act and/or Section 18650 of the Financial Code, relating to industrial loan companies and penalties for overcharge. Stats 1917, p 678, amended

[Approved by Governor May 11, 1951 Filed with Secretary of State May 11, 1951] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 22 of the Industrial Loan Act is amended to read:

Sec. 22. Any person and the several members, officers, directors, agents, and employees thereof, who shall wilfully violate or wilfully participate in the violation of any of the provisions of the rules, orders and regulations of the commissioner, or of this act, shall be guilty of a misdemeanor. Penalty

Any contract of loan in the making or collection of which an amount in excess of the charges permitted by this act, including interest, is charged, contracted for or received, except as a

result of an accidental and bona fide error in computation, shall be void, and neither the industrial loan company nor any other person shall have any right to collect or receive any principal interest or charges whatsoever.

NOTE. The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch 364

SEC. 3. Section 2 of this act becomes operative only if Division 7 of the Financial Code is enacted by the Legislature at its 1951 Regular Session and in such case at the same time as said Division 7 takes effect, at which time Section 1 of this act is repealed.

CHAPTER 421

Stats 1917, p 658, amended

An act to amend Sections 1, 2, and 4 of the Industrial Loan Act and Sections 18003, 18401, 18405, 18663, 18664 and 18665 of the Financial Code, relating to penalties and powers applicable to industrial loan companies.

In effect September 22, 1951

[Approved by Governor May 11, 1951 Filed with Secretary of State May 11, 1951]

The people of the State of California do enact as follows:

SECTION 1. Section 1 of the Industrial Loan Act is amended to read:

"Industrial loan company"

Section 1. The term "industrial loan company" as used in this act means any corporation which in the regular course of its business loans money and issues its own choses in action under the provisions of this act.

SEC. 2. Section 2 of the Industrial Loan Act is amended to read:

Incorporation

Sec. 2. Corporations may be incorporated under and by virtue of this act in the same manner as corporations under and by virtue of Division 1 of Title 1 of the Corporations Code, except as otherwise herein provided, but there shall be set forth in the articles of incorporation a statement that such corporation is incorporated under and by virtue of this act.

SEC. 3. Section 4 of the Industrial Loan Act is amended to read:

Powers of corporation

Sec. 4. Every corporation under the provisions of this act shall have power: subject to the supervision and control of the Corporation Commissioner of the State of California:

First—To loan money, secured or unsecured, with or without the pledge of its installment investment certificates, and to collect and receive charges therefor in advance or otherwise. The loan contracts of three hundred dollars ($300) or less or certificates of investment issued in connection with such loans shall require substantially uniform weekly, semimonthly, or monthly payments over the period of the loan, with the final

payment not payable until the maturity date of the loan. The borrower may purchase certificates of investment issued in connection with loans of a face value not exceeding the face amount of the loan simultaneously with each loan transaction and shall pledge the certificate with the corporation as security for the loan.

Second—To sell or negotiate investment certificates either in certificates, or in receipt book form, in addition to the sale of installment investment certificates with loans, for the payment of money at any time, either fixed or uncertain, and to receive payments therefor in installments or otherwise, with or without an allowance of interest upon such installments. Nothing herein contained shall be construed to authorize corporations hereunder to receive deposits or to issue certificates of deposit. The investment certificates herein authorized shall bear the endorsement on the face of the instrument, "this is not a certificate of deposit."

Third—The term "charges" as used in this act, includes "Charges" the aggregate interest, fees, bonuses, commissions, brokerage, discounts, expenses, and other forms of costs charged, contracted for, or received by an industrial loan company or any other person in connection with the investigating, arranging, negotiating, procuring, guaranteeing, making, servicing, collecting and enforcing of a loan or forbearance of money, credit, goods or things in action, or any other service or services rendered.

However, it is hereby provided that the charges by an industrial loan company, broker and all other persons on any loan, forbearance of money, credit, goods or things in action under this act, shall not exceed in the aggregate 2½ percent per month on that portion of the unpaid principal balance up to, including but not in excess of one hundred dollars ($100), 2 percent per month on that portion of the unpaid principal balance in excess of one hundred dollars ($100) up to, including but not in excess of three hundred dollars ($300), and 10 percent per annum on that portion of the unpaid principal balance in excess of three hundred dollars ($300). If, however, in connection with any loan, insurance is taken in favor of the industrial loan company, the total amount which may be contracted for and received for interest, brokerage and all other charges shall not exceed in the aggregate 2 percent per month on that portion of the unpaid principal balance up to, including but not in excess of three hundred dollars ($300) and 10 percent per annum on that portion of the unpaid principal balance in excess of three hundred dollars ($300). For the purpose of computing the charges set forth in this paragraph, a month shall be any period of 30 consecutive days. All payments made by the borrower on the installment investment certificates purchased by the borrower in connection with the making of the loan shall be regarded as payments on the loan and shall be applicable, first, to interest and all other charges within the maximum statutory rate provided in this paragraph and, secondly, to reduction of the unpaid principal

of the loan advanced to the borrower in determining the "unpaid principal balance" as hereinabove referred to.

However, it is provided that nothing in this section denies the right to the industrial loan company in addition to interest, brokerage and all other charges herein provided to contract for, collect and receive at the time of making the loan or at any time thereafter, the statutory fee paid by it to any public officer for acknowledging, filing, recording or releasing in any public office any instrument securing the loan or executed in connection therewith. Also, nothing in this section prohibits the lender from collecting in addition to the interest, brokerage and all other charges herein provided the costs for insurance, of tangible personal or real property offered as security for a loan, reasonably insured against loss for a reasonable term considering the circumstances of the loan; provided, such insurance is sold at standard rates through a duly licensed insurance agent

"Unpaid principal balance"

The term "unpaid principal balance" as used in this act shall mean the net amount of money, credit, goods or things in action received by the borrower at the time of entering into the transaction and the decreasing balances thereof after application in accordance with the provisions of this act of each payment made on the obligation.

Nothing in this section shall deny the right to any industrial loan company, in addition to all other charges herein provided, in the enforcing and collecting of a delinquent loan of an unpaid principal balance in excess of three hundred dollars ($300):

(a) To collect and receive the court costs and reasonable attorneys' fees allowed by a court in a judgment against a defaulting debtor;

(b) To contract for, collect and receive the bona fide expenses actually incurred and paid by the industrial loan company, not exceeding 10 percent of the unpaid principal balance of the loan where no judgment at law is sought.

No charge shall be collected unless a loan shall have been made. Whenever the interest and/or charges deducted in advance shall exceed the maximum provided by this section, by reason of subsequent repayment of the loan or any portion thereof prior to maturity or prepayment of installments on the investment certificate purchased with the loan, such excess shall be refunded to the borrower or credited on any balance owing by the borrower to the company.

Fourth—To establish offices or places of business within the State of California.

Fifth—To purchase, sell or discount bona fide trust receipts, choses in action, secured or unsecured, chattel mortgages or conditional sales contracts, which shall have a maturity within three years from the date of said purchase.

Sixth—To make loans, purchase or discount notes, mortgages, contracts or other commercial paper, which loans or commercial paper are insured by the Federal Housing Administrator, Veterans' Administration, or other federal agency. Loans

so insured may be made for a term up to but not to exceed 20 years.

In addition to the powers herein enumerated, every corporation under the provisions of this act shall have the general powers conferred upon corporations by the General Corporation Law except as herein otherwise provided.

NOTE The sections of the Financial Code affected by this chapter appear in their proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 10. Sections 4 to 9, inclusive, of this act become operative only if Division 7 of the Financial Code is enacted by the Legislature at its 1951 Regular Session and in such case at the same time as said Division 7 takes effect, at which time Sections 1, 2 and 4 of the Industrial Loan Act, as amended by this act, are repealed. Effect Stats 1951, Ch 364

CHAPTER 422

An act making an appropriation for flood protection works at the California Vocational Institution, Department of Corrections, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. There is hereby appropriated out of those funds in the Emergency Fund specified in Item 277 of the Budget Act of 1950, appropriated by Chapter 13 of the Statutes of 1951, the sum of one hundred forty thousand dollars ($140,000) to the Department of Corrections for flood protection works at the California Vocational Institution, to be expended during the Fiscal Years 1950-51 and 1951-52. Appropriation Flood protection

SEC. 2. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution, and therefore shall go into immediate effect. The following is a statement of the facts constituting such necessity. Urgency

During the recent storms and floods in San Joaquin County the new site of the California Vocational Institution at Tracy, on which construction already has begun, was under six feet of water, although the records of previous flood conditions indicate no serious flood threat existed at this site. In order to prevent damage to the institution buildings should a similar flood occur in the future, flood control works, including the construction of levees and drainage facilities, should be undertaken at once. The funds appropriated by this act will make possible the immediate construction of such necessary flood protection works, and it is therefore necessary that this act take effect immediately.

CHAPTER 423

An act to add Section 742.5 to the Vehicle Code, relating to the issuance of warrants.

In effect September 22, 1951

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 742.5 is added to the Vehicle Code, to read:

Warrant for arrest

742.5. When Warrant Shall Issue on Violation of Promise to Appear. (a) When a person signs a written promise to appear at the time and place specified in the written promise to appear and has not posted bail as provided in Section 739, the magistrate shall issue and have delivered for execution a warrant for his arrest within 20 days after his failure to appear before the magistrate, or if such person promises to appear before an officer authorized to accept bail other than a magistrate and fails to do so on or before the date on which he promised to appear, then, within 20 days after the delivery of such written promise to appear by such officer to a magistrate having jurisdiction over the offense.

(b) When such person violates his promise to appear before an officer authorized to receive bail other than a magistrate, the officer shall immediately deliver to a magistrate having jurisdiction over the offense charged the written promise to appear and the complaint, if any, filed by the arresting officer.

CHAPTER 424

An act to amend Section 981.2 of the Military and Veterans Code, relating to educational assistance to veterans.

In effect September 22, 1951

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 981.2 of the Military and Veterans Code is amended to read:

Veterans' educational assistance

981.2. The department, insofar as the funds permit, may provide:

(a) For the payment of tuition and other fees other than for individual instruction or private lessons.

(b) A monthly payment of an allowance for the living expenses of the student in an amount not exceeding forty dollars ($40) per month for the time the student is in satisfactory and actual full time attendance at a day school, absence during the month on account of illness to be included as a part of such attendance.

(c) For the student's book and supply requirements, the department may, at the student's request, increase the allowance provided under subdivision (b) of this section by an amount not to exceed ten dollars ($10) in any one month.

CHAPTER 425

An act to amend Section 20703 of the Health and Safety Code, relating to poisons.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 20703 of the Health and Safety Code is amended to read:

20703. "Poison" means and includes the compositions of the following schedules: "Poison"

Schedule "A":

(a) Arsenic compounds and preparations;

(b) Cyanides and preparations, including hydrocyanic acid;

(c) Fluorides soluble in water, and preparations;

(d) Mercury compounds and preparations, except preparations made and labeled for external use only and containing not more than five-tenths percent (0.5%) total mercury, and except ointments or soaps containing not more than two percent (2.0%) total mercury or not more than ten percent (10.0%) ammonium mercuric chloride or mercuric oxide;

(e) Phosphorus and preparations;

(f) Thallium compounds and preparations;

(g) Aconite, belladonna, cantharides, cocculus, conium, digitalis, gelsemium, hyoscyanus, nux vomica, santonica, stramonium, strophanthus, veratrum, or their contained or derived active compounds and preparations, except preparations made and labeled for external use only, and except preparations containing not more than four-thousandths percent (0.004%) total belladonna alkaloids or not more than two-hundredths percent (0.02%) total nux vomica alkaloids, and except preparations in dosage forms each containing not more than two-tenths milligram (0.20 mg.) total belladonna alkaloids or not more than one milligram (1.0 mg.) total nux vomica alkaloids;

(h) Zinc phosphide and preparations;

(i) Sodium fluoroacetate and preparations.

Schedule "B":

(a) Antimony, barium, copper, lead, silver or zinc compounds soluble in water, and preparations containing five percent (5.0%) or more of these compounds;

(b) Bromine or iodine and preparations;

Same

(c) Hypochlorous acid, free or combined, and preparations that yield ten percent (10.0%) or more of available chlorine, excepting chloride of lime or bleaching powder;

(d) Permanganates soluble in water, and preparations containing five percent (5.0%) or more of these compounds;

(e) Nitric acid and preparations containing five percent (5.0%) or more of the free acid;

(f) Hydrochloric, hydrobromic or sulfuric acids and preparations containing ten percent (10.0%) or more of the free acids;

(g) Oxalic acid or oxalates, and preparations containing ten percent (10.0%) or more of these compounds;

(h) Acetic acid and preparations containing twenty percent (20.0%) or more of the free acid;

(i) Potassium or sodium hydroxides, and preparations containing ten percent (10.0%) or more of the free alkalies;

(j) Ammonia solutions or ammonium hydroxide, and preparations containing five percent (5.0%) or more of free ammonia;

(k) Chloroform or ether, and preparations containing five percent (5.0%) or more of these compounds, except preparations made and labeled for external use only;

(*l*) Methyl alcohol or formaldehyde, and preparations containing one percent (1.0%) or more of these compounds, except when used as a preservative and not sold to the general public;

(m) Phenol or carbolic acid, cresols or other phenol derivatives, soluble in water, and preparations containing five percent (5.0%) or more of these compounds;

(n) Nitroglycerine and nitrites;

(o) Nicotine and preparations containing nicotine expressed as alkaloid more than two percent (2.0%);

(p) Ergot, cottonroot, pennyroyal and larkspur, or their contained or derived active compounds or mixtures thereof.

Schedule "C":

(a) Carbon tetrachloride.

CHAPTER 426

An act to amend Section 1001 of the Business and Professions Code, relating to the chiropractic directory.

In effect September 22, 1951

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1001 of the Business and Professions Code is amended to read:

Chiropractic directory

1001. In each year, the State Board of Chiropractic Examiners shall compile and may thereafter publish and sell a complete directory of all persons within the State who hold unforfeited and unrevoked certificates to practice chiropractic.

and whose certificate in any manner authorizes the treatment of human beings for diseases, injuries, deformities, or any other physical or mental conditions

The directory shall contain:

(a) The following information concerning each such person:

1. The name and address of such person.

2. The names and symbols indicating his title.

3. The school, attendance at which qualified him for examination or admission to practice.

4. The date of the issuance of his certificate.

(b) The annual report of the board for the prior year.

(c) Information relating to other laws of this State and the United States which the board determines to be of interest to persons licensed to practice chiropractic.

(d) Copies of opinions of the Attorney General relating to the practice of chiropractic.

(e) Copy of the provisions of this chapter and copy of the act cited in Section 1000.

The board may require the persons designated in this section to furnish such information as it may deem necessary to enable it to compile the directory. Every person so designated shall report immediately each and every change of residence, giving both his old and new address.

Same As evidence

The directory shall be evidence of the right of the persons named in it to practice unless his certificate to practice chiropractic has been canceled, suspended or revoked The board may collect from each person who voluntarily subscribes to or purchases a copy of the directory the cost of publication and distribution thereof; except that one copy of the directory shall be distributed without charge to each certificate holder of the board.

CHAPTER 427

An act to amend Section 736.3 of the Agricultural Code, relating to fluid milk and fluid cream.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 736.3 of the Agricultural Code is amended to read:

Stabilization and marketing plan

736.3. Any stabilization and marketing plan shall contain the following provisions:

Unfair practices

(a) Provisions for prohibiting distributors and retail stores from engaging in the unfair practices hereinafter set forth:

(1) The payment, allowance or acceptance of secret rebates, secret refunds, or unearned discounts by any person, whether in the form of money or otherwise.

Same

(2) The giving of any milk, cream, dairy products, services or articles of any kind, except to bona fide charities, for the purpose of securing or retaining the fluid milk or fluid cream business of any customer.

(3) The extension to certain customers of special prices or services not made available to all customers who purchase fluid milk or fluid cream of like quantity under like terms and conditions.

(4) The false or misleading advertising of fluid milk or fluid cream as defined in Sections 17500, 17501, and 17502 of the Business and Professions Code.

(5) The purchase of any fluid milk in excess of two hundred gallons monthly from any producer or association of producers unless a written contract has been entered into with such producer or association of producers stating the amount of fluid milk to be purchased for any period. The quantity of such milk to be paid for as Class 1 in pounds of milk or pounds of milk fat or gallons of milk, and the price to be paid for all milk received, but in any marketing area where an equalization pool is a part of a stabilization and marketing plan, such contract need not specify the quantity of milk in any one class. The contract shall also state the date and method of payment for such fluid milk, which shall be that payment shall be made for approximately one-half of the milk delivered in any calendar month not later than the first day of the next following month and the remainder not later than the fifteenth day of said month, the charges for transportation if hauled by the distributor, and may contain such other provisions as are not in conflict with this chapter, and shall contain a proviso to the effect that the producer shall not be obligated to deliver in any calendar month fluid milk to be paid for at the minimum price for fluid milk that is used for Class 3, as said class is defined in Section 735.3 of this code. A signed copy of such contract shall be filed by the distributor with the director within five days from the date of its execution.

(6) The purchasing, processing, bottling, transporting, delivering or otherwise handling in any marketing area of any fluid milk or fluid cream which is to be or is sold or otherwise disposed of by such distributor at any place in the geographical area within the outer, outside and external boundaries or limits of such marketing area, whether such place is a part of the marketing area or not, at less than the minimum wholesale and minimum retail prices effective in such marketing area.

(7) The payment of a lesser price by a distributor to any producer for fluid milk or fluid cream which is distributed to any person, including agencies of the federal, state or local government, located upon property within the geographical limits of any marketing area for less than the minimum prices established by the director to be paid by distributors to producers for fluid milk or fluid cream for said marketing area.

(b) Provisions whereby the director designates and prescribes or provides methods for designating or prescribing minimum prices to be paid by distributors to producers, for fluid milk in one or more of the various classes; provided, however, that the prices so designated or prescribed shall be based upon the economic relationship of the price of fluid milk for the marketing area involved to the price of manufacturing milk, taking into consideration the additional costs incurred in producing and marketing fluid milk over and above costs incurred in producing and marketing manufacturing milk; and provided further, the director finds that such prices will tend to effectuate the purposes and policy of this chapter and will insure consumers a sufficient quantity of pure and wholesome milk. Minimum milk prices to producers

Any stabilization and marketing plan may contain the following provisions: Permissive provisions

(c) Provisions whereby distributors shall report to each producer from whom fluid milk is secured, the volume of fluid milk received from such producer in pounds of milk, the milk-fat test of such milk and the amount of fluid milk in milk-fat pounds paid for in the several classes and the prices paid for the various classes for each month. Report of milk received

(d) Provisions whereby the director designates and prescribes or provides methods for designating or prescribing minimum prices to be paid by distributors to producers for fluid cream; provided, that the prices so designated or prescribed shall be based upon the economic relationship of the price of fluid cream for the marketing area involved to the price of manufacturing cream, taking into consideration the additional costs incurred in producing and marketing fluid cream over and above costs incurred in producing and marketing manufacturing milk; and provided further, that the director finds that such prices will tend to effectuate the purposes and policy of this chapter and will insure consumers a sufficient quantity of pure and wholesome cream. Minimum cream price

(e) Provisions whereby the director may provide methods for the establishment of minimum prices for fluid milk or fluid milk for fluid cream received within a marketing area regardless of whether such fluid milk or fluid milk for fluid cream is subsequently sold or distributed within or without such marketing area or within or without the jurisdiction of the State of California. Such stabilization and marketing plans may provide for the establishment of prices for fluid milk or fluid milk for fluid cream whether or not such fluid milk or fluid milk for fluid cream is subsequently sold or distributed in another marketing area within the State of California where a stabilization and marketing plan is in effect. The stabilization and marketing plan may provide that producers shall be paid not less than the minimum prices established for the marketing area wherein such fluid milk or fluid milk for fluid cream is ultimately sold or distributed, and may further provide that in the event such fluid milk or fluid milk for fluid cream is subsequently sold or distributed in any place within the jurisdiction Minimum prices for milk or cream

of the State of California where no stabilization and marketing plan is in effect, then such fluid milk or fluid milk for fluid cream may be paid by the distributor to the producer thereof at not less than the average price paid by distributors to producers for fluid milk or fluid milk for fluid cream of similar grade and quality at the plants in the vicinity where such fluid milk or fluid milk for fluid cream is so sold or distributed, as such prices are determined by the director from contracts required to be filed with him pursuant to this section.

The director may issue and make effective provisions establishing minimum prices to be paid by distributors to producer-distributors for milk which is not used by the purchasing distributor as Class 1 milk and which provisions may provide that such milk if used in classes other than Class 1 by the purchasing distributor may be paid for at the minimum prices established by the director for such other usage but which shall not be less than the prices as found by the director to be paid by manufacturing milk plants in or adjacent to the area using milk for similar purposes. Such prices shall remain in effect only for the period during which, as determined by the director, there is a surplus of producer-distributor milk.

Equalization pools

(f) Provisions whereby the director designates or prescribes methods to provide uniform prices to be paid to all producers supplying fluid milk to distributors for pasteurization purposes in the marketing area involved by pooling the returns of all such fluid milk; provided, that no equalization pool shall be established unless the director, after hearing, determines that producers who supply distributors with not less than sixty-five (65) percent of the total volume of fluid milk used for pasteurization purposes and who represent not less than sixty-five (65) percent of the total number of such producers desire the establishment of such pool, but no hearing shall be necessary if said sixty-five (65) percent, by volume and production, of such producers petition the director in writing to establish such equalization pool as a part of the plan. If the director finds that an equalization pool is necessary to carry out the provisions of this chapter he shall make provision therefor. The director may designate the local control board for the marketing area as his agency to operate the equalization pool and may permit such local board to employ a pool manager and such other necessary personnel and to incur such expenses incidental to the operation of the pool as the director finds are necessary. The director is hereby empowered to require distributors to make reports to the pool manager at such intervals and in such detail as he finds is necessary for the operation of the pool which reports shall be kept confidential as to any individual distributor but shall be available to the director or his agents and the pool manager, and such employees of the pool as are necessary to the operation of the equalization pool.

No provision of any pooling program shall prevent any distributor from paying premiums for quality; provided, all producers supplying fluid milk of like quality to such distributor

are paid similar premiums, nor shall any provision prohibit the paying of different prices to producers based on differentials in transportation, adjustments or deductions made by a cooperative association of producers to its members, including the blending of proceeds received from the sale of fluid milk by such cooperative in other markets. Distributors who purchase fluid milk from producers for pasteurization purposes shall deduct from payments due such producers at such time and in such manner such sums as the director determines are sufficient to insure uniform prices to all producers subject to the provisions of the equalization pool, irrespective of the usage of such fluid milk by the distributors. Distributors shall make, in addition to the deductions herein prescribed, such additional deductions per pound milk fat as the director finds necessary to pay all expenses incidental to the operation of the equalization pool, including the establishment of a reserve account to insure prompt payments to producers. The deductions herein prescribed are in addition to any other deductions prescribed by this chapter.

Advertising campaigns

(g) Provision whereby sales stimulation or consumer educational programs may be formulated and administered to increase the consumption of fluid milk and fluid cream, or other dairy products; provided, that such programs shall be carried on without reference to a particular brand or trade name; and provided further, that no such sales stimulation or consumer educational program shall be carried on which shall make use of false or unwarranted claims on behalf of such products or which disparages the quality, value, sale or use of any fluid milk or fluid cream or any other agricultural commodity authorized by law to be marketed within such marketing area.

Petition

Before any stabilization and marketing plan may provide for sales stimulation and consumer educational programs, not less than sixty-five (65) percent of the producers and who produce not less than sixty-five (65) percent of the total volume of fluid milk consumed in any marketing area shall petition the director in writing for the inclusion of such a program as part of the stabilization and marketing plan. If such a program is requested by distributors it shall be necessary that not less than sixty-five (65) percent of the total number of distributors and who distribute not less than sixty-five (65) percent of the total volume of fluid milk for consumption in the marketing area shall petition the director in writing for the inclusion of such a program as part of the stabilization and marketing plan.

The petition shall bear the signatures of petitioners, their addresses and the approximate daily volume of fluid milk handled in gallons and milk-fat pounds and the type of product distributed, together with the estimated cost of the program each month and the number of months the program is to continue in operation.

Financing

A sales stimulation and consumer educational program instituted by producers shall be financed by all producers supplying fluid milk to the marketing area. Such program, if instituted by distributors, shall be financed by all distributors supplying fluid milk to the marketing area. If such program is instituted by both producers and distributors, both producers and distributors shall finance the program equally.

If the program is instituted by producers the director is hereby empowered to require producers to pay assessments of not more than two mills ($0.002) per pound milk fat, or if the program is instituted upon a gallonage basis not more than seven mills ($0.007) for each 10 gallons of fluid milk received by distributor, including the production of distributors who are also producers.

If the program is instituted by distributors the director is hereby empowered to require distributors to pay assessments of not more than two mills ($0.002) per pound milk fat, or if the program is instituted upon a gallonage basis not more than seven mills ($0.007) for each 10 gallons of fluid milk received by distributors, including the production of distributors who are also producers.

If the program is instituted by both producers and distributors, the director is hereby empowered to require both producers and distributors to pay assessments for the purpose of providing funds for formulating, administering, and carrying on such program. The assessments to be paid by distributors shall not exceed two mills ($0.002) per pound milk fat, or if the program is instituted upon a gallonage basis not more than seven mills ($0.007) for each 10 gallons of fluid milk received by distributors including the production of distributors who are likewise producers. Assessments of not more than two mills ($0.002) per pound milk fat, or if the program is instituted upon a gallonage basis, not more than seven mills ($0 007) for each 10 gallons of fluid milk produced by producers and received by distributors, shall likewise be paid by producers. In no instance shall the combined assessments exceed four mills ($0 004) per pound milk fat, or if the program is instituted upon a gallonage basis not more than fourteen mills ($0.014) for each 10 gallons of fluid milk received from producers and processed by distributors for distribution in the marketing area in the form of whole milk, fluid cream, or manufactured dairy products derived from fluid milk.

Hearing

Before a program may be instituted a public hearing shall be called by the director, the procedure for which public hearing is to be the same as that required for the institution of a stabilization and marketing plan for fluid milk. At such public hearing testimony and evidence shall be taken to determine the necessity of such a program, the estimated costs of the program, the time during which the program is to be continued, and such other matters as are necessary in the institution of the program.

Order

If, after public hearing and consideration of the testimony and evidence presented at said hearing, the director finds that

a sales stimulation and consumer educational program will tend to effectuate the purposes of this chapter, he shall issue an order making effective such program. Such order shall state the number of months the program shall continue in operation, the rate of assessment per pound milk fat or per gallon to be paid by those petitioning for the program, the names, addresses and business locations of the persons appointed to administer the program and such order may contain other provisions which are necessary and incidental to the operation of the program.

Administrator

The person named in the order to administer the program shall be selected by the director in the following manner and in the following number:

(a) If the program was instituted by producers the director shall name five representative producers from nominations made at the public hearing by the petitioners.

(b) If the program was instituted by distributors the director shall name five representative distributors from nominations made at the public hearing by the petitioners.

(c) If the program was instituted by both producers and distributors the director shall name three representative producers from nominations made at the public hearing by the petitioning producers and three representative distributors from nominations made at the public hearing by petitioning distributors.

(d) Distributors who are also producers shall be eligible to nomination for service on, and may be named by the director to serve on the committee to administer any program for which they will be required to pay assessments, and at least one of the persons named by the director to serve on any committee to administer any program for which distributors who are also producers will be required to pay assessments shall be a distributor who is also a producer.

All programs shall be administered by the persons named in the order of the director making the program effective, and shall be administered subject to the approval of the director. All amounts required to be paid to the director under this section by producers or distributors shall be paid to such director on or before the fifteenth day of the month following the month during which such fluid milk was received by distributors and all distributors receiving milk from producers in any area where the provisions of this section are in effect whereby the director is empowered to require payments from producers shall deduct and pay to the director such payments provided for under this section from the payments due for such distributors to such producers for fluid milk.

Termination of program

Upon the termination of any program, if there are any obligations arising thereunder, the final accrual or ascertainment of which requires further acts by any producer or distributor or by the persons appointed to administer the program or by the director, the power or duty to perform such further acts shall continue, notwithstanding such termination.

Excess fund

All moneys received by the director pursuant to this section shall be deposited in the Department of Agriculture Fund in the State Treasury allocated to each separate marketing area from which they are collected and disbursed only for the purposes specified subject to the approval of the director.

Any money received by the director in excess of the amount required for any program shall be returned at such time as the director may determine on a pro-rata basis to the persons from whom such funds were collected.

CHAPTER 428

An act to amend Section 464.5 of the Agricultural Code, relating to milk and milk products.

In effect September 22, 1951

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 464.5 of the Agricultural Code is amended to read:

Milk shakes, etc Preparation

464.5. Market milk, or the fluid derivatives thereof, used in the preparation of milk shakes or other mixed drinks shall be dispensed or poured from standard milk bottles or single service containers which have been filled and sealed or capped in a milk products plant.

CHAPTER 429

An act to amend Section 5546.5 of the Health and Safety Code, relating to county sewerage and water districts, and declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5546.5 of the Health and Safety Code is amended to read:

Use charges, etc

5546.5. It shall fix and collect user taxes, fees, tolls or charges for the use of facilities maintained and operated by the district sufficient in amount to pay principal and interest of bonds and for expenses of the district in maintaining, operating, extending and repairing any work or improvement of the district, and to defray all other expenses incidental to the exercise of any of the district's powers.

Such charges, in the amount fixed, shall be paid by the user of the facilities, including but not limited to the State, any department, or agency thereof, counties, cities, districts, or any public corporation, and shall constitute a debt owed by such user

to the district. The charges fixed for public agencies shall not be higher proportionately than the rates fixed for similar use by other users.

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

A question has been raised as to whether the State or agencies or political subdivisions thereof are required to pay the taxes, fees, tolls, or charges fixed by county sewerage and water districts for use of facilities maintained and operated by such districts. In order to clear up this important question and thereby foster the early construction of urgently needed sewer systems, sewerage treatment plants, and other similar facilities, which are necessary for use by governmental agencies and private individuals and corporations alike, and which are essential for the health and well-being of the citizens of this State, it is necessary that this act take effect immediately.

CHAPTER 430

An act to repeal Section 4338, Chapter 1 (consisting of Sections 4651 to 4663, inclusive) of Part 8 of Division 1, and Section 4670, and to add Chapters 1, 1a, 1b, and 1c (consisting of Sections 4651 to 4657.6, inclusive) to Part 8 of Division 1, of the Revenue and Taxation Code, relating to the distribution of property taxes.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4338 of the Revenue and Taxation Code is repealed. Repeal

SEC. 2. Chapter 1 (consisting of Sections 4651 to 4663, inclusive) of Part 8 of Division 1 of said code is repealed. Repeal

SEC. 3. Section 4670 of said code is repealed. Repeal

SEC. 4. Chapters 1, 1a, 1b, and 1c (consisting of Sections 4651 to 4657.6, inclusive) of Part 8 of Division 1 are added to said code, to read:

CHAPTER 1. GENERALLY

4651. Unless the context otherwise requires, as used in this part, "fund" includes: "Fund"

(a) A revenue district.

(b) A taxing agency.

(c) Annual installments of assessments charged on the roll.

4651.2. Unless otherwise provided by law, any amount distributed to the State pursuant to this part shall be deposited in the State General Fund. Deposit

Accounting

4651.4. The county treasurer and the county auditor shall each keep an accurate account of money received which is to be distributed and shall, at the time the treasurer is required to settle with the State for money in his possession belonging to the State, make a detailed, verified report to the Controller, in the form prescribed by the Controller, of all amounts collected for each year for which the State has unpaid taxes levied on the property.

CHAPTER 1a. SECURED ROLL

"Taxes"

4653. As used in this chapter, "taxes" includes all taxes, assessments, installments of assessments charged on the current secured roll, and payments in lieu of taxes on property belonging to the United States.

Payments in lieu of taxes

4653.2. The county auditor may receive and distribute payments in lieu of taxes, other than city taxes, on property which belongs to the United States and is exempt from taxation. Unless otherwise prescribed by the agency making such payments, the amounts received shall be distributed as prescribed in this chapter.

Distribution

4653.4. Taxes shall be distributed to the funds for which they were levied.

Delinquent penalties

4653.6. Amounts paid as delinquent penalties shall be distributed to the county general fund.

Cost for preparing delinquent list

4653.8. Amounts collected as the cost for preparing the delinquent list shall be distributed to the county salary fund.

CHAPTER 1b. UNSECURED ROLL

"Taxes"

4655. As used in this chapter, "taxes" includes all taxes and assessments charged on the unsecured roll.

Distribution

4655.2. Taxes shall be distributed to each fund for which they were levied on the basis of the tax rate established for the fiscal year in which the taxes became a lien and in the same proportion which the tax rate for each fund bears to the total tax rate applicable for such year.

Delinquent penalties

4655.4. Amounts paid as delinquent penalties shall be distributed to the county general fund.

CHAPTER 1c. REDEMPTIONS

"Taxes"

4656. As used in this chapter, "taxes" includes all taxes, assessments, and installments of assessments charged on the secured roll. In the case of property not assessed for any year, "taxes" also includes the amounts that would have been charged on the secured roll for such year if the property had been assessed.

Distribution Redemption fees

4656.2. All redemption fees shall be distributed to the State of California for deposit in the "State Redemption Tax Fund."

Same Taxes

4656.4. Taxes shall be distributed to the funds for which they were levied.

4656.6. Amounts collected as delinquent penalties shall be distributed to the county general fund. Same Delinquent penalties

4656.8. Amounts collected as the cost for preparing the delinquent list shall be distributed to the county salary fund. Same Cost of preparing list

4657. Interest and redemption penalties shall be distributed to each fund in an amount equal to the interest and redemption penalties collected on the unpaid taxes levied for the fund. Same Interest and redemption penalties

4657.2. All or any part of the money received as back taxes under any provision of law providing for payment of delinquent taxes in installments may be held until redemption is made, or may be distributed as the money is received. The money shall be distributed as if paid for redemption. Same Back taxes

4657.4. On completion of a permanent installment plan amounts collected as interest on deferred payments shall be distributed to each fund in an amount equal to the installment plan interest collected on the unpaid taxes levied for the fund. Same Interest on deferred payments

4657.6. On termination of the right of redemption amounts collected on defaulted installment plans shall be distributed as if paid for redemption, unless previously distributed. Same Defaulted installment plan collections

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CHAPTER 431

An act to amend Sections 631, 632, 633, 635, and 637 of the Welfare and Institutions Code, relating to the appointment and removal of probation officers, assistant probation officers and deputy probation officers.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 631 of the Welfare and Institutions Code is amended to read:

631. Probation officers in any county shall be nominated by the probation committee in such manner as the judge of the juvenile court in that county shall direct, and shall then be appointed by such judge. Probation officers Nomination

SEC. 2. Section 632 of the Welfare and Institutions Code is amended to read:

632. No person who is a sheriff or constable or who is related, by consanguinity or affinity, within the third degree to the judge of the juvenile court or to a member of the probation committee shall be appointed to, or receive the salary of, the office either of probation officer or assistant probation officer or deputy probation officer. Same Relation to juvenile court judge

SEC. 3. Section 633 of the Welfare and Institutions Code is amended to read:

633. The term of office of the probation officers shall be two years from the date of their appointments, or until their successors are appointed and qualify. Same Term of office

Same Additiona activities

All probation officers receiving a salary in excess of two hundred fifty dollars ($250) per month shall devote their entire time and attention to the duties of their offices, and no such probation officer while holding such office and receiving salary therefor, shall be a candidate for or seek the nomination for any other public office or employment; provided, however, that in counties having a population in excess of 2,000,000, such probation officer, if so directed by the probation committee, may administer, subject to the supervision and direction of the probation committee, without extra compensation therefor, the management and control of the internal affairs of the detention home; and provided, further, that any probation officer may accept appointment as member of the Board of Corrections and serve in that capacity in addition to his duties as probation officer and may receive the per diem allowance authorized in Section 6025.1 of the Penal Code. In all counties except counties having a population in excess of 2,000,000 such probation officer without extra compensation therefor, shall have the management and control of the internal affairs of the detention home.

SEC. 4. Section 635 of the Welfare and Institutions Code is amended to read:

Same: Removal

635. Probation officers may at any time be removed by the judge of the juvenile court for good cause shown; and the judge of the juvenile court may in his discretion at any time remove any such probation officer with the written approval of a majority of the probation committee

SEC. 5. Section 637 of the Welfare and Institutions Code is amended to read:

Same Deputies, etc

637. The probation officer may appoint as many deputies or assistant probation officers as he desires; but such deputies or assistant probation officers shall not have authority to act until their appointments have been approved by a majority vote of the members of the probation committee, and by the judge of the juvenile court. The term of office of each such deputy or assistant probation officer shall expire with the term of the probation officer who appointed him, but the probation officer, with the written approval of the majority of the members of the probation committee and of the judge of the juvenile court, may, in his discretion, revoke and terminate any such appointment at any time.

CHAPTER 432

An act to amend Section 29747 of the Government Code, relating to records of the county auditor.

In effect September 22, 1951

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 29747 of the Government Code is amended to read:

29747. The auditor shall prepare duplicate lists of all claims he allows, showing as to each claim: date allowed, fund, warrant number, name of claimant, and amount allowed. He shall certify that the lists are correct, file one copy in the office of the board and preserve the other or a photographic copy thereof in his own office. As to such claims the lists constitute, respectively, the allowance book and the warrant book. Auditor's claims lists

CHAPTER 433

An act to amend Section 4790 of the Health and Safety Code, relating to signatures on county sanitation district bonds and interest coupons.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4790 of the Health and Safety Code is amended to read:

4790. The bonds shall be signed by the chairman of the district board, and countersigned by the auditor of the district, and the seal of the district board shall be affixed. The interest coupons of the bonds shall be numbered consecutively and signed by the auditor of the district. All such signatures and countersignatures may be printed, lithographed, engraved, or otherwise mechanically reproduced, except that one of said signatures or countersignatures to said bonds shall be manually affixed. Signature on bonds, etc

CHAPTER 434

An act to amend Section 18104.5 of the Government Code, relating to sick leaves or vacations of state officers and employees.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18104.5 of the Government Code is amended to read:

18104.5. When an employee uses sick leave or vacation or both, because of an injury compensable under the Labor Code and the State is reimbursed by a third person for its damages by reason of such use, there shall be granted, for credit to the employee's sick leave or vacation account, sick leave or vacation equivalent to the amount so used or proportionately if reimbursement is only in part. If the State does not collect from the third person the full amount of the compensation paid and other damages for which it is liable to the employee and if the amount collected is not itemized so that there may be ascertained the amount collected in reimbursement for the sick leave Sick leave, etc., due to injury

or vacation used, the sick leave or vacation to be credited shall be in the same ratio to the sick leave or vacation used as the total amount collected bears to the total amount of the State's damages. "Sick leave" or "vacation" as used in this rule includes sick leave or vacation credit used to augment disability indemnity.

CHAPTER 435

An act to amend Section 439 of the Vehicle Code, relating to reporting of vehicles known or suspected to have been abandoned or unlawfully stored.

In effect September 22, 1951

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 439 of the Vehicle Code is amended to read:

Report on abandoned, etc., vehicles

439. Report of Vehicles Known or Suspected to Have Been Abandoned or Unlawfully Stored. Whenever any vehicle of a type subject to registration hereunder has been stored in a garage or parked in a trailer park or public parking area maintained by a bridge and highway district for 30 days and the ownership of said vehicle is unknown to the keeper thereof said keeper shall thereupon report the presence of such vehicle to the sheriff's office of the county or the police department of the city wherein such garage or trailer park is located. At the same time, whether the name of the registered owner is known or not, said keeper shall report such fact to the Department of California Highway Patrol by receipted mail and the Department of California Highway Patrol shall at once notify the legal owner as of record.

CHAPTER 436

An act to amend Section 1031 of the Insurance Code, relating to mutual debts or credits in liquidating proceedings.

In effect September 22, 1951

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1031 of the Insurance Code is amended to read:

Set-off of mutual debts, etc., in liquidation proceedings

1031. In all cases of mutual debts or mutual credits between the person in liquidation under Section 1016 and any other person, such credits and debts shall be set off and the balance only shall be allowed or paid, but no set-off shall be allowed in favor of such other person where any of the following facts exist:

(a) The obligation of the person in liquidation to such other person does not entitle such other person claiming such set-off to share as a claimant in the assets of such person in liquidation.

(b) The obligation of the person in liquidation to such other person was purchased by, or transferred to, such other person.

(c) The obligation of such other person to the person in liquidation is to pay an assessment levied against such other person or to pay a balance upon a subscription for shares of the capital stock of the person in liquidation.

CHAPTER 437

An act to amend Sections 53630, 53651, 53657, 53661, 53662, 53670, 53672, 53673, 53674, 53675, 53676, 53677 and 53678 and to repeal Sections 53652, 53653, 53654, 53655, 53656, 53658, 53663, 53664, 53667 and 53668 of, and to add Section 53655 to, the Government Code, relating to the deposit of public moneys with banks.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 53630 of the Government Code is amended to read:

53630. As used in this article:

(a) "Local agency" means county, city, municipality, or other public or municipal corporation. "Local agency"

(b) "Depositary" means bank in which the funds of a local agency are deposited. "Depositary"

(c) "Security" means only any one or all of the securities or obligations listed hereinafter in Section 53651 of this Article 2. "Security"

SEC. 2. Section 53651 of the Government Code is amended to read:

53651. To secure active or inactive deposits, the depositary shall deposit with the treasurer: Deposit of security

(a) United States Treasury notes, bonds, bills or certificates of indebtedness.

(b) Bonds for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this State or of any county, city, metropolitan water district, municipal utility district, municipal water district, bridge and highway district, flood control district, school district, water district, water conservation district, or irrigation district within this State, including bonds payable solely out of the revenues from a revenue producing property owned, controlled or operated by such State, county, city or district, or by a department, board, agency or authority thereof.

(d) Registered warrants of this State.

SEC. 3. Sections 53652, 53653, 53654, 53655 and 53656 of the Government Code are repealed.

SEC. 4. Section 53655 of the Government Code is added, to read:

Approval

53655. The securities deposited to secure active and inactive deposits shall be approved by the treasurer of the local agency. The eligibility of the securities shall be approved by the attorney of the local agency.

SEC. 5. Section 53657 of the Government Code is amended to read:

Minimum value

53657. The market value of the securities securing active or inactive deposits shall be at least 10 percent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities.

SEC. 6 Section 53658 of the Government Code is repealed.

SEC. 7. Section 53661 of the Government Code is amended to read:

Withdrawal, etc., of security

53661. All or part of the security may be withdrawn or released on the written consent of the treasurer, but a sufficient amount of securities shall always be kept in the treasury to secure the deposits.

SEC. 8 Section 53662 of the Government Code is amended to read:

Failure to pay

53662. If a depositary fails to pay all or part of the deposits on the treasurer's demand he shall immediately recover upon or convert the securities into money and disburse it according to law.

SEC. 9. Sections 53663, 53664, 53667 and 53668 are repealed.

SEC. 10. Section 53670 of the Government Code is amended to read:

Responsibility

53670. The treasurer is chargeable with the safekeeping, management, and disbursement of the securities deposited with him as security, interest thereon, and the proceeds of any sale pursuant to this article.

SEC. 11. Section 53672 of the Government Code is amended to read:

Deposit of securities

53672. With the consent of the depositary depositing securities with him as security, a treasurer may authorize a trust company or trust department of any other state or national bank authorized to conduct the business of a trust company in this State or the Federal Reserve Bank of San Francisco or any branch thereof within this State to act as agent to receive for him from the depositary the deposit of securities approved as security pursuant to this article.

SEC. 12 Section 53673 of the Government Code is amended to read:

Same

53673. With the consent of the bank owning the securities, a treasurer may place for safekeeping as a trust deposit with any trust company or trust department of any other state or national bank authorized to conduct the business of a trust company in this State or with the Federal Reserve Bank of San

Francisco or any branch thereof within this State any securities received by him as security.

SEC. 13. Section 53674 of the Government Code is amended to read:

53674. A bank or trust company to which securities are delivered, either as agent or depositary for a treasurer, shall dispose of the securities as the treasurer directs. The bank or trust company is responsible only for a strict compliance with the written instructions given it by the treasurer. At all times the securities are subject to the order of the treasurer. Disposition of securities

SEC. 14. Section 53675 of the Government Code is amended to read:

53675. A treasurer shall take from such bank or trust company a receipt for securities delivered to it. Receipt

SEC. 15. Section 53676 of the Government Code is amended to read:

53676. The treasurer is not responsible for securities delivered to and receipted for by any bank or trust company. Responsibility

SEC. 16. Section 53677 of the Government Code is amended to read:

53677. The local agency is not responsible for the custody and safe return of such securities, until they are withdrawn from the bank or trust company by the treasurer. Same

SEC. 17. Section 53678 of the Government Code is amended to read:

53678. The charges for the handling and safekeeping of any such securities are not a charge against the treasurer but shall be paid by the bank owning the securities. Charges

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CHAPTER 438

An act to amend Sections 1242, 1243 and 1265 of the Civil Code and Sections 660 and 663 of the Probate Code, relating to homesteads.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1242 of the Civil Code is amended to read:

1242. The homestead of a married person cannot be conveyed or encumbered unless the instrument by which it is conveyed or encumbered is executed and acknowledged by both husband and wife or unless each spouse executes and acknowledges a separate instrument so conveying or encumbering the homestead in favor of the same party or his successor in interest; provided, however, that a conveyance of the homestead between husband and wife need be executed and acknowledged only by the spouse conveying, and upon filing for record such a conveyance, unless the one conveying expressly reserves his homestead Homestead Conveyance etc

rights, the spouse to whom the conveyance is made may convey or encumber the homestead property in the same manner and to the same extent as though no homestead had been declared.

SEC. 2. Section 1243 of the Civil Code is amended to read:

Same Abandonment

1243. A homestead can be abandoned only by a declaration of abandonment, or a grant thereof as provided by Section 1242, executed and acknowledged:

1. By the husband and wife, jointly or by separate instruments, if the claimant is married;

2. By the claimant, if unmarried.

SEC. 3. Section 1265 of the Civil Code is amended to read:

Same Right of surviving spouse, etc

1265. From and after the time the declaration is filed for record, the premises therein described constitute a homestead. If the selection was made by a married person from the community property, or from the separate property of the spouse making the selection or joining therein and if the surviving spouse has not conveyed the homestead to the other spouse by a recorded conveyance which failed to expressly reserve his homestead rights as provided by Section 1242 of the Civil Code, the land so selected, on the death of either of the spouses, vests in the survivor, subject to no other liability than such as exists or has been created under the provisions of this title; in other cases, upon the death of the person whose property was selected as a homestead, it shall go to the heirs or devisees, subject to the power of the superior court to assign the same for a limited period to the family of the decedent; but in no case shall it, or the products, rents, issues or profits thereof be held liable for the debts of the owner, except as provided in this title; and should the homestead be sold by the owner, the proceeds arising from such sale to the extent of the value allowed for a homestead exemption as provided in this title shall be exempt to the owner of the homestead for a period of six months next following such sale.

SEC. 4. Section 660 of the Probate Code is amended to read:

Same Right to possession

660. The decedent's surviving spouse and minor children are entitled to remain in possession of the homestead, the wearing apparel of the family, the household furniture and other property of the decedent exempt from execution, until the inventory is filed. Thereupon, or at any subsequent time during the administration, the court, on petition therefor, may in its discretion set apart to the surviving spouse, or, in case of his or her death, to the minor child or children of the decedent, all or any part of the property of the decedent exempt from execution, and must set apart the homestead selected by the spouses, or either of them, and recorded while both were living, in the manner provided in this article

SEC. 5. Section 663 of the Probate Code is amended to read:

Same Rights of surviving spouse

663. If the homestead selected by the husband and wife, or either of them, during their coverture, and recorded while both were living, was selected from the community property, or from

the separate property of the person selecting or joining in the selection of the same, and if the surviving spouse has not conveyed the homestead to the other spouse by a recorded conveyance which failed to expressly reserve his homestead rights as provided by Section 1242 of the Civil Code, the homestead vests, on the death of either spouse, absolutely in the survivor.

If the homestead was selected from the separate property of the decedent without his consent, or if the surviving spouse has conveyed the homestead to the other spouse by a conveyance which failed to expressly reserve homestead rights as provided by Section 1242 of the Civil Code, the homestead vests, on death, in his heirs or devisees, subject to the power of the court to set it apart for a limited period to the family of the decedent as hereinabove provided. In either case the homestead is not subject to the payment of any debt or liability existing against the spouses or either of them, at the time of the death of either, except as provided in the Civil Code.

CHAPTER 439

An act to add Chapter 9, comprising Sections 5700 to 5830.08, inclusive, to Part 3, Division 5 of the Health and Safety Code and to repeal the Joint Municipal Sewage Disposal District Act (Chapter 322 of the Statutes of 1941), relating to the organization, government, and powers of joint municipal sewerage disposal districts.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Chapter 9, comprising Sections 5700 to 5830.08, inclusive, is added to Part 3, Division 5 of the Health and Safety Code, to read:

CHAPTER 9. JOINT MUNICIPAL SEWAGE DISPOSAL DISTRICT ACT

Article 1. General Provisions

5700. This chapter may be cited as the Joint Municipal Sewage Disposal District Act. Short title

5700.01. Unless the provision or context otherwise requires, definitions contained in this article govern the construction of this chapter. Construction

5700.02. "District" means joint municipal sewage disposal district, organized, or proposed to be organized, pursuant to this chapter. "District"

5700.03. "County" includes city and county. "County"

5700.04. "District board" means the board of directors of a district. "District board"

"Clerk" 5700.05. "Clerk" means the clerk or secretary of the legislative body of any city.

"Legislative body" 5700.06. "Legislative body" includes a city council, board, commission, or other governing body having charge of the government and affairs of a city.

"Member" 5700.07. "Member" means a member of the district board appointed pursuant to this chapter.

"Industrial wastes" 5700.08. "Industrial wastes" are the liquid wastes from usual industrial processes.

"Mayor" 5700.09. "Mayor" means the mayor, president, chairman, or other presiding officer of the legislative body of a city.

"Construction" 5700.10. "Construction" includes acquisition, reconstruction, and enlargement.

"City" 5700.11. "City" includes, in addition to any city organized under a freeholders' charter or under general law:

(a) Any county sanitation district, sanitary district, sewer maintenance district, sewer district.

(b) Any governmental agency governed by a legislative body other than a city council or a board of supervisors which maintains or operates sewers or other facilities for the collection and disposal of sewage.

"Intercepting sewer" 5700.12. "Intercepting sewer" means only the sewer and appurtenances that as of September 13, 1941, were not, or will not be, required by any municipality or county within the district, if it continues to dispose of sewage and industrial wastes by discharging them without treatment into any of the natural waters of the State.

"Sewage system" 5700.13. "Sewage system" means all, or any of the following:

(a) Sewage treatment plants.

(b) Sewage treatment works.

(c) Intercepting sewers.

(d) Outfall sewers.

(e) Force mains.

(f) Pumping plants or stations.

(g) Appurtenances, useful or convenient for the interception, treatment, purification, or disposal of sewage and industrial wastes.

(h) All necessary lands and rights of way.

"Affected county" "Affected city" 5700.14. "Affected county" means any county which lies wholly or partially within a district, and "affected city" means any city which lies wholly or partially within a district.

"Initiating body" 5700.15. "Initiating body" means the legislative body of the city or county initiating a proceeding to create a district.

"Initiating resolution" 5700.16. "Initiating resolution" or "initiating ordinance" means the resolution or ordinance passed by the initiating body proposing creation of the district.

"Adopting body" 5700.17. "Adopting body" means the legislative body of any city or county, other than the initiating body, named in the initiating ordinance.

5700.18. "Adopting ordinance" means the ordinance passed by the adopting body which approves or rejects the initiating ordinance. "Adopting ordinance"

5700.19. "District election" means an election for the submission of a proposition to the qualified voters in the district, pursuant to this chapter. "District election"

5700.20. Unless otherwise specified, publication required by this chapter shall be made in a newspaper of general circulation printed, published, or circulated in the district, or if no such newspaper exists, in a newspaper of general circulation printed, published, or circulated in an affected county. If there are no such newspapers in the district or an affected county, publication shall be made by posting in three public places in the district for not less than 10 succeeding days. Publication

5700.21. Sections 4200 to 4208, inclusive, Government Code, and 1184(e) Code of Civil Procedure, are applicable to the construction of sewage systems pursuant to this chapter. Applicability of other statutes

5700.22. If any proceedings for the issuance of any type of revenue bonds are legally contested, the court, in inquiring into the regularity, illegality, or correctness of the proceedings, or the validity of issuance of the revenue bonds, shall disregard any error which does not affect the substantial rights of the parties to the contest. In the absence of any such error, revenue bonds issued under any proceeding attempted to be taken pursuant to this chapter shall be conclusive evidence of their validity and of all proceedings for their issuance. Contests

Article 2. Organization of the District

5710. A district may be organized for the purpose of constructing a sewage disposal system. Purpose

5710.01. A district may be composed of: Composition

(a) Two or more cities.

(b) Any portion of two or more cities.

(c) One or more cities and unincorporated territory.

(d) Any portion of one or more cities and unincorporated territory.

5710.02. The district shall not be organized to include territory in more than one county, but the territory of any affected city or county need not be contiguous. Restrictions

5710.03. A district organized shall be governed, maintained, and operated pursuant to this chapter, and has the powers granted by this chapter and the powers necessary and proper to carry out the purposes of the sewage district. District powers, etc

5710.04. The legislative body of any city or of any county may initiate proceedings proposing the creation of a district by the adoption of an ordinance reciting: Ordinance proposing creation

(a) That public interest or necessity requires the creation of a district for the treatment, purification, or disposal of sewage and industrial wastes originating within the district.

(b) The name of the county and cities, all or part of which will be within the district.

(c) A description of the exterior boundaries of the district.

(d) A general description of the sewage system to be constructed.

(e) The name of the district.

(f) The time and place a public hearing will be held to hear objections to the adoption of the ordinance.

Transmittal of copies

5710.05. Immediately upon the final adoption of the initiating ordinance the clerk of the initiating body shall transmit a certified copy of the ordinance to each adopting body.

Action on ordinance

5710.06. Upon receipt of the certified copy, each adopting body shall consider the advisability of organizing a district as proposed in the ordinance, and shall each adopt an ordinance either rejecting or approving the proposal.

Rejection

5710.07. Failure of an adopting body to finally adopt an ordinance within 90 days after receipt of the copy of the initiating ordinance shall be conclusively deemed a rejection of the proposal.

Transmittal of copies

5710.08. After adoption the clerk of the adopting body shall immediately transmit a certified copy of the adopting ordinance to the initiating body.

Resolution of establishment

5710.09. If the initiating body receives a certified copy of an adopting ordinance from each adopting body, approving the initiating ordinance, it shall adopt a resolution declaring the district created.

Same

5710.10. In the resolution the initiating body shall set forth:

(a) The exterior boundaries of the district exactly as they are set forth in the initiating ordinance.

(b) The name of each city and the county named in the ordinance.

(c) The name of the district.

Transmittal of copies

5710.11. The clerk of the initiating body shall immediately transmit a certified copy of the resolution creating the district to the Secretary of State who shall file it. Upon filing, the district has the powers granted in this chapter and constitutes a public corporation under the name set forth in the resolution.

Article 3. Creation of a District by Election

Alternative procedure

5720. The procedure provided in this article for the creation of a district is alternative to that provided by Article 2.

Initiating resolution

5720.01. A district may be created when the initiating body passes an initiating resolution reciting the matters required by Section 5710.04 except that subdivision (f) shall be omitted.

Filing of copy

5720.02. A certified copy of the initiating resolution shall be filed with the board of supervisors of the affected county.

Petition

5720.03. Instead of the initiating resolution, a petition may be presented to the board of supervisors of the affected county requesting it to call an election to determine whether a district shall be created. The petition shall be signed by qualified electors within the district boundaries, equal in number to at

least 10 percent of the total vote cast at the last general state election within the territory proposed to be included in the district.

Same

5720.04. The petition shall contain substantially the same matters required by Section 5720.01, and declare that in the opinion of the petitioners public interest or necessity demands the creation of a district.

Same

5720.05. The petition may be on separate papers, but each paper shall contain the affidavit of the party who circulated it certifying that each signature is the true name of the person who signed it.

Same Sufficiency

5720.06. The county clerk shall compare the signatures with the affidavit of registration and certify the sufficiency or insufficiency of the petition. If the petition is insufficient its proponents may have 60 days after the date of the clerk's certificate to file a supplemental petition. The clerk shall compare the supplemental petition and certify the sufficiency or insufficiency of the petition and supplemental petition

Notice of hearing

5720.07. Within 60 days after receipt of a certified copy of the initiating resolution, or of the certificate of the county clerk that the petition, or petition and supplemental petition, contains the required number of signatures, the board of supervisors shall fix a time and place for a hearing on the proposed creation of the district. Notice of the hearing shall be published once. The time fixed for the hearing shall be not less than 30 nor more than 60 days after the date of publication or the first date of posting

Hearing

5720 08. At or before the hearing, any person interested may make written objections to the creation of the district or to the inclusion of his property. The objections shall be filed with the clerk of the board of supervisors, and the board of supervisors shall hear and determine them at the hearing. The board of supervisors may adjourn the hearing from time to time without further notice, but an order shall be entered upon the minutes of its meeting fixing the time and place of adjournment

Approval

5720.09. If objections are not filed, or if the objections filed are overruled, the board of supervisors shall immediately approve the creation of the district by resolution. It may approve the creation either as originally described, or, with or without the filing of any objection and on its own motion, may revise by reducing or enlarging the boundaries of the district

Notice of intention

5720 10. The board of supervisors shall not approve the creation of a district containing territory not included in the initial proceedings for the formation of such district until notice of its intention to include the additional territory has been published for the time and in the manner provided in Section 5720 07, and a hearing is had pursuant to the notice.

Election notice

5720.11. After the board of supervisors has approved the creation of the district, it shall call and give notice of an election to be held within the district for the purpose of determining whether the district shall be created. The notice shall state the

name of the district and describe its boundaries. The notice shall be published at least once.

Ballot

5720.12. In addition to the instructions required by law, the ballot for the election shall contain the following:

"Shall the_____(giving the name thereof) Joint Municipal Sewage Disposal District be created and established:

Yes:_____ No:_____"

Canvass of votes

5720.13. The board of supervisors shall meet on the Monday following the election and canvass the votes cast. It shall canvass separately the returns of each city and each parcel of unincorporated territory If a majority of those voting on the proposition of creating the district in each city or parcel of unincorporated territory is in favor of the creation of the district, the board of supervisors shall by resolution declare the district created.

Filing resolution

5720 14. The clerk of the board of supervisors shall immediately transmit a certified copy of the resolution creating the district to the Secretary of State who shall file it. Upon filing, the district has the powers granted in this chapter and constitutes a public corporation under the name set forth in the resolution.

Election costs

5720.15. The board of supervisors calling the election shall make all provisions for, and pay the costs of, the election. If a special election is held exclusively on the proposition of organizing the district, the cost of the election shall be reimbursed to the county which called it by means of a special tax on all of the taxable property within the district. This tax shall be added to the next county tax bill by the proper county officials.

Article 4. Board of Directors

District board member

5730. Upon the creation of the district the legislative body of the affected city, and the board of supervisors, if unincorporated territory is included, shall appoint a member of the district board

Additional members

5730.01. If the district board so appointed consists of an even number, an additional member shall be chosen by members already appointed, and if they fail to make the appointment within 30 days after the date set for the first meeting of the board of directors, the secretary or any member shall notify the mayor of the city having the largest population within the district of that fact, and the mayor shall appoint the additional member within 30 days after receiving the notification.

Same

5730.02. The additional member shall be a qualified elector residing within the district. He may be removed at any time, and his successor appointed, by a majority vote of the board.

Vacancy

5730.03. If a vacancy occurs on the district board, the body having original authority to make the appointment shall immediately appoint a successor to fill the vacancy.

First board meeting

5730 04. The mayor of the city having the largest population within the district shall fix a time and place for the first meeting of the board and shall cause each member to be given written notice at least five days prior to the meeting.

The district board shall meet at the time and place fixed for the first meeting.

Quorum

5730.05. A majority of the members constitutes a quorum, and in the absence of a quorum any lesser number may adjourn the meeting from time to time, and place to place, until the organization of the district board has been completed.

Appointment of officers

5730.06. At the first meeting of the district board at which a quorum is present, the members shall appoint a chairman and a vice chairman from among its membership. They shall appoint a secretary, who need not be a member. The secretary shall perform the duties prescribed by the board.

Rules

5730.07. The board shall adopt rules governing the selection, duties, and term of office of its officers.

Compensation

5730.08. Members shall receive no compensation for their services, but shall be allowed their actual expenses incurred in connection with the discharge of their duties.

Terms of office

5730.09. After the board has organized and selected its officers, the members shall classify themselves into two groups by lot. The larger group shall equal one-half of the total number plus one. Each member in the larger group shall hold office for a term ending at noon on the first Monday in August four years after the first Monday in August of the following odd numbered year, and until his successor is appointed and qualified. Each member in the smaller group shall hold office for a term ending at noon on the first Monday in August two years after the first Monday in August of the following odd numbered year, and until his successor is appointed and qualified.

Successors

5730.10. Immediately upon the expiration of the term of any member, the body appointing him shall appoint a successor to serve for a term of four years after the expiration of the term of his predecessor, and until his successor is appointed and qualified.

Powers of board

5730.11. The district board constitutes the legislative and governing body of a district, and shall determine all questions of policy. The board shall supervise and regulate all sewage systems owned and operated by the district.

Place of meetings

5730.12. By ordinance the district board shall fix a place within the district for the transaction of business. The place of meeting may be changed to any place that will in the opinion of the board best serve its interest or convenience and that of the public.

Conduct of meetings

5730.13. A majority of the members constitutes a quorum for the transaction of business. A majority vote of all of the members is necessary to take any action.

Same

5730.14. The district board may make necessary rules relative to the orderly transaction of its business and the business of the district.

Agreements

5730.15. The board may enter into agreements with any affected city for the performance by the city officers and employees of their respective duties for the district without additional compensation.

District employees

5730.16. The board may:

(a) Provide for the employment of such labor, clerical, legal, and engineering services as it requires.

(b) Fix the compensation to be paid to any officer or employee.

(c) Require a bond of any officer or employee in any amount the board desires.

(d) Contract for the employment of any services required by the district, the board, or any district officer.

Rates, etc., for services

5730.17. By ordinance the district board may establish a schedule of rates and charges for sewage disposal service. The rates and charges may be graduated in amount according to the approximate quantities and characteristics of the contributed sewage and industrial wastes.

Same Collection, etc

5730.18. By ordinance the board may adopt any one or all of the remedies set forth in Sections 5810 to 5810.11, inclusive, for the collection of rates and charges and foreclosure of any lien.

Same

5730.19. The district treasurer shall collect the rates and charges.

Acts of board

5730.20. The acts of the district board shall be expressed by motion, resolution, or ordinance. No motion, resolution, or ordinance shall have any validity or effect unless adopted by a majority vote of all of the members.

Publication of ordinances

5730.21. An ordinance shall not be finally adopted by the board until it has been published once.

Ordinances Form

5730.22. The enacting clause of all ordinances shall be:

"Be it enacted by the board of directors of the_____ Joint Municipal Sewage Disposal District."

All ordinances shall be signed by the chairman or vice chairman of the board and attested by the secretary.

Investigation, etc., of needs

5730.23. Upon completion of the organization of the district board, it shall make a thorough investigation and written report of the needs of the district for the construction of a sewage system.

Loans, etc., from affected counties, etc

5730.24. Until the district receives revenue from the operation of a sewage system constructed by it, any affected county or city may lend or donate money, materials, supplies, and services of its officers or employees to assist the district in making the investigation and report. The district shall make reimbursement for all loans made to it.

Purchases by bids

5730.25. Purchases of supplies and materials exceeding one thousand dollars ($1,000) shall be made by contract and be let to the lowest responsible bidder, after at least one notice by publication. Publication shall be made at least five days before bids are received.

Rejection of bids

5730.26. The board may reject any and all bids and readvertise in their discretion.

Open market purchases

5730.27. After rejecting bids the district board may declare by a resolution adopted by a four-fifths vote of all its members, that in its opinion the materials and supplies may be

purchased at a lower price in the open market. After the adoption of the resolution, the board may proceed to purchase the supplies and materials in the open market.

Public calamity

5730.28. In case of great public calamity, such as an extraordinary fire, flood, storm, epidemic, or other disaster, by a resolution passed by a four-fifths vote of all its members, the district board may declare that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property. After declaring the public calamity the district may expend money or enter into contracts involving the expenditure of any sum needed in the emergency.

Operating basis

5730.29. The district board shall determine whether a sewage system shall operate upon a calendar, operating, or fiscal year basis, and the beginning and ending dates.

Ordinance as to operation of system

5730.30. After the construction of a sewage system, the district board shall adopt an ordinance which shall set forth:

(a) A description of the area of the district which will be served by the sewage system.

(b) A schedule of the proposed rates and charges.

(c) The date the district proposes to commence the treatment, purification, and disposal of sewage and industrial wastes originating in the area.

(d) The time and place of a public hearing at which objections to the adoption of the ordinance may be heard.

Same Objections

5730.31. All objections to the adoption of the ordinance shall be presented to the district board in writing at least five days prior to the hearing, and the written objections shall be definite and specific. The board may continue the hearing from time to time, and alter or add to the schedule of rates and charges.

Alteration etc. of rates, etc

5730.32. If any alteration or addition is made in the schedule of rates and charges, the ordinance shall be republished before final adoption.

Certified copy of ordinance

5730.33. Upon final adoption the secretary of the district board shall cause a certified copy of the ordinance to be transmitted to the legislative body of each county and city which is wholly or partially within the area described in the ordinance.

Exclusive sewage disposal

5730.34. After transmittal of the ordinance, sewage and industrial wastes originating in the area described in the ordinance shall not be treated, purified, or disposed of by any person, city, or county, except by and through district facilities.

Interest in contracts

5730.35. A member or district officer shall not be directly or indirectly interested in any contract awarded by the district, or in the profits to be derived from the contract. An officer or member who violates this section is guilty of a misdemeanor, and shall forfeit his office. This section does not apply to contracts awarded to corporations in which a member or district officer owns less than 1 percent of the entire capital stock.

Dissolution

5730.36. By resolution the district board may dissolve any district if all the following conditions exist:

(a) A proposition for incurring a bonded indebtedness fails to carry.

(b) The district is subject to no other indebtedness or liability pursuant to this chapter.

(c) The district has been organized for not less than two (2) years.

Administration

5730.37. The district board shall provide for all matters and things necessary for the proper administration of the affairs of the district which are not provided for in this chapter.

Article 5. Powers of the District

Districts' powers

5740. Districts have the following powers:

(a) To have perpetual succession.

(b) To sue and be sued, except as otherwise provided by this chapter or other law, in all actions and proceedings, in all courts of competent jurisdiction.

(c) To adopt a seal and alter it at pleasure.

5740.01. The district may:

(a) Take by grant, purchase, gift, devise, or lease.

(b) Condemn in proceedings under eminent domain.

(c) Otherwise acquire and use real and personal property of every kind within or without the district necessary to the full or convenient exercise of its powers.

Disposition, etc., of property

5740.02. The district board may lease, mortgage, sell, or otherwise dispose of any real or personal property of the district, within or without the district, when in its judgment it is for the best interests of the district

Sewage disposal systems

5740.03. The district may acquire, construct, own, operate, control, or use, within or without, or partly within and partly without the district, sewage systems for supplying the inhabitants of the district with means for the interception, treatment, purification, or disposal of sewage and industrial wastes.

District powers

5740.04. The district may do all things necessary or convenient to the full exercise of the powers granted by this chapter.

Agreements for sewage disposal

5740.05. If any part or all of a district's sewage system is not used to its fullest capacity for the benefit of the district or its inhabitants, the district may enter into an agreement with counties, cities, or any governmental agencies, upon terms and conditions satisfactory to the board, for the disposal of sewage originating outside of the district.

Eminent domain

5740.06. The district may exercise the right of eminent domain in the name of the district in the manner provided by law for the condemnation of private property for public use It may take any property necessary or convenient to the exercise of the powers granted by this chapter, whether or not the property is already devoted to the same use. In the exercise of the right of eminent domain it has all the rights, powers, and privileges of a city, and all rights, powers, and privileges conferred by this chapter.

Rights over public property

5740.07. The district may construct its sewage system in any street, public highway, or state property with the same

rights and privileges granted to cities. The district may also construct its sewage system across any stream of water.

Same: Restoration

5740.08. The district shall restore any public property to its former condition as near as possible, and shall not unnecessarily impair its usefulness.

Incurring debts

5740.09. The district may:

(a) Borrow money and incur indebtedness.

(b) Issue bonds or other evidences of indebtedness.

(c) Refund or retire any indebtedness that exists against or is assumed by the district.

Taxes

5740.10. The district may levy and collect, or cause to be levied and collected, taxes to carry on the operations and pay the obligations of the district, other than principal and interest on revenue bonds.

Contracts

5740.11. The district may:

(a) Make contracts either in connection with eminent domain proceedings or otherwise, including, but not limited to, contracts to indemnify and save harmless.

(b) Employ labor.

Investment of surplus money

5740.12. The district may invest any surplus money in the district treasury, including money in any sinking fund established for the purpose of providing for the payment of the principal or interest of any bonded or other indebtedness or for any other purpose, not required for the immediate necessities of the district.

Same

5740.13. The district may invest in its own bonds, or in the treasury notes or bonds of the United States, or of the State, or bonds of any city, school district, county water district, county, or municipal utility district.

Same Form of purchase

5740.14 The investment may be made by direct purchase of all or part of any issue of bonds or treasury notes at the original sale or by subsequent purchase. Bonds or treasury notes purchased by the district may be sold and the proceeds reinvested in bonds or treasury notes

Sale of bonds, etc

5740.15. The district shall sell the bonds and treasury notes as required to accomplish the purposes of the fund from which those bonds and notes were purchased.

Contracts with cities etc.

5740.16 The district may contract, upon mutually agreed terms with any city, public or municipal corporation, or county to perform for the district any of the powers, duties, or functions granted to or imposed upon the district by this chapter. The city, public or municipal corporation, or county may enter into and perform the contract.

Federal loans, etc

5740.17. The district may:

(a) Accept, without limitation by any other provisions of this chapter requiring approval of indebtedness, contributions or loans from the United States, or any of its departments, instrumentalities, or agencies, for the purpose of financing the construction, maintenance, and operation of any enterprise in which the district is authorized to engage.

Cooperation, etc., with United States

(b) Enter into contracts and cooperate with, and accept cooperation from, the United States, or any of its departments,

instrumentalities, or agencies, in the financing, construction, maintenance, and operation of any enterprise in which the district is authorized to engage in accordance with legislation adopted by Congress.

(c) Do all things necessary to avail itself of aid, assistance, and cooperation under any federal legislation.

5740.18. The district may:

Contributions, etc

(a) Accept, without limitation by any other provisions of this chapter requiring approval of indebtedness, contributions of money, rights of way, labor, materials, and any other property for the construction, maintenance, and operation of any enterprise in which the district is authorized to engage.

Cooperation, etc

(b) Enter into contracts and cooperate with, and accept cooperation from, the State, or any of its departments, instrumentalities, or agencies, or any state public agency, in the financing, construction, maintenance, and operation of any enterprise in which the district is authorized to engage.

Accounting

5740.19. Annually the district shall employ an expert who is a certified public accountant who shall with due diligence examine and report upon:

(a) The system of accounts kept by the district.

(b) All the contracts entered into by the district within the year immediately preceding.

(c) The properties and investments of the district.

Same Report

5740.20. In his report the expert shall include recommendations which in his judgment are necessary and proper for:

(a) The good of the district and each sewage system, and for their efficient and economical or advantageous management and operation.

(b) The system of accounts kept.

(c) The manner in which accounts shall be kept.

(d) The form of accounts, records, and memoranda of receipts and expenditures of money, and depreciation and sinking fund accounts.

Article 6. Annexation

Annexation to district

5750. By the adoption of a resolution requesting the district board to annex the territory described in the resolution a board of supervisors may propose the annexation of unincorporated territory, and the legislative body of any city may propose the annexation of all or part of the territory comprising the city. The territory proposed to be annexed need not be contiguous to the district and need not be within the county within which the district was originally organized.

Terms of annexation

5750.01. If, after receipt of a certified copy of a resolution proposing annexation, the district determines that annexation of the territory would facilitate the construction or operation of a sewage system, or otherwise be advantageous to the district, it shall determine by resolution the terms and conditions upon which such annexation may be made.

Same

5750.02. Provisions within the terms and conditions may include, but are not limited to:

(a) Payment of taxes within the territory to be annexed in addition to the other taxes provided for in this chapter.

(b) Fixing rates and charges differing from those fixed or existing elsewhere within the district.

(c) Incurring or assuming indebtedness, or making payments, or transferring property, real and personal, and other assets to the district by the territory proposed to be annexed.

Same Copy of resolution

5750.03. The secretary of the district board shall immediately transmit to the board of supervisors or legislative body proposing the annexation a certified copy of the resolution fixing the terms and conditions upon which annexation may be made

Annexation hearing

5750 04. If the legislative body proposing the annexation consents to the terms and conditions, the district board shall fix the time and place for a hearing on the question of the annexation and provide for the giving of notice of the hearing.

Publication of notice

5750.05. Notice fixing the time and place for hearing on the question of the annexation shall be published once in a newspaper of general circulation printed and published in the district. If there is no such newspaper, notice of the hearing shall be given by posting in three (3) public places within the district, at least one of which shall be within the territory proposed to be annexed.

Time for hearing

5750.06. The time for the hearing shall be not less than 30 nor more than 60 days after the publication or first posting of the notice.

Objections

5750 07. At or before the hearing any person interested may make written objections to the annexation or inclusion of his property. The objections shall be filed with the secretary or clerk of the district, and the board shall hear and determine them at the hearing. The district board may adjourn the hearing from time to time without further notice, but an order shall be entered upon the minutes of its meeting fixing the time and place of adjournment.

Declaration of annexation

5750.08. If no protests are filed, or the protests filed are overruled by the board, by resolution the board shall immediately declare all or part of the territory annexed to the district. Upon the filing of the resolution with the secretary or clerk of the district the annexation is completed.

Consent

5750.09. All or part of a city shall not be annexed to the district unless its legislative body consents by resolution.

Incidental powers

5750.10. After the date of annexation, the district board may do all acts necessary or convenient to the fulfillment of the terms and conditions of the annexation, and the exercise of the powers vested in the district and the board by this chapter.

Retention of corporate existence

5750.11. An annexation pursuant to this article shall not dissolve or terminate the legal existence of any city or county. The city or county annexed shall retain its corporate existence unless otherwise dissolved.

Contest of procedure

5750.12. The validity of any procedure for the annexation of territory to a district shall not be contested in any action or proceeding unless it is brought within three months after the date of the completion of the proceeding.

Article 7. Elections

Conduct of elections

5760. Unless otherwise provided by this chapter, all elections held pursuant to it shall be conducted, and may be consolidated, and the results declared as near as possible in accordance with the general election laws.

Qualified elector

5760.01. A person is not entitled to vote at a district election unless he is a qualified elector within the district.

Consolidation of elections

5760.02. In the ordinance calling the election, the district board may indicate its intent to have the district election consolidated with another election. The board of supervisors in the affected county shall consolidate the elections, and certify the results to the district board.

Determination of results

5760.03. Upon certification, the district board shall determine the results of the election and declare the proposition or propositions approved or rejected.

Informality in procedure

5760.04. Informality in any proceeding or in the conduct of any election, not substantially affecting adversely the legal rights of any citizen, shall not invalidate the organization of a district, or any annexation to it, or any proposition for the issuance of bonds.

Article 8. General Obligation Bonds

Bonded debt

5770. Any district organized pursuant to this chapter may incur a bonded indebtedness pursuant to this article, to pay the cost of constructing all or any part of a sewage system.

Resolution of necessity

5770.01. By a resolution passed by a vote of two-thirds of all its members, the district board may determine that the public interest or necessity demands that the district construct a sewage system, the cost of which will be too great to be paid out of the ordinary annual income and revenue of the district.

District election

5770.02. At any subsequent meeting the district board may provide for a district election on the proposition of incurring a bonded debt for the purpose set forth in the resolution. Propositions for incurring indebtedness for more than one object may be submitted at the same election.

Election ordinance

5770.03. The ordinance calling the election shall recite:

(a) The objects for which the indebtedness is to be incurred.

(b) The estimated cost of the sewage system to be constructed.

(c) The amount of the principal of the indebtedness to be incurred, and the rate of interest to be paid on the indebtedness.

(d) The date on which the election will be held.

Interest rate

5770.04. If the rate of interest to be paid on the indebtedness does not exceed 4½ percent a year, payable semiannually,

the ordinance need not recite it. In its discretion the district board may recite in the ordinance a maximum rate of interest to be paid on the indebtedness, not exceeding 6 percent a year, payable semiannually. When a maximum rate is recited, it shall not be exceeded in the issuance of bonds for the indebtedness.

Notice of election

5770.05. Notice of a bond election need not be given other than the adoption of the ordinance calling it.

Required vote

5770.06. The votes of two-thirds of all those voting at the election are required to authorize the issuance of bonds pursuant to this article.

Failure of proposition

5770.07. If a proposition for incurring indebtedness fails to receive the requisite number of votes, the district board shall not submit a substantially similar proposition for election within six months, except upon a petition of 15 percent of the electors of the district filed with the district board. For the purpose of this section the number of electors shall be computed upon the number of votes cast for Governor at the last gubernatorial election.

Maturity of bonds

5770.08. The bonds authorized by election shall mature serially in amounts to be fixed by the board. Payment of the bonds shall begin not later than five years after their date, and be completed in not more than 40 years after that date.

Denomination of bonds

5770.09. The bonds shall be issued in such denominations as the district board determines, except that bonds shall not be of a less denomination than one hundred dollars ($100), nor of a greater denomination than one thousand dollars ($1,000).

Place, etc. of payment

5770.10. The bonds shall be payable at the time and place fixed on their face, with interest payable semiannually at the rate specified.

Execution of bonds

5770.11. The bonds shall be signed by the chairman of the district board, or by an officer the board has designated for that purpose by resolution adopted by a two-thirds vote of all its members, and by the treasurer, and countersigned by the secretary. The attached coupons shall be numbered consecutively and be signed by the treasurer by his lithographed or engraved signature. All signatures and countersignatures on the bonds, except that of the treasurer, may be printed, lithographed, or engraved. If any officer who signs the bonds or coupons vacates his office before delivery of the bonds to the purchaser, his signature or countersignature is as valid as if he had remained in office until delivery.

Issue price

5770.12. At their discretion the district board may issue and sell the bonds for not less than their par value. The proceeds of the sale shall be placed in the district treasury to the credit of the proper fund, and shall be used exclusively for the objects for which the bonds were voted.

Debt limit

5770.13. A district shall not incur an indebtedness pursuant to this article for a sewage system which in the aggregate exceeds 15 percent of the assessed value of all the real and personal property of the district.

Same

5770.14. If any indebtedness has been incurred pursuant to this article for the construction of a sewage system, and the

revenue from that system for three years or more next preceding has been sufficient to pay the interest and principal due on any bonds issued for its construction, in addition to the cost of operation and maintenance, it shall not be included in ascertaining the limit of indebtedness.

Tax to meet bond obligations

5770.15. Annually at the time and in the manner for fixing the general tax levy, the district board shall levy and collect a tax sufficient to pay the annual interest on the bonds and that part of the principal coming due before the next general tax levy, until the bonds are paid or a sufficient sum is set apart for that purpose in the district treasury.

Same

5770.16. If the maturity of the indebtedness created by the issue of bonds begins more than one year after the date of their issuance, a tax shall be levied and collected pursuant to this article, sufficient to pay the interest as it falls due, and to constitute a sinking fund for the payment of the principal indebtedness on or before maturity.

Same

5770.17. The taxes required by this article shall be in addition to all other taxes levied for district purposes, and shall be collected pursuant to this chapter. Taxes so collected shall be used for no other purposes than the payment of the bonds and accruing interest.

Petition

5770.18. In lieu of a resolution passed by the district board pursuant to Section 5770.01, 10 percent of the electors of the district, computed by the method provided in Section 5770.08, may sign and present a petition to the district board asking for the construction of a sewage system and asking that a bonded indebtedness be incurred to pay for it.

Certification, etc

5770.19. Immediately upon receipt of the petition the secretary of the district board shall examine and verify the signatures and certify the results of the examination to the district board.

Transmittal of copy

5770.20. If the secretary finds that the required number of signatures are genuine, he shall transmit an authentic copy of the petition without signatures to the district board.

Election proposition

5770.21. Upon receipt of the petition with the secretary's certificate stating that it contains the required number of signatures, the district board shall formulate a proposition for incurring a bonded indebtedness pursuant to this article for the objects set forth in the petition for submission to the electors within the district at a special election called for that purpose.

Election

5770.22. The election and all matters concerning the bonds and their issuance shall be carried out as if the action had been initiated by resolution of the board.

Same Consolidation, etc

5770.23. In its discretion the district board may defer the calling of the election until the next general election to be held in the district. The district board may consolidate any election called for the submission of any proposition pursuant to this article with any other election at which the qualified voters of the district vote, or hold the elections separately.

Same Procedure

5770.24. If the district election is consolidated with any other election, the provisions of this article setting forth the

procedure for calling and holding a district election shall be complied with.

Same

5770.25. If the district election is consolidated with another, the ordinance calling the district election need not set forth the election precincts, polling places and officers of election, but may provide that they shall be the same as those set forth in the ordinance, notice, or other proceedings calling the other election with which the district election is consolidated, and shall refer to such ordinance, notice, or other proceeding by number and title, or by other definite description.

Bonds as legal investments

5770.26. District bonds issued pursuant to this article are legal investments for:

(a) Trust funds.

(b) The funds of all insurance companies, commercial and savings banks, and trust companies.

(c) The State School Fund.

(d) Sinking funds under the control of the State Treasurer.

Same

5770.27. District bonds issued pursuant to this article are legal investments for, or security for the loan of, funds which may be invested in, or loaned upon the security of, bonds of cities, counties, or school districts, in the State.

Legal security

5770.28. Where bonds of cities, counties, or school districts are legal security for the faithful performance or execution of any court or private trust or of any other act, district bonds issued pursuant to this article are also legal security for those acts.

Same

5770.29. To the same extent as bonds of any city, district bonds issued pursuant to this article are legal security for use by any state or national bank for the deposit of funds of the State or of any county, city, or other public or municipal corporation.

Call and redemption

5770.30. The board may provide for the call and redemption of part or all of the bonds on any interest payment date prior to their fixed maturity at a sum not exceeding their par value and accrued interest, plus a premium not exceeding 5 percent upon the principal amount.

Same

5770.31. If redemption before maturity is provided for, a statement to that effect shall be set forth in the ordinance calling the election, and the call price fixed by the district board shall be set forth on the face of the bond.

Same Notice

5770.32. Notice of redemption before maturity shall be published once a week for three successive weeks. The first publication shall be at least 30 days prior to the date fixed for redemption. After the date fixed for redemption, interest on the bonds ceases.

Refunding bonds

5770.33. If the district board determines that refunding is advantageous it may refund all or part of any bonded indebtedness incurred pursuant to this article, and issue the district's refunding bonds of the same type in their place. Refunding bonds shall bear interest at a rate not exceeding the interest rate on the refunded bonds.

Same

5770.34. The provisions relating to the issuance, denomination, time and place of payment, time when payment must be completed, maturing serially, call and redemption, notice of call and redemption, running of interest, signing and countersigning, validation where the officer signing vacates his office and discretionary sale by the district board, affecting general obligation bonds, apply to refunding bonds except that payment of refunding bonds shall begin not later than one (1) year from the date of the bonds and notice of redemption need be given only once.

Same Disposition of proceeds

5770.35. The proceeds of the sale of refunding bonds shall be placed in the district treasury to the credit of the refunding fund and shall be applied only to the purchase, or retirement at not more than par and accrued interest, or the call price, of the bonded indebtedness for which the refunding bonds are issued.

Same Exchange at par

5770.36. In lieu of selling refunding bonds and using the proceeds of the sale to purchase or retire the bonds to be refunded, the district board may exchange refunding bonds at not less than par and accrued interest for the bonds refunded.

Same Surrender and cancellation

5770.37. When outstanding bonds are refunded, they shall be surrendered to the district treasurer, who shall cancel them by:

(a) Endorsing on their face whether they were refunded by exchange or purchase, and if they were purchased the amount paid.

(b) Perforating through each bond and each attached coupon "canceled" and the date of cancellation.

Same Sinking fund

5770.38. After all outstanding bonds which are to be refunded from the refunding fund have been taken up and canceled, all money remaining in that fund shall be paid into the district sinking fund.

Same Limitation

5770.39. Issuance of refunding bonds shall not be construed as incurring or increasing an indebtedness within the meaning of this article.

Same Payment

5770.40. The district board shall provide for the levy and collection of taxes to pay the principal and interest on the refunding bonds, and to constitute a sinking fund for the payment of the principal of the bonds on or before maturity pursuant to this article.

Payment of interest

5770.41. In lieu of the immediate levy of a tax to pay all or part of the interest on any bonded debt incurred pursuant to this article, the district board may include in the estimate of the amount of money necessary to be raised by the bonds, a sum sufficient to pay interest on all or part of the bonds during the period of construction of the sewage system for which the bonds were issued until revenues are earned by the sewage system, but not to exceed five years.

Same

5770.42. After inclusion of the interest sum in the estimate the district board may use as much of the proceeds from the sale of the bonds as necessary for the payment of the interest until the receipt of revenues from the operation of the sewage

system for the construction of which the bonds were issued. The amount used for interest shall not exceed the sum included by the board in its estimate for that purpose

Publication

5770.43. When the board sells any bonds, it shall advertise for bids by publication at least twice. The first publication shall be at least two weeks prior to the date upon which bids will be opened.

Award of bonds

5770.44. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest bidder. If no bids are received or if the district board determines the bids received are not satisfactory as to price or responsibility of the bidder, it may reject all bids, and either readvertise for bids, or sell the bonds at private sale.

Article 9. Taxation

Tax levy

5780. If the district board determines that the revenues of the district will not be sufficient to pay the principal or interest on any bonded debt incurred pursuant to Article 8 as it becomes due, or to carry out the objects and purposes of the district, the board shall levy and collect a tax for that purpose and fix the amount of money necessary to be raised by taxation.

Limitation

5780.01. No tax shall be levied to pay the principal or interest of any revenue bond.

Assessment, etc

5780.02 The board may provide for the assessment, levy, and collection of taxes, and for the sale of property to the district for delinquent taxes, penalties, interest, and costs.

Use of county assessment roll

5780.03. The district may avail itself of the assessment roll of the properties within the district, used by the county in which the district is situated, and may take that assessment as the basis for district taxation, and have its taxes collected by the officials of the county On or before August 1st the district board shall declare that it has availed itself of the county services by resolution or ordinance and file a certified copy with the auditor of the affected county.

Tax collections

5780 04. Each year after the declaration, until the district board provides otherwise, all taxes shall be collected for the district by the assessors and tax collectors of the affected counties.

Property valuation

5780.05. On or before the second Monday in August of each year after the declaration, the county auditor shall transmit to the board a written statement showing the total value of all property within the district. Property value shall be ascertained from the county assessment roll used by the county that year.

Tax rate

5780 06. On or before the first weekday in September, if the district has availed itself of the county services, the district board shall fix the rate of taxes, designating the number of cents upon each one hundred dollars ($100), based on the property valuation on the current roll.

Same

5780.07. The rate of taxation shall be sufficient to raise the amount previously fixed by the board pursuant to this chapter.

Validity of property assessment, etc

5780.08. Action pursuant to Sections 5780.03 to 5780.06, inclusive, constitutes a valid property assessment and a valid tax levy. Immediately after that action, the district board shall transmit a statement of the rates fixed to the auditor of the affected county.

Manner of collection

5780.09. Taxes so levied shall be collected at the same time and in the same manner as county taxes. When collected the net amount, ascertained pursuant to this chapter, shall be paid to the district treasurer, pursuant to the general requirements and penalties provided by law for the settlement of other taxes.

Redemption money

5780.10. If any real property within a district which has availed itself of the county services has been sold for taxes and has been redeemed, the redemption money shall be apportioned and paid by the county treasurer to the district in the proportion which the tax due to the district bears to the total tax for which the property was sold.

Tax lien

5780.11. All taxes levied pursuant to this article are a lien on the property on which they are levied. Unless by ordinance the board provides otherwise, district taxes shall be collected in the same manner and by the same means as county taxes.

Compensation for county services

5780.12. The board of supervisors of the county rendering the services pursuant to this article, and the district board shall agree as to the amount of compensation to be paid to the county for the services. The compensation shall not exceed one-half of 1 percent of all money collected for the district and shall be credited to the county salary fund.

Article 10. Revenue Bonds

Issuance

5790. Pursuant to this article any district may issue revenue bonds to pay the cost of construction of a sewage system.

Ordinance

5790.01. By ordinance adopted by a vote of two-thirds of its members, the district board may determine that the public interest or necessity demands that the district construct a sewage system. At any subsequent meeting, by ordinance the district board may provide for a district election on issuing revenue bonds as set forth in the ordinance of public convenience or necessity. Propositions for incurring indebtedness for more than one object may be submitted at the same election.

Same Contents

5790.02. The ordinance of public interest or necessity shall contain:

(a) A statement that public interest or necessity requires the construction of a sewage disposal system.

(b) A brief description of the proposed system, which sets forth its general type and purpose, but need not describe its location.

(c) An estimate of the cost of the sewage system, and a separate estimate of the incidental expenses in connection with it.

(d) The time and place fixed for the hearing of protests against the adoption of the ordinance, which shall be at least 10 days after the last publication of the proposed ordinance.

(e) A statement that unless the proposed ordinance is abandoned at the hearing a district election will be held on the proposition of issuing revenue bonds to pay the costs and expenses of the construction of the sewage system.

(f) A statement that the revenue bonds shall be payable solely from revenues derived from the operation of the sewage system, including rates and charges for its use.

(g) A list of the proposed rates and charges for the different classes of users of the sewage system.

(h) The amount of the principal of the revenue bonds proposed to be issued and the maximum rate of interest to be paid on the bonds.

(i) A statement whether the proposition shall be submitted at a special election to be held for that purpose, or at a general election.

Same Effect of listed rates, etc

5790 03. The list of rates and charges published in the ordinance of public interest or necessity is informative only, and does not restrict the district board in thereafter fixing rates and charges.

Election ordinance

5790.04. The ordinance calling the election shall:

(a) Describe generally the sewage system to be constructed with the funds derived from the sale of revenue bonds.

(b) State that the bonds shall be payable solely from revenue derived from the operation of the sewage system.

(c) State the amount of the principal of the revenue bonds proposed to be issued, the rate of interest to be paid, or the maximum amount of interest that may be paid, upon such bonds.

(d) Fix the date on which the election will be held.

Same Adoption

5790.05. The ordinance calling the election shall be adopted by the district board in the same manner as other ordinances, and other notice of the election need not be given.

Issuance of revenue bonds

5790.06 If a majority of those voting upon the proposition favor the issuance of the revenue bonds, by ordinance the board shall issue revenue bonds in the principal amount provided in the ordinance calling the election.

Rates, etc

5790.07. Rates and charges for services furnished by any sewage system constructed pursuant to this chapter shall be fixed before the issuance of the revenue bonds for its construction. The rates and charges may be greater or less than those stated in the ordinance of public interest or necessity.

Negotiability

5790.08. All revenue bonds issued pursuant to this chapter are negotiable instruments.

Form

5790.09. The board shall prescribe the form of revenue bonds and the attached interest coupons.

Terms

5790.10. The district board shall fix a time and place for payment which shall be stated on the bonds.

The district board shall fix an amount not less than one-fortieth of the whole sum due which shall be paid each year together with interest on all sums unpaid at the date of payment.

Maturity date

5790.11. In its discretion the district board may fix a date for the earliest maturity of the principal of the revenue bonds not more than five years from the date of issue.

Limitation

5790.12. The entire indebtedness shall be payable within 40 years from the date of issue of the revenue bonds.

Application of other provisions

5790.13. The provisions relating to issuance, time and place of payment, signing and countersigning, validation where the officer signing vacates his office, and discretionary sale by the district board, affecting general obligation bonds, apply to revenue bonds except that the resolution passed by the district board designating an officer to sign the bonds in place of the chairman need not be passed by two-thirds vote of all members, the maximum rate of interest is 6 percent a year, and the treasurer's signature on the coupons may be printed.

Form of payment

5790.14. Revenue bonds and their coupons shall be payable in lawful money of the United States.

Source of payment

5790.15. Each revenue bond shall plainly state on its face that it is payable only from the revenues derived from the sewage system constructed from the proceeds of the sale of the revenue bonds and that it does not constitute an indebtedness of any affected city or county.

Designation of revenue bond

5790.16. Revenue bonds shall be designated substantially as follows: "Revenue Bond of (insert name) Joint Municipal Sewage Disposal District."

Disposition of proceeds

5790.17. The proceeds of the sale of revenue bonds shall be placed in the district treasury and shall be applied to the purposes mentioned in the election ordinance exclusively, except that interest may be paid from the proceeds during the construction and until six months after completion of the sewage system but this period shall not extend beyond five years from the sale of the revenue bonds.

Publication

5790.18. When the district board sells all or part of the revenue bonds, it shall advertise for bids by publication at least twice. The first publication shall be at least two weeks prior to the date upon which bids will be opened.

Sale award

5790.19. If satisfactory bids are received, the revenue bonds offered for sale shall be awarded to the highest bidder. If no bids are received or if the district board determines the bids received are not satisfactory as to price or responsibility of the bidder, it may reject all bids and either readvertise for bids or sell the revenue bonds at private sale.

Tax exemption

5790.20. Revenue bonds and the income from revenue bonds shall be exempt from taxation, except for transfer, inheritance, and estate taxes.

Same

5790.21. All sewage systems, lands, works, and improvements acquired or constructed pursuant to this chapter shall be exempt from taxation.

Records, etc

5790.22. Any district issuing revenue bonds pursuant to this chapter shall keep separate records and accounts containing entries of all transactions relating to the properties, business, and affairs of each sewage system.

Audit

5790.23. Within three months after the close of the year in which the district operates, the engineer shall cause the records, accounts, and affairs of each sewage system to be audited by a competent auditor.

5790.24. The auditor shall prepare a balance sheet, and an income and surplus account showing, in reasonable detail, the financial condition of each sewage system at the close of the year and its financial operations during the year. Same

5790.25. At all reasonable times during business hours the audit balance sheets, and income and surplus accounts shall be open to inspection by any taxpayer, user of services furnished by the district, holder or owner of revenue bonds issued for the construction of any sewage system, or the agent of any of them. Inspection of accounts, etc

5790.26. Upon the request of the holders of 20 percent or more of the principal of outstanding revenue bonds of any issue, the district shall cause all records, accounts, and affairs relating to the sewage system constructed from the proceeds of that issue to be audited by a competent certified public accountant. Audit by C P A

5790.27. A copy of the audit shall be open for inspection at all times to any taxpayer, user of the services furnished by the district, owner or holder of revenue bonds issued by the district, or the agent of any of them. Inspection of audit

5790.28. A district and a city or county may contract for the use of the district facilities built with the proceeds of revenue bonds, on terms approved by them. Contract for use of facilities

5790.29. The contract shall not be made for more than 15 years nor in violation of the ordinance authorizing the issuance of revenue bonds. Same Time limitation

5790 30. Subject to the rights of the revenue bondholders, a city or county which has contracted for the use of district facilities may by ordinance establish, change, and adjust rates and charges for the service rendered by the sewage system pursuant to this article. Rate adjustments, etc

5790 31. The rates and charges shall constitute a lien against the premises served and shall be collected by the proper officials of the city or county in the same manner as rates and charges made by the district Lien

5790.32. The necessary intercepting sewers for connecting the city or county sewage system with the district sewage system shall be constructed pursuant to the contract. Intercepting sewers

5790 33. Unless otherwise provided in the ordinance authorizing issuance of the revenue bonds, the district may pay the cost of constructing the intercepting sewer which it has contracted to bear from the proceeds of the sale of revenue bonds from which the sewage system was constructed. Same Payment from revenue bonds proceeds

Article 11. Rates and Charges

5800. Rates and charges shall provide:

(a) For the expenses of administration, operation, and maintenance of the sewage system in good repair. Provisions

(b) For payments of the interest and principal of all revenue bonds issued for the construction of the sewage system, as they become due.

(c) A fund for contingencies which shall be at least 10 percent of all other amounts required to be raised annually.

Rates, etc., for services

5800.01. Rates and charges for services furnished by the sewage system may be fixed and revised, and shall be payable as the district board determines to produce the amounts required by Section 5800.

Same

5800.02. The district board shall covenant and agree on the face of each revenue bond to fix rates and charges which shall provide the sums required by this article.

Deposition of revenues

5800.03. Each month the district board shall deposit all revenues derived from the operation of the sewage system into the separate funds created pursuant to this article and the revenues shall be held in trust, apart from other district funds, to be used only for the purposes for which the funds are established

Funds

5800.04. The separate funds shall be set aside, in the following order:

(a) The "interest fund" which shall contain a sum sufficient to pay the annual interest on the revenue bonds issued to construct the sewage system, as it becomes due.

(b) The "sinking fund" which shall contain a sum sufficient to pay the maturing annual principal of the revenue bonds as it becomes due, or to provide the annual portion of the sinking fund required to pay the principal of the revenue bonds promptly at maturity.

(c) The "operation and maintenance fund" which shall contain a sum sufficient to pay the reasonable yearly expenses of administration, operation, and maintenance of the sewage system necessary to keep it in good repair and working order

(d) The "contingent or reserve fund" which shall contain the remaining gross revenues, and shall constitute a reserve to be used when necessary to pay principal or interest of the revenue bonds, issued for the construction of the sewage system, or to pay any necessary expense of repair or maintenance.

Same

5800.05. The names of the funds provided for in subdivisions (a) through (d) inclusive, in Section 5800.04, are not mandatory and the district board may give them other appropriate names.

Income from contracts with cities, etc

5800.06. Income received by the district under any contract made with a city or county pursuant to this article is revenue of the sewage system which renders the services contracted for.

Lien

5800.07. When revenue bonds are issued pursuant to this chapter, a statutory first lien attaches to all revenues of the sewage system constructed from the proceeds of those revenue bonds, and to all funds created pursuant to this article, for the benefit of the sewage system. All revenue bonds of the same issue shall be equally and ratably secured without priority by reason of number, date, sale, execution, or delivery

Same

5800.08. The lien is in favor of the holders of revenue bonds and coupons of the revenue bonds, and is effective until the principal and interest on the bonds is paid in full.

5800.09. The holder of any revenue bonds or coupons may take any legal proceedings to protect and enforce his statutory lien and compel performance of the duties of the officials of the district which issued the revenue bonds. Same Legal proceedings

5800.10. The statutory lien upon revenues does not give any holder or owner of a revenue bond or coupon authority to compel the receivership or sale of part or all of the sewage system Same Limitation

5800.11. The district shall not furnish free service to any governmental or private user of the sewage system. All users of the sewage system shall pay at the same schedule of rates and charges. Free service prohibited

5800 12 The district board may use any funds not derived from the operation of the sewage system to pay immediate expenses of operation or maintenance. Money used to pay immediate expenses shall be repaid out of the first money available for that purpose. Operating etc , expenses

5800 13 If the rate or charge fixed by the district board pursuant to this chapter is not paid when due, it shall be increased by a penalty of 25 percent of the amount due. Penalty

5800 14 The rates, charges, and penalties shall be paid by the owner of the premises. Payment

5800 15. Except as to public-owned property, rates, charges, and penalties constitute a lien upon the premises serviced by a sewage system. Lien

5800.16 The lien for the rates, charges, and penalties is effective until they are paid in full or the property sold to satisfy them. Same Duration

5800.17. The lien attaches when the district treasurer records a list of unpaid rates and charges with the recorder of the county in which the premises are located. Same When attaches

5800.18. The record shall include: Same Contents of record

(a) The amount of each rate and charge.

(b) A description of the property to which the lien attaches.

(c) The name of the owner as it appears on the last equalized assessment roll.

(d) The name of the district to which the rates and charges are payable.

5800.19 A list of all rates and charges which have been delinquent three months or more shall be recorded at least every three months, but no delay or informality in recording the list shall invalidate the lien for any unpaid rate or charge. Recording

Article 12. Remedies

5810. The remedies in this article are established for the collection of rates, charges, and penalties. Purpose

5810.01. An action for the collection of the amount of the delinquent rates, charges, and penalties may be brought in the name of the district in any court which has jurisdiction against the owner when the service was rendered. In the action a reasonable attorney's fee shall be awarded the plaintiff. Action for collection

Action to foreclose

5810.02. An action to foreclose the lien of the rates, charges, and penalties may be brought in the name of the district in any court of competent jurisdiction. In the action a reasonable attorney's fee shall be awarded the plaintiff.

Notice

5810.03. At least 30 days before any action to foreclose the lien of any rate or charge is brought, and at least 30 days before any sale of property is made by the treasurer, he shall cause notice of the proposed action to be sent by registered mail to the owner of the property to which the lien is attached. If the notice is placed in the United States mail, postage prepaid, addressed to the owner of the property at his address, as it appears on the last equalized assessment roll, no defect or informality in the notice shall invalidate the foreclosure or sale.

Delinquency sales

5810.04. On June 2 and December 2 of each year, the district treasurer may sell at public sale all parcels of property on which the rates and charges have been delinquent for more than six months. Notice of the sale shall be given by two publications at least 20 days before the date of sale.

Notice

5810.05. The notice shall state:

(a) The time and place of sale.

(b) A description of the property to be sold.

(c) The amount which will be required to purchase the property.

Purchaser

5810.06. The treasurer shall sell the property to the person who offers to pay all unpaid rates and charges which have been recorded, the penalties, and fifty cents ($0.50) for the notice of sale in exchange for the least quantity of the property. If no person offers to purchase a parcel, the treasurer shall strike it off to the district.

Record of parcels sold

5810.07. The treasurer shall keep in his office a record of all parcels sold, showing:

(a) The date of sale.

(b) The name of the purchaser and his address.

(c) A description of property sold, and the sale price.

Redemption

5810.08. Redemption may be made within one year of the treasurer's sale or foreclosure. In case of redemption the purchaser shall be entitled to interest at the rate of 2 percent a month from the date of sale.

Deed as evidence

5810.09. One year after the treasurer's sale, the treasurer shall make a deed of the property sold to the purchaser. The treasurer's deed is conclusive evidence of the regularity of the sale and vests title in the purchaser free and clear of all encumbrances except taxes and assessments.

Action contesting validity of sale

5810.10. Any legal proceeding asserting the invalidity of the sale shall be begun before the expiration of the period of redemption, and after the deed has been issued no defense that the sale is invalid may be asserted.

Ordinance

5810.11. By ordinance, the district board may establish additional remedies for collecting and enforcing rates and charges, and may change the remedies established by it in order to facilitate collection.

5810.12. In the discretion of the district board, the remedies for collecting rates and charges set out in this article are cumulative and may be pursued alternately, or any of them may be used consecutively. Until the principal and interest of revenue bonds are fully paid, any holder of an unpaid revenue bond may compel the use of the remedies provided by this chapter. Use of remedies

Article 13. Additional Revenue and Refunding Revenue Bonds

5820. Additional revenue bonds for additions to, enlargements of, or extensions and improvements of, a sewage system may be issued when authorized by vote pursuant to this chapter for the issuance of the first issue of revenue bonds. Issuance

5820.01. The ordinance calling the election for additional revenue bonds shall recite: Election ordinance

(a) The objects for which the revenue bonds are to be issued.

(b) The estimated cost of the proposed additions, enlargements, extensions, or improvements.

(c) The estimated amount of the incidental expense in connection with the construction.

(d) The amount of the principal of the revenue bonds to be issued therefor.

(e) The rate of interest to be paid on the revenue bonds.

(f) The date on which the election shall be held.

5820.02. In lieu of the recitation required by subdivision (e), Section 5820.01, the district board may at its discretion recite a maximum rate of interest which shall not be exceeded if the revenue bonds are issued. Maximum rate

5820.03. Interest on the additional revenue bonds shall be payable semiannually and shall not exceed 6 percent a year. Interest

5820.04. The ordinance shall contain:

(a) A statement that the additional revenue bonds shall be payable solely from revenues of the proposed additions, enlargements, extensions, or improvements. Ordinance Contents

(b) A list of the rates and charges for the different classes of users of the additions, enlargements, extensions, or improvements.

5820.05. If the holders or owners of 75 percent of the revenue bonds outstanding at the time additional revenue bonds are to be issued agree that the additional revenue bonds may be issued, in place of the statement required by Section 5820.04, the ordinance shall contain statements that: Same

(a) The bonds shall be payable solely from revenues derived from the sewage system, as added to, enlarged, extended, or improved.

(b) The additional revenue bonds shall have a parity of lien with the outstanding revenue bonds upon the revenues of the sewage system, as added to, enlarged, extended, or improved.

Priority of bonds

5820.06. The additional revenue bonds shall be subordinate to prior issues for the same sewage system in the application of revenues unless one of the following exist:

(a) The ordinances authorizing prior issues have authorized an additional issue of revenue bonds.

(b) The owners of 75 percent of the outstanding revenue bonds, at the time the additional bonds are to be issued, agree that additional revenue bonds may be issued.

Same

5820.07. If the additional revenue bonds are not subordinate to prior issues, they shall all be paid from the revenues of the entire sewage system and have a parity of lien on the revenues.

Refunding revenue bonds

5820.08. If, exclusive of governmental bodies or public corporations, the holders or owners of 75 percent or more of the principal amount of the revenue bonds assent to a refunding and agree to the terms of issuance of the refunding bonds at the time of refunding, revenue bonds issued pursuant to this chapter may be refunded by other revenue bonds of the district.

Call

5820.09. If the required number of bondholders assent, all revenue bonds shall be subject to call pursuant to the terms of the agreement.

Same Exchange

5820.10. When the call is made all revenue bondholders shall exchange their bonds for refunding revenue bonds, or cash provided by the sale of refunding revenue bonds, pursuant to the terms of the agreement.

Use of revenue bonds

5820.11. One issue of revenue bonds may be issued for refunding, and for additions to, enlargements, extensions of, or improvements of, a sewage system if it is authorized by both of the following:

(a) The agreement of the owners or holders of 75 percent or more of the revenue bonds pursuant to Section 5820.08.

(b) A majority of all those voting on the proposition of issuing the revenue bonds favor issuance.

Election ordinance Contents

5820.12. The ordinance calling the election shall recite:

(a) The purposes for which the proposed revenue bonds are to be issued.

(b) The amount of revenue bonds to be issued.

(c) The rate of interest to be paid, or a maximum rate which shall not be exceeded in the issuance of the revenue bonds

Interest

5820.13. The interest on all revenue bonds issued pursuant to Section 5820.11 shall be payable semiannually, and shall not exceed 6 percent a year.

Use of surplus funds

5820.14. If there is a surplus in any sewage system fund, at its discretion, the district board may purchase outstanding revenue bonds at not more than their par value.

Revenue bond sale notice

5820.15. The district board shall invite proposals for the sale of outstanding revenue bonds by publishing notice once. The notice shall state the amount of money available for the purchase.

Acceptance of proposal

5820.16. All proposals shall be opened in public and the lowest offer may be accepted.

5820.17. The board may reject any or all proposals and thereafter purchase the revenue bonds at private sale, but it shall not pay more at private purchase than the lowest price submitted at the public bidding. Revenue bonds so purchased shall be immediately canceled by the treasurer. Rejection

5820.18. When revenue bonds are to be issued pursuant to this article, the district board may enter into indentures or agreements containing any or all of the following provisions: Revenue bond indentures

(a) Providing for the amount, form, and maturities of the revenue bonds and coupons.

(b) The terms and conditions upon which the revenue bonds shall be issued, sold, retired, or refunded.

(c) Providing minimum reserve requirements for revenue bonds.

(d) Providing for the rates and charges to be made for all services, and the conditions under which established rates and charges may be reduced or increased.

(e) Providing that the amounts to be raised in each year by rates and charges shall be not less than the amounts required for the payment of principal and interest of revenue bonds, amount needed for current administrative, operating, and maintenance costs for that year, and the reserve requirements as are specified in the indenture or agreement.

(f) Providing for the protection of the holders of the revenue bonds to be issued.

(g) Providing methods by which the indenture or agreement may be amended, and refunding revenue bonds issued or additional revenue bonds issued.

(h) Prescribing the percentage of the holders in principal amount of the revenue bonds issued required to consent to the amendment of the indenture or agreement, or the issuance of additional or refunding revenue bonds.

Article 14. Validation

5830. Within 60 days after an election authorizing the issuance of any general, revenue, or refunding bonds, the district board may cause an action to be brought, in the name of the district in the superior court of the county in which all or the greater portion of the district is located, to determine the validity of the bonds. Action to determine validity of bonds

5830.01. The district board may cause a refunding bond validation action to be brought within 60 days after the effective date of the ordinance authorizing the issuance of refunding bonds. Same Refunding bonds

5830.02. The validation action is an action in rem, and jurisdiction of all parties interested may be had by publication of summons at least once a week for three weeks in a paper of general circulation published in the county where the action is pending. The paper shall be designated by the court having jurisdiction of the action. Same Jurisdiction of parties

5830.03. Jurisdiction is complete 10 days after the full publication of the summons and anyone interested may appear Same

prior to such date and contest the validity of the bonds. If there is more than one action involving the validity of the bonds, they shall be consolidated.

Same Trial

5830.04. The validation action shall be speedily tried and judgment rendered declaring the bonds to be valid or invalid. Either party may appeal to the Supreme Court within 30 days after the rendition of the judgment. The appeal shall be heard and determined within three months after the appeal is taken.

Same Limitation

5830.05. After the expiration of 90 days after the election no action shall be brought to contest the validity of the bonds and proceedings.

Same Effect of errors in proceedings

5830.06. The court hearing any action inquiring into the regularity, legality, or correctness of the proceedings leading up to the issuance of bonds, or the validity of the bonds, shall disregard any error which does not affect the substantial rights of the parties to the action.

Same Rules of pleading, etc

5830.07. The rules of pleading and practice provided by the Code of Civil Procedure, which are not inconsistent, are applicable to all actions provided for in this chapter. The motion for a new trial of any such action shall be heard and determined within 10 days after the filing of the notice of intention.

Same Costs

5830.08. The costs of any action provided for by this chapter may be allowed and apportioned between the parties, or taxed to the losing party, in the discretion of the court.

Repeal

SEC. 2. The Joint Municipal Sewage Disposal District Act (Chapter 322 of the Statutes of 1941) is repealed.

CHAPTER 440

Stats 1935, p 1123, amended

An act to amend Section 53.6 of, and to add Section 53.7 to the Alcoholic Beverage Control Act, relating to alcoholic beverages.

In effect September 22, 1951

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 53.6 of the Alcoholic Beverage Control Act is amended to read:

Draft beer

Sec. 53.6. Every manufacturer or bottler of beer in California or elsewhere whose beer is sold within the State of California shall file with the board the brand name or names under which such manufacturer or bottler sells or labels his draft beer sold in California, and each such manufacturer or bottler shall be and is allowed two brand names which such manufacturer or bottler shall designate as his main or principal brands of draft beer, and any other brand name or names under which such manufacturer or bottler sells or labels or packages his draft beer shall be known as secondary labels. Whenever a draft beer is given, sold or dispensed by an "on sale" licensee under any such secondary brand name or label

the tap sign or draft beer signs required by Section 55 of this act to be displayed shall also contain the name and address of the manufacturer or bottler of the draft beer so given, sold or dispensed by such "on-sale" licensee, which name and address must be displayed in the same manner and with the same effect and purpose as the brand name. No retailer shall dispense any draft beer upon which the proper tap sign or draft beer sign is not displayed or the manufacturer or bottler of which has not complied with the terms of this section. No draft beer shall be given, sold or dispensed under a name or brand other than a name or brand filed with the board pursuant to this section and under which such draft beer is sold, labeled or packaged by a manufacturer or bottler. No beer intended for sale in the State of California, except for export, shall be contained in bottles, jugs or cans having a capacity of more than 64 ounces, nor shall beer in bottles, jugs or cans of a capacity in excess of 64 ounces be sold to or purchased by an on-sale or off-sale licensee in the State of California; provided, that nothing in this paragraph shall be construed to prohibit the possession or sale by a qualified licensee of draft or unpasteurized beer from or in metal or wood kegs of a capacity of three and one-half ($3\frac{1}{2}$) gallons or more.

SEC. 2. Section 53.7 is added to the Alcoholic Beverage Control Act, to read:

Sec. 53.7. It shall be unlawful for any person to sell to any on- or off-sale licensee or to deliver to the premises of any on- or off-sale licensee, or for any on- or off-sale licensee to sell or to have upon his licensed premises, wine packaged or bottled in any pocket flask container of less than one-fifth gallon, the face of which is substantially rectangular and the minimum thickness of which is less than two-thirds of its maximum width, the measurements to be made on the cross-sectional axes, excluding the neck portion of the container. The restrictions of this section shall not apply to the possession of wine in such containers on the premises of a licensed wine grower or at the branch office or warehouse or United States bonded storeroom of such wine grower located away from his place of production or manufacture. Wine in pocket flasks

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CHAPTER 441

An act to amend Sections 2617, 2619, and 2704 of, and to add Section 2705.5 to, the Revenue and Taxation Code, relating to the time of delinquency of real estate taxes.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2617 of the Revenue and Taxation Code is amended to read:

Delinquent penalty

2617. All taxes due November 1st, if unpaid, are delinquent December 10th at 5 p.m., and thereafter a delinquent penalty of 6 percent attaches to them.

SEC. 2. Section 2619 of the Revenue and Taxation Code is amended to read:

Time of delinquency

2619 If December 10th or April 20th falls on Saturday the time of delinquency is 5 p.m. on the next business day.

SEC. 3. Section 2704 of the Revenue and Taxation Code is amended to read:

Penalty

2704 All taxes due November 1st, if unpaid, are delinquent December 10th at 5 p.m., and thereafter a delinquent penalty of 6 percent attaches to them

SEC. 4. Section 2705.5 is added to the Revenue and Taxation Code, to read:

Time of delinquency

2705.5. If December 10th or April 20th falls on Saturday, the time of delinquency is 5 p m on the next business day.

Operative date

SEC. 5. The provisions of this act are operative only as to taxes which become a lien on property on or after January 1, 1952.

CHAPTER 442

An act to amend Section 1593 of, and to add Section 1593.1 to, the Education Code, relating to the formation and changes in territory and status of school districts, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1593 of the Education Code is amended to read:

Effective date of action

1593. In the case of every other action referred to in this article, the action shall be effective on the date the action is completed for the following purposes:

(a) The determination of the assessed valuation of any district or districts affected by the action.

(b) The appointment or election of members of the governing boards of the school districts affected.

(c) The preparation and submission of school district budgets.

(d) The election or appointment of employees for the ensuing school year.

(e) The calling and conducting of elections for and the issuance and sale of school district bonds.

(f) The exercise by the governing boards of the school districts affected of other powers and duties vested in governing boards of school districts of the same type or class and not inconsistent with other provisions of this code.

(g) The holding of an election to determine whether a newly formed elementary school district, or a district comprised within a newly formed union or joint union elementary school district shall become a part of a high school district.

(h) The calling and conducting of elections to increase the maximum rates of tax for district or districts affected.

(i) The calling and conducting of elections for the assumption of bonded indebtedness.

SEC. 2. Section 1593.1 is added to said code, to read:

1593.1. The formation of a unified school district under Chapter 14 of this division shall be effective for the purposes set forth in Section 1593 upon the date upon which the boundaries of the component districts thereof became or become coterminous. Date of unified school district formation

SEC. 3. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows: Urgency

During the current school year the electors of many school districts have voted for annexation, unification, or unionization, to become effective for all purposes July 1, 1951. Some of the districts resulting from such annexation or other change will be eligible for state school building aid after the bonds of the component districts or parts of districts have been leveled. The authority to hold such an election in any such district prior to July 1, 1951, does not now exist. This act grants such authority and it is necessary that it take effect immediately in order to prevent delay in the school construction program

Furthermore, under existing law, the provisions of Education Code Section 1593 are inapplicable only to a unified school district formed under Chapter 14 of Division 2 of the Education Code and so the residents of such a district alone are precluded from exercising the privilege of increasing, through an election held pursuant to Education Code Section 6358, the maximum statutory district tax rate (prescribed by Education Code Section 6357) for such district effective for the first school year of the district's existence. The result is that a unified school district formed during the school year 1950-1951 under said chapter will be unable, if the maximum statutory district tax rate will not provide the necessary revenue, to provide during the school year 1951-1952 adequate instructional and other facilities for the education of the children residing in the district. In order to remove at the earliest possible moment, the discrimination which now exists against such unified school districts to the detriment of the welfare of the children of such districts, it is necessary that this act take effect immediately.

CHAPTER 443

Stats 1929, p 1085 amended

An act to amend Section 1 of an act entitled "An act granting to the City of Los Angeles the tidelands and submerged lands of the State within the boundaries of said city," approved June 3, 1929, relating to tidelands and submerged lands.

In effect September 22, 1951

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1 of the act entitled "An act granting to the City of Los Angeles the tidelands and submerged lands of the State within the boundaries of said city," approved June 3, 1929, is hereby amended to read as follows:

Grant of tidelands, etc., to Los Angeles

Section 1. There is hereby granted to the City of Los Angeles, a municipal corporation of the State of California, and to its successors, all the right, title and interest of the State of California, held by said State by virtue of its sovereignty, in and to all tidelands and submerged lands, whether filled or unfilled, situated below the line of mean high tide of the Pacific Ocean, within the present boundaries of said city, or of any harbor, estuary, bay or inlet within said boundaries, except as hereinafter provided, to be forever held by said city, and by its successors, in trust for the uses and purposes, and upon the express conditions, following, to wit:

Conditions

(a) That said lands shall be used by said city, and by its successors, for purposes in connection with, or for the promotion and accommodation of commerce, navigation and fishery, and said city, or its successors, shall not, at any time, grant, convey, give or alien said lands, or any part thereof, to any individual, firm or corporation for any purpose whatsoever; provided, that said city, or its successors, may grant franchises and permits thereon for limited periods, in any event not to exceed 50 years, for purposes in connection with, or for the promotion and accommodation of commerce, navigation and fishery, and may lease said lands, or any part thereof, for limited periods, in any event not to exceed 50 years, for any and all purposes which shall not interfere with the trusts upon which said lands are held by the State of California;

(b) That said tide and submerged lands shall be improved by said city without expense to the State, and any harbor constructed thereon shall always remain a public harbor for all purposes of commerce and navigation, and the State of California shall have, at all times, the right to use, without charge, all wharves, docks, piers, slips, quays and other improvements constructed by said city on said lands, or any part thereof, for any vessel or other watercraft, or railroad, owned or operated by the State of California;

(c) That in the management, conduct or operation of any such harbor, or of any of the utilities, structures or appliances constructed in connection therewith no discrimination in rates,

tolls, or charges, or in facilities, for any use or service in connection therewith shall ever be made, authorized or permitted by said city, or by its successors;

Reserving, however, in the people of the State of California, the absolute right to fish in said waters, with the right of convenient access to said waters over said lands for said purposes. The grant herein made shall not include those tidelands or submerged lands within those certain areas known as the Westgate addition acquired by the City of Los Angeles by annexation on June 14, 1916, or the Santa Monica canyon addition acquired by the City of Los Angeles by annexation on April 28, 1925, or the Venice addition acquired by the City of Los Angeles by consolidation on November 25, 1925.

CHAPTER 444

An act to add Sections 737.2, 737.4, and 737.6 to the Vehicle Code, relating to the release on bail of persons charged with misdemeanor violations of the code.

[Approved by Governor May 12, 1951. Filed with Secretary of State May 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 737.2 is added to the Vehicle Code, to read:

737.2. Jail Custodian May Accept Bail. (a) When an arresting officer attempts to take a person arrested for a misdemeanor violation of this code before a magistrate as provided in Sections 736 and 737 and no such magistrate or person authorized to act for him is available, the arresting officer shall take the person arrested before the officer in charge of the most accessible county jail, city jail or other place of detention within the county, who shall admit him to bail in accordance with a schedule, fixed as provided in Section 737.4. Admission to bail

(b) The authority to admit to bail as provided in subdivision (a) shall include authority to approve the same, to issue and sign an order for the release of the person arrested, and to set a time and place for his appearance before the appropriate magistrate. Same Authority

SEC. 2. Section 737.4 is added to said code, to read:

737.4 Bail Schedule Fixed by County Magistrates. (a) Every six months there shall be held a meeting of the magistrates in each county having jurisdiction over misdemeanor violations of this code at which a schedule of the amount of bail to be set for the release of persons charged with such violations when taken before an officer in charge of a county jail, city jail or other place of public detention as provided in Section 737.2 shall be adopted, approved or revised. Bail schedule

(b) In any court within the county having more than one judge or justice, one such judge or justice shall be selected to represent that court.

(c) The meetings shall be held at the time and place specified by the judge of the superior court of the county, or if there be more than one, then by a majority of such judges.

SEC. 3. Section 737.6 is added to said code, to read:

Transmittal of schedule

737.6. Schedule to Be Sent to Jail Custodians. A copy of the schedule mentioned in Section 737.4 shall be sent forthwith to each officer in the county in charge of a county jail, city jail or other place of detention.

CHAPTER 445

An act to amend Sections 10501, 10503, and 10504 of the Water Code, relating to priority of applications to appropriate water by the Department of Finance.

In effect September 22, 1951

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10501 of the Water Code is amended to read:

Priority application

10501. Any application filed by the Department of Finance within nine months after July 29, 1927, has priority as of that date and such priority shall be retained over any application made by others subsequent to that date in conflict therewith, regardless of any requirements or provisions relating to diligence in the completion of applications for water or the use thereof, until October 1, 1955.

SEC. 2. Section 10503 of said code is amended to read:

Notice of intent

10503. The Department of Finance, under the requirements of Division 2 and the rules and regulations of the State Engineer relating to applications for the appropriation of water, may publish a notice that it intends to file upon an amount of water necessary to the development of any part or unit of a general or coordinated plan and in that event the publication of the notice shall preserve, as of the date of publication, the priority of any application made and filed subsequently by the Department of Finance for the benefit of such part or unit prior to October 1, 1955.

SEC. 3. Section 10504 of said code is amended to read:

Release from priority, etc

10504. The Department of Finance may release from priority or assign any portion of any appropriation filed by it under this part when the release or assignment is for the purpose of development not in conflict with such general or coordinated plan. The assignee of any such application, whether heretofore or hereafter assigned, is subject to all the requirements of diligence as provided in Part 2 of Division 2 of this code.

"Assignee" as used herein includes, but is not limited to, state agencies, commissions and departments, and the United States of America or any of its departments or agencies. "Assignee"

SEC. 4. Section 3 of this act shall become operative on October 1, 1951. Operative date

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CHAPTER 446

An act to add Section 14074.5 to, and amend Section 14075 of, the Health and Safety Code, relating to fire protection districts, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 14074.5 is added to the Health and Safety Code, to read:

14074.5. If the area included in any district is contiguous with the area of another district, the district boards may contract for the furnishing of services by one such district to the other. Contracts for services

SEC. 2. Section 14075 of said code is amended to read:

14075. The district board shall purchase and maintain all necessary and convenient engines, hose, hose carts, or carriages, and other appliances and supplies for the full equipment of a fire company or department, may purchase and maintain ambulances, and shall appoint fire company officers and employees sufficient to maintain and operate equipment purchased for such district. Purchase, etc., of supplies, etc

The board is authorized, but not required, by resolution thereof, to provide for payment to each officer and employee of such fire department.

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

That the public health, welfare, and safety demand that exchange of services by contiguous fire protection districts not be delayed. Undue delay in authorizing exchange of services by fire protection districts may be expected to cause the destruction of valuable property in this State and needlessly endanger human life and health. Also, in order to facilitate the exchange of services of fire officers and employees it is necessary that districts be allowed to pay greater compensation than one dollar per fire. This is made necessary by the increased population of areas served by fire protection districts, the consequent increased fire hazards, and the general transition from volunteer to professional fire departments.

CHAPTER 447

An act to add Section 10051.1 to the Elections Code, relating to consolidation of elections.

In effect September 22, 1951

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10051.1 is added to the Elections Code, to read:

Consolidation of elections

10051.1. Whenever an election called by a district, city, or other political subdivision is to be consolidated with a statewide election, such district, city or other political subdivision must at least sixty (60) days prior to the date of the election file with the board of supervisors a resolution of its governing board requesting such consolidation and setting forth the exact form of any measure or proposition to be voted upon at such election, and a summary of such measure or proposition as such summary shall appear on the ballot. The summary printed on the ballot shall not exceed 100 words in length.

CHAPTER 448

An act to amend Sections 5517 and 5518 of the Welfare and Institutions Code, relating to sexual psychopaths and providing for their return to court from state hospitals.

In effect September 22, 1951

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5517 of the Welfare and Institutions Code is amended to read:

Return to court of sexual psychopaths

5517. Whenever a person who is committed for an indeterminate period to the department for placement in a state hospital as a sexual psychopath (a) has recovered from his sexual psychopathy to such an extent that in the opinion of the superintendent the person is no longer a menace to the health and safety of others, or (b) has been treated to such an extent that in the opinion of the superintendent the person will not benefit by further care and treatment in the hospital and is not a menace to the health and safety of others, or (c) has not recovered from his sexual psychopathy, and in the opinion of the superintendent the person is still a menace to the health and safety of others, the superintendent of the hospital and the Director of Mental Hygiene shall certify to the committing court their opinion under (a), (b), or (c), as the case may be, including therein a report, diagnosis and recommendation concerning the person's future care, supervision or treatment. If the opinion so certified is under (a) or (b), the committing court shall

forthwith order the return of the person to said committing court and shall thereafter cause the person to be returned to the court in which the criminal charge was tried to await further action with reference to such criminal charge.

Such court shall resume the proceedings, upon the return of the person to the court, and after considering all the evidence before it may place the person on probation for a period of not less than five years if the criminal charge permits such probation and the person is otherwise eligible for probation. As a condition of such probation the person shall totally abstain from the use of alcoholic liquor or beverages. Probation

SEC. 2. Section 5518 of said code is amended to read:

5518. If the opinion so certified is under subdivision (c) of Section 5517, the committing court shall forthwith order the return of the person to said committing court and shall thereafter cause the person to be returned to the court in which the criminal charge was tried to await further action with reference to such criminal charge. Criminal proceedings

Such court shall resume the proceedings and after considering all the evidence before it shall impose sentence or make such other disposition of the case as the court may deem necessary and proper; provided, that said court, if satisfied that the person has not recovered from his sexual psychopathy and is still a menace to the health and safety of others, may recertify the person to the superior court of the county. If said court after hearing makes a finding that the person is still a sexual psychopath and is still a menace to the health and safety of others, it shall make an order recommitting the person for an indeterminate period to the Department of Mental Hygiene for placement in a state institution or institutional unit for the care and treatment of such sexual psychopaths designated by the court. At such hearing or hearings, the person shall be entitled to present witnesses in his own behalf, to be represented by counsel and to cross-examine any witnesses who testify against him Recommitment

The Director of Mental Hygiene, with the approval of the Director of Corrections and the Director of Finance, may provide on the grounds of a state institution or institutions under the jurisdiction of the Department of Corrections or the Department of Mental Hygiene one or more institutional units to be used for the custodial care and treatment of sexual psychopaths. Each such unit shall be administered in the manner provided by law for the government of the institution in which such unit is established. Institutional units for treatment, etc

The court shall cause the person so recommitted to be delivered to the state institution or the institutional unit so designated. The person shall remain therein or in any other such institution or institutional unit to which he may be transferred by the Director of Mental Hygiene until the person is no longer a menace to the health and safety of others. Thereupon the proceedings set forth in Section 5517 shall be followed with respect to the certifying of an opinion to the committing court and the release of the person thereby. Delivery to institution

CHAPTER 449

An act amending Sections 5050, 5050.1, 5050.2, and 5050.5 of the Welfare and Institutions Code, relating to procedure for examination of the mental health of a person alleged to be mentally ill and to court orders concerning such procedures.

In effect September 22, 1951

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5050 of the Welfare and Institutions Code is amended to read:

Mental health examination

5050. Whenever it appears, by petition pursuant to this chapter, to the satisfaction of a judge of the superior court in any county that any person therein is mentally ill, and in need of supervision, treatment, care or restraint, the judge shall make such orders as may be necessary to provide for examination into the state of mental health of the person, and for the safekeeping of the person, pending hearing, in the county psychopathic hospital, in his own home, in a state hospital, or in such other place as will afford access to medical examiners for the purpose of examination and suitable provision for the safety and comfort of the person. The judge shall by order appoint two medical examiners to make a personal examination of the person and to report thereon to the court.

Order for examination

If the judge is satisfied that the person is sufficiently mentally ill that examination should be made into the state of his mental health, the judge shall issue an order notifying the person to submit to examination at such time and place as designated by the judge. The order for examination shall be served as provided in Section 5050.2 by a peace officer or counselor in mental health of the county at least one day before the time fixed for the examination. The person shall be permitted to remain in his home or other place of domicile pending the examination, and shall be permitted to be accompanied by one or more of his relatives or friends to the place of examination.

Order for detention

If it appears to the judge from a certificate of a licensed physician and surgeon dated not more than three (3) days prior to the presentation of the petition and filed with the court, certifying that he has examined the person and is of the opinion the person is mentally ill, and because of his illness is likely to injure himself or others if not immediately hospitalized or detained, or if it otherwise affirmatively appears that said person is likely to injure himself or others, the judge may issue and deliver to a peace officer or counselor in mental health of the county an order directing that the person be forthwith detained in a place designated in the order for examination and hearing as provided in this chapter. The judge may issue a similar order if the person fails or refuses to appear for examination when notified.

SEC. 2. Section 5050.1 of said code is amended to read:

5050.1. The order for examination or detention shall be in substantially the following form: Form of order

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF _____

The People For the Best Interest and Protection of _____ As a Mentally Ill Person and Concerning _____and _____ Respondents	ORDER FOR EXAMINATION OR DETENTION

The People of the State of California to

_____:

(peace officer, counselor in mental health)

The petition of _____ having been presented this day to me, a judge of the superior court in and for the County of _____, State of California, from which it appears that there is now in this county, at _____, a person by the name of _____, who is mentally ill and in need of supervision, treatment, care or restraint.

And it satisfactorily appearing to me that said person is sufficiently mentally ill and in need of supervision, treatment, care or restraint, that examination should be made into the state of his mental health, and hearing held, if demanded, to determine the supervision, treatment, care or restraint, if any, necessary for his best interest and protection, and the protection of the people.

* Now, therefore, you are commanded to notify said _____, to submit to an examination into the state of his mental health at _____ on or before the _____ day of _____, that thereafter he may be taken before a judge of the superior court in this county for examination and hearing to determine the measures to be taken for the best interest and protection of said _____, as a mentally ill person, as provided by law.

* And it affirmatively appearing to me that said person is sufficiently mentally ill that he is likely to injure himself or others if not immediately hospitalized or detained, you are therefore commanded to forthwith detain said _____, or cause him to be detained for examination and hearing, pending the further order of the judge, at _____ _, and there be cared for in a humane manner as a mentally ill person

* And it satisfactorily appearing to me that said person has failed or has refused to appear for examination when notified by order of this court, you are therefore commanded to forthwith detain said _____ or cause him to be detained for

examination and hearing, pending the further order of the judge, at _____, and there be cared for in a humane manner as a mentally ill person.

I hereby direct that a copy of this order together with a copy of the said petition be delivered to said person or his representative at the time of his notification; and I further direct that this order may be served at any hour of the night.

Witness my hand, this _____ day of _____, 19___.

_____

Judge of the Superior Court

* Strike out when not applicable.

RETURN OF ORDER

I hereby certify that I received the above order for examination or detention, and on the _____ day of _____, 19___, served it by notifying and delivering to said _____ personally, or to his representatives, to wit, _____, a copy of the order and of the petition, * or by apprehending said person and causing h____ to be detained for examination and hearing and for humane care as an alleged mentally ill person at _____; until further ordered and directed by the judge.

* I hereby certify that prior to the service of the above order for detention and the apprehension of _____ I served notice on the person or his representatives, to wit, _____, as required under Section 5050.5 of the Welfare and Institutions Code.

Dated: _____, 19___.

_____

Signature of Officer

* Strike out when not applicable.

SEC. 3. Section 5050.2 of said code is amended to read:

Delivery of copy of petition, etc

5050.2. At least one day before the time of the examination as fixed by the court order, a copy of the petition and order for examination shall be personally delivered to the person or his representative and, unless the petition is filed by such a relative to the wife, husband, father, mother, or other nearest relative of the person alleged to be mentally ill, if any such relative is known to be within the county; if no such relative is known to be within the county, a copy of the petition and order for examination shall be personally delivered to the person with whom such alleged mentally ill person resides or at whose home he is, or in the absence of that person, to a friend of the alleged mentally ill person.

When an order for the forthwith detention of the person as issued by the court is executed by the officer, a copy of the petition and order for detention shall be personally delivered to the persons designated in this section.

SEC. 4. Section 5050.5 of said code is amended to read:

Copy of notice

5050.5. At the time of service of the petition and order for examination or detention, the officer making the service

shall also deliver to each person served a copy of a notice which shall read substantially as follows:

The petition which accompanies this notice has been filed in the superior court in and for the county of _____, alleging that _____ is mentally ill and in need of supervision, treatment and care.

* _____ is notified to present himself at the time and place designated in the attached order to submit to an examination into the state of his mental health. He is permitted to be accompanied by one or more of his relatives or friends to the place of examination. If he fails or refuses to appear for such examination, the court may issue an order for his forthwith detention for such examination.

* _____ has been affirmatively alleged to be sufficiently mentally ill that he is likely to injure himself or others if not immediately hospitalized or detained. The court has therefore issued the attached order for detention and for examination and hearing before the court.

_____ has the right to appear before the court to prove he is not mentally ill, to bring in witnesses, and to be represented by an attorney.

If _____ or a relative, friend, counsel or representative desires to be heard by the court, he must within five days after service of this notice file a request for a hearing with the clerk of the superior court in and for the county of _____.

* Strike out when not applicable.

CHAPTER 450

An act to add Section 9048 to the Water Code and to repeal Section 3466c of the Political Code, relating to the Sutter-Butte By-pass Assessment No 6.

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 9048 is added to the Water Code, to read:

9048. Any reclamation, levee, irrigation, drainage or other district whatever, or any city, county, or political subdivision may make any contract, expend any of its money, or do anything which its governing body determines will directly or indirectly retire, reduce or remove from any of the land owned by it or held in trust for it by any county treasurer or other public officer, the lien of the Sutter-Butte By-pass Assessment No. 6 of the Sacramento and San Joaquin Drainage District, or will make it possible for the Reclamation Board to order the release of the lien of and abandon any part of said assessment. The trustees of a reclamation district or a county

Sutter-Butte By-pass Assessment No 6

treasurer or other public officer acting as trustee for a reclamation district or other district shall have the right to expend funds of the district, including rentals collected and moneys received by the trustees of the district from lease of or for use or occupation of any land referred to in Sections 51750 to 51757, inclusive, of this code, in such amounts that may be necessary for any of the purposes mentioned in this section.

Effect Stats 1951, Ch 336

SEC 2. Section 1 of this act becomes operative only if Division 15 of the Water Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 15 takes effect, at which time Section 3466e of the Political Code is repealed.

CHAPTER 451

Stats 1931, p 483, amended

An act to amend the Building and Loan Association Act by amending Section 1.01 thereof, relating to definitions, Section 1.03 thereof, relating to agents, agencies, salesmen, collectors and branches, Section 2.05 thereof, relating to changes of name, Section 2.07 thereof, relating to branches, Section 7.06 thereof, relating to assessments to restore impaired capital, Section 8.03 thereof, relating to minors and married women, Section 8.04 thereof, relating to joint tenants, Section 8.05 thereof, relating to trustees and guardians, Section 9.02 thereof, relating to investments, Section 9.17 thereof, relating to forbidden loans and penalties therefor, Section 10.03a thereof, relating to federal insurance reserve account, Section 12.09 thereof, relating to leases on office premises, Section 13.13 thereof, relating to powers of the Building and Loan Commissioner upon taking possession of an association, and Section 13.16 thereof, relating to powers of such commissioner upon liquidation; and adding to said act five new sections, to be numbered, respectively, Section 2.11, relating to change of location, Section 8.14, relating to adverse claims, Section 11.06, relating to the office of an agent, salesman or collector, Section 12.13, relating to activities limited to the principal office or branch of an association, and Section 13.21, relating to review of acts of said commissioner, and to amend Sections 5051, 5651, 6001, 6702, 6703, 6704, 7600, 7602, 7603, 7606, 8500 and 9069 of, and to add Sections 5258, 6010, 6203.5, 6411, 7612, 7613, 7614, 9013, 9055.5 and Article 5 comprising Section 5700 to Chapter 3 of Division 2 of the Financial Code, all relating to building and loan associations.

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1.01 of the Building and Loan Association Act is amended to read:

Definitions

Sec. 1.01. In General. The following terms, wherever used in this act, shall have the following meanings, except in cases where the context otherwise requires:

"Association" means a building and loan association, as defined in Section 1.02 of this act, and except where otherwise indicated includes both domestic and foreign associations. "Domestic association" means an association incorporated under the laws of this State, and "foreign association" means any other association.

"Commissioner" means the Building and Loan Commissioner. "Shares" means withdrawable shares of an association; which shares shall constitute and may be designated membership shares. "Pledged shares" means shares pledged as security for the payment of a loan from the association issuing such shares. "Free shares" means all other shares. "Full paid shares," "Installment shares" (including "serial" and "nonserial" installment shares), "accumulative shares" and "prepaid shares" are defined in Section 3.02 of this act.

"Stock" means guarantee stock of an association.

"Investment certificates" means instruments issued by an association, pursuant to Section 5.01 of this act, which expressly state that the right of the holder thereof to withdraw funds evidenced thereby is subject to the provisions of Article 6 of this act, and which otherwise conform to the provisions of this act applicable thereto. "Full paid investment certificate," "installment investment certificate," "accumulative investment certificate," "prepaid investment certificate" and "minimum term investment certificate" are defined in Section 5.01 of this act. The term "investment certificates," wherever used in this act, shall be deemed to include all unsecured notes heretofore issued by an association to savers or members of the public generally.

"Shareholder" and "member" are synonymous and mean the holder of one or more shares or of a fraction thereof; provided, however, that in the case of any association which shall provide by its by-laws, pursuant to any provisions of this act, that every person, firm, copartnership, association or corporation holding a certificate of membership as a borrower from such association shall be a member thereof, each person, firm, copartnership, association or corporation holding such certificate of membership shall be a member thereof. "Stockholder" means the holder of stock. "Certificate holder" means the holder of one or more investment certificates. "Investor" includes shareholder, stockholder and certificate holder.

The "value" of shares or investment certificates means the amount paid in upon such shares or investment certificates, plus the accumulated earnings or interest accrued thereon, less any withdrawals therefrom and charges there against. "The matured value" of a share shall be equal to the par value thereof.

"Redemption price" is defined in Section 5.06 of this act, and "withdrawal value" in Section 6.01 thereof.

The term "issuing" wherever used in this act with reference to an association issuing or not issuing shares, stock and investment certificates or any thereof, shall not be limited to issuance thereof at the particular time, but shall include prior issuance if such stock, shares and investment certificates or any thereof (as the case may be) are still outstanding.

"Advertisement" includes advertisement, circular, pamphlet, prospectus, letterhead, circular letter, newspaper, billboard, sign, and also statements broadcast by radio or television.

Words used in this act in the present tense include the future as well as the present; words used in the masculine gender include the feminine and neuter, and in the neuter gender include the masculine and feminine; the singular number includes the plural, and the plural includes the singular; "writing" includes also printing and typewriting; "oath" includes also affirmation; and "county" includes also city and county.

SEC. 2. Section 1.03 of said act is amended to read:

Same

Sec. 1.03. Agent, Agency, Salesman, Collector and Branch. The following terms, wherever used in this act, shall have the following meanings, except in cases where the context otherwise requires:

An "agent" means a person, copartnership or corporation soliciting or receiving applications for loans to be made by an association, or disbursing funds on behalf of such association on loans, where such services are rendered for compensation and as a whole or partial vocation and not casually or intermittently in connection with a general loan brokerage business, or representing himself or itself as being authorized by an association to solicit or receive applications for loans.

An "agency" means an office owned and operated by an agent.

A "salesman" means a person, other than an agent and other than an officer, director, or employee of an agent, soliciting or receiving applications, subscriptions, or offers, or representing himself as being authorized by an association to solicit or receive applications, subscriptions or offers, on behalf of an association, for shares, stock or investment certificates issued or to be issued by such association.

A "collector" means a person, copartnership, or corporation authorized in writing subscribed by an association to receive or collect, other than as or in connection with an escrow, funds or money paid or to be paid to an association on account of or in connection with loans, shares, stock or investment certificates of such association in force at the time of the receipt or collection of such funds

Notwithstanding anything to the contrary contained in this section, however, no officer, director, or employee of an association, who receives no special compensation for services which, under the foregoing definitions, would make such officer, director or employee an agent, salesman or collector, shall be included within the meaning of the terms "agent," "salesman," or "collector," as used or defined in this act.

"Branch" means any office or other place of business in this State owned and operated by an association, other than its principal office in this State, where subscriptions are sold, taken or solicited for shares, stock or investment certificates of such association or where such shares, stock or investment certificates are sold or issued, otherwise than as security for or in connection with a loan by such association.

SEC. 3. Section 2.05 of said act is amended to read:

Changes of name

Sec. 2.05. Changes of Name to Be Approved by Commissioner. Before any document changing the name of any association, or setting forth the new name of any association, shall be filed in the Office of the Secretary of State of the State of California, there shall be attached to said document the certificate of approval of the commissioner of the new name proposed for said association, and such certificate shall only be issued by the commissioner, after and upon the same notice, proceedings and reasons to believe, and subject to the same rules, presumptions and restrictions as hereinabove set forth in Sections 2.02 and 2.04 of this act in relation to the matters of the name of an association. Notice and hearing shall not be required, however, if the change in name consists only in omitting, including or substituting one or more of the following words: "the," "and," "building," "loan," "savings," and "association."

SEC. 4. Section 2.07 of said act is amended to read:

Branches Licenses

Sec. 2.07. Branches. No association shall open, maintain or conduct a branch without first applying for and obtaining from the commissioner a license for such branch. The application for such license shall be accompanied by a filing fee of one hundred dollars ($100) and shall be in such form as the commissioner shall require, and shall include an itemized statement of the estimated receipts and expenditures of such association in connection with such branch for the first year or such longer period as the commissioner in his discretion may require and a showing that the public convenience and advantage will be promoted by the operation of such branch. The commissioner may refuse to issue his license for such branch unless he is satisfied that the operation of such branch is in the interest of such association, that the area where the proposed branch is to be located is not adequately served by one or more existing associations or federal savings and loan associations, that such association's financial program is sound, and that the public convenience and advantage will be promoted by the operation of such branch. The commissioner shall not execute such license until he has given written notice by mail to each association then existing in this State, directed to it with postage thereon prepaid at its principal office in this State, that an application for the issuance by him of such license has been made, together with the name of the association applying for such license and the name of the city or town in which such branch is proposed, and that a hearing will be held by him at a time and place to be therein specified which shall not be less than 10 days after the mailing thereof; and the commissioner shall give such notices,

and at the time and place specified in such notices shall hold a hearing at which any person, firm or corporation may appear in person or by agent or attorney, and orally or in writing show cause why such license should not be issued upon any relevant ground. The applicant shall pay for such license a fee of fifty dollars ($50) and such license shall continue in force and effect until canceled by the commissioner for cause. No association issuing either stock or investment certificates or both stock and investment certificates shall open any branch if its investment certificate and withdrawable share reserve is less than the amount specified for such association in Section 2.10 of this act. No association issuing neither stock nor investment certificates shall open, maintain or conduct any branch unless such association shall thereafter, while maintaining such branch or branches, at each apportionment of profits, set aside to its loan reserve 1 percent of its net profits since the last prior apportionment in addition to the amount required to be so set aside by Section 10.03 of this act, until said loan reserve shall exceed the maximum amount required by said Section 10.03 for such association by the amount of fifty thousand dollars ($50,000) for each branch so maintained or conducted. Any and all business which may be transacted at the principal office of a duly licensed association may be transacted at any duly licensed branch thereof. An association which maintains a branch office or branch offices shall give to each branch office maintained by it a specific designation by name and include in the designation the word "branch" and shall prominently display the designation at the place of business of the branch.

SEC. 5. Section 2.11 is added to said act, to read:

Location change

Sec. 2.11. Change of Location. No association shall change the location of its principal office or of any branch except with the approval of the commissioner. If the proposed change is from one city to another the commissioner shall, and in any other case the commissioner may, hold a hearing upon the proposed change. If a hearing is held, the commissioner shall mail notice of such hearing to each association in this State as least 10 days before such hearing, and the association requesting the commissioner's approval shall pay him a fee of one hundred dollars ($100) before such notices are mailed.

SEC. 6. Section 7.06 of said act is amended to read:

Capital deficiency

Sec. 7.06. Assessments to Restore Impaired Capital Whenever it shall appear from the report of any association, or the commissioner shall have reason to believe, that the value of the assets of any association after first deducting therefrom the amount of liabilities of such association, including its outstanding investment certificates and shares at the value thereof, is less than the aggregate par value of its outstanding stock, it shall be the duty of the commissioner and he shall have the power to examine such association and ascertain the facts, and in case he finds that such deficiency exists he shall require such association to make good such deficiency within 60 days after

the date of such requisition. The directors of every such association upon which such request shall have been made, shall levy an assessment upon the stock thereof to repair such deficiency, and shall cause notice of such request to be given to each stockholder of such association and of the amount of the assessment which he must pay for the purpose of making good such deficiency. If any stockholder shall refuse or neglect to pay the assessment specified in such notice within 30 days from the date of mailing or serving such notice, the directors of such association shall have the right to sell to the highest bidder at public auction the stock of such stockholder, after giving a previous notice of such sale for 10 days in a newspaper of general circulation published in the county where the principal office in this State of such association is located, and a copy of such notice of sale shall also be served on such stockholder by being served personally on him or by mailing to his last known address 10 days before the day fixed for such sale, or such stock may be sold at a private sale and without such public notice; provided, however, that before making such private sale thereof an offer in writing shall first be obtained and a copy thereof served upon the owner of record of the stock to be sold, either personally or by mailing a copy of such offer to his last known address, and if, after service of such offer, such owner shall still refuse or neglect to pay such assessment within two weeks from the time of the service of such offer, the said directors may accept such offer and sell such stock to the person making such offer, or to any other person or persons making a larger offer than the amount named in the offer submitted to the stockholders; but such stock shall in no event be sold for less than the amount of such assessment so called for and the expense of sale. Out of the avails of the stock so sold, the directors shall pay the amount of assessment levied thereon, and the necessary cost of sale, and the balance, if any, shall be paid to the person or persons whose stock has thus been sold. A sale of stock as herein provided shall effect an absolute cancellation of the outstanding certificate or certificates evidencing the stock so sold, and shall make the same null and void and a new certificate shall be issued by the association to the purchaser thereof. In the event no bid or offer shall be received equal to or more than the amount of such assessment and the expense of sale, then at the option of such association, such stock shall be declared forfeited to the association in satisfaction of such assessment and such expense, and shall have the status of authorized but unissued stock. Such stock shall not be reissued except in accordance with permit thereafter obtained from the commissioner pursuant to Section 4.02 of this act. In case any stock shall be declared forfeited to the association as aforesaid the holders of such stock shall be subject to the stockholders' liability provided in Sections 7.01, 7.02, 7.03 and 7.04 of this act if within 60 days thereafter the commissioner, or a receiver or trustee of the association appointed by any court, shall take possession of the property, business and assets of such association, or if at the time of such forfeiture

Sale of delinquent stock

such stockholders shall have had knowledge of impending failure of such association.

SEC. 7. Section 8.03 of said act is amended to read:

Minors, etc

Sec. 8.03. Minors and Married Women. Every association, in addition to being entitled to issue shares and investment certificates to adults, firms or corporations, shall also have power to issue one or more shares or investment certificates to a minor of any age and receive payments thereon by or for such minor. Such minor shall be entitled to withdraw, transfer or pledge any such shares or certificates owned by him and to receive from such association any and all dividends, interest or other moneys at any time becoming due thereon in the same manner and subject to the same conditions as an adult, and his receipt or acquittance therefor shall constitute a valid release and discharge to the association for the payment of such money. Every association shall have power to issue shares and investment certificates to or in the name of a married woman and to receive payments thereon by or for such person. Such shares or certificates shall be held by such married woman for the exclusive right and benefit of such person free from the control or lien of all other persons except creditors. Such shares or certificates may, subject to the provisions of this act in respect of withdrawals generally, be withdrawn by and the dividends or interest accruing thereon may be paid to the person in whose name such shares or certificates are issued, notwithstanding coverture, and the receipt or acquittance of such person shall be a valid and sufficient release and discharge to the association for such withdrawals or payments, or any part thereof.

SEC. 8. Section 8.04 of said act is amended to read:

Joint tenants

Sec. 8.04. Joint Tenants. When shares or investment certificates are issued in the name of two or more persons, whether minor or adult, as joint tenants or in form to be paid to any of them or the survivor or survivors of them, such shares or certificates and all dues paid on account thereof by either or any of such persons shall become the property of such persons as joint tenants. Such shares or investment certificates, together with all dividends and interest thereon, shall be held for the exclusive use of such joint tenants and may be paid to either or any of them during their lifetime or to the survivor or any one of the survivors of them after the death of one or more of them. By written instructions of all such joint tenants given to the association, they may require the signatures of more than one of such persons during their lifetimes or of more than one of the survivors after the death of any one of them on any notice of withdrawal, request for withdrawal, check endorsement or receipt, in which case the association shall pay withdrawals, dividends and interest only in accordance with such instructions, but no such instructions shall limit the right of the sole survivor or of all of the survivors to receive withdrawal payments, dividends and interest.

Payment as provided in the preceding paragraph and the receipt or acquittance of the person or persons to whom such

payment is made shall be a valid and sufficient release and discharge to such association for all payments made on account of such shares or certificates prior to the receipt by such association of notice in writing from any one of them not to make payments in accordance with the terms of such shares or certificates or of such instructions. After receipt of such notice an association may refuse, without liability, to pay withdrawals, dividends or interest pending determination of the rights of the parties. The purchase or acceptance of shares or investment certificates in such form shall, in the absence of fraud or undue influence, be conclusive evidence, in any action or proceeding to which either the association or the surviving share or certificate holder or holders may be a party, of the intention of such share or certificate holders to vest title to such shares or certificates and dues paid on account thereof and dividends and interest thereon in such survivor or survivors.

SEC. 9. Section 8.05 of said act is amended to read:

Sec 8.05. Trustees and Guardians Every association shall have power to issue shares and investment certificates to one or more persons or corporations as trustee or guardian for another or for others. The association shall not be liable to beneficiaries or wards for moneys paid to their trustees or guardians on account of such shares or certificates. Whenever a person holding shares or investment certificates in either such capacity dies and no notice of the terms, revocation or termination of the trust or guardianship shall have been given in writing to the association, the withdrawal or other value of the shares or investment certificates or any part thereof may be paid to the beneficiary or ward; and if no beneficiary or ward has been designated in writing to the association, the withdrawal or other value or any part thereof may be paid to the trustee's or guardian's executor or administrator. Payment as aforesaid by any association shall be a valid and sufficient release and discharge to such association for such payment, whether or not such payment is made to a minor. Trustees and guardians

SEC. 10. Section 8.14 is added to said act, to read:

Sec. 8.14. Adverse Claims. Notice to any association of an adverse claim (the person making such adverse claim being hereafter in this section called "adverse claimant") to shares or investment certificates standing on its books to the credit of, or to personal property held for the account of, any person may be disregarded until and unless the adverse claimant shall (a) procure and serve upon the association at the office at which the account is carried or the property held a restraining order, injunction or other appropriate order against the association from a court of competent jurisdiction in an action in which the adverse claimant and all persons in whose name such account stands or for whose account such property is held are parties; or (b) execute and deliver to the association at the office at which the account is carried or the property held a bond in form and with surety acceptable to it and in an amount fixed by the association, but which amount in no event need be more than twice Adverse claims

the value of the shares or investment certificates or more than twice the market value of the property against which the adverse claim is made, indemnifying it and also all persons in whose names such account stands or for whose account such property is held, against all liability, loss, damage, costs and expenses arising out of the refusal to permit withdrawal from such account or to pay dividends or interest thereon or to deliver such property. Unless such restraining order, injunction or other appropriate order is obtained, or such bond is given, the association, notwithstanding such notice, may honor notices of intention to withdraw and may pay withdrawals, dividends and interest to the person or persons to whose credit the account stands or may deliver such property to or upon the order of the person for whose account such property is held, without any liability on the part of the association. If an adverse claimant delivers to the association at the office at which the account is carried or the property held his affidavit stating that of his own knowledge the person to whose credit the account stands or for whose account the property is held is a fiduciary for the adverse claimant and that such fiduciary is about to misappropriate the account or the property and stating the facts upon which the claim of a fiduciary relationship is based, the association may refuse to pay withdrawals, dividends or interest on the account or may refuse to deliver such property until the adverse claim is finally adjudicated or released, without liability on its part and without liability for the sufficiency or truth of the facts alleged in the affidavit. The provisions of this section shall be applicable even though the name of the person appearing on the association's books to whose credit the account stands or for whose account the property is held is modified by a qualifying or descriptive term such as "agent," "trustee" or other word or phrase indicating that such person may not be the owner in his own right of the account or property.

SEC. 11. Section 9.02 of said act is amended to read:

Authorized investments

SEC. 9.02. Investments Generally. An association may invest in, hold, buy and sell the following:

Real property

(1) Real property used or to be used primarily as the principal office or branch of such association; provided, that no association issuing either stock or investment certificates or both shall invest in such real property more than one-half of the sum of its aggregate paid-up nonwithdrawable capital, federal insurance reserve, loan reserve, and any surplus and reserve which is not subject to distribution to the shareholders or stockholders except upon dissolution or liquidation;

Furniture, etc

(2) Furniture, fixtures, furnishings, equipment and leasehold improvements necessary or proper for the business of such association, or for use in connection with properties owned by or securing loans of such association; provided, that no association issuing either stock or investment certificates or both shall invest in furniture, fixtures, furnishings, equipment and leasehold improvements for its offices, more than 20 percent (or, if it has no real property used or to be used primarily as its

principal office or branch, 30 percent) of the sum of its aggregate paid-up nonwithdrawable capital, federal insurance reserve, loan reserve, and any surplus and reserve which is not subject to distribution to the shareholders or stockholders except upon dissolution or liquidation;

United States bonds, etc

(3) United States Government bonds and treasury certificates; or any bonds, debentures, notes or other obligations guaranteed by the United States of America;

Federal agency bonds, etc

(4) Bonds, debentures and notes issued by any federal home loan bank, or other similar federal agency, or consolidated federal home loan bank bonds, debentures or notes;

Bonds of State, etc

(5) Bonds of this State or of any county, municipality or school district in this State;

Investments legal for savings banks

(6) Bonds, other securities and bankers' acceptances which are legal as investments for or purchases by savings banks in this State;

Approved public utility bonds

(7) Bonds issued by any railroad corporation or any public utility corporation excluding street railway corporations, substantially all of the properties of which are located in the United States of America; provided, the purchase of all bonds pursuant to the sole authority of this subdivision (7) shall be first approved by the commissioner,

First lien securities

(8) Notes or bonds secured by first mortgage or first deed of trust, payment of which is guaranteed by a policy of mortgage insurance, or mortgage participation certificates, issued by a mortgage insurance company in accordance with the provisions of Title 2 of Part 4 of Division 1 of the Civil Code of this State;

Approved California street improvement bonds

(9) California street improvement bonds; provided, the purchase of all bonds pursuant to the sole authority of this subdivision (9) shall be first approved by the commissioner and that no association at any one time shall have invested pursuant to the sole authority of this subdivision (9) an aggregate amount in excess of 2 percent of the then total assets of such association;

Stock of federal agencies

(10) Stock issued by any federal home loan bank or other similar federal agency of which such association may be eligible to be a member; or

Approved bonds, etc., of certain credit institutions

(11) Bonds, notes, debentures or other obligations of national mortgage associations or other similar credit institutions now or hereafter organized under Title III of the National Housing Act; provided, the purchase of all bonds, notes, debentures or other obligations pursuant to the sole authority of this subdivision (11) shall be first approved by the commissioner.

Limitation

Provided, that, except with the prior consent of the commissioner, no association at any one time shall have invested pursuant to subdivisions (6), (7), (8), (9) and (11) of this section an aggregate amount in excess of 10 percent of the then total assets of such association.

Same

Provided further, that the percentage limitations specified in subdivisions (1) and (2) of this section may be exceeded if the investment in excess of such limitations is approved by two-thirds of the directors and is approved in writing by the commissioner.

Bank deposits

Associations may make deposits with any bank and such deposits shall not be construed as loans within the meaning of this act.

SEC. 12. Section 9.17 of said act is amended to read:

Specifically forbidden loans

Sec. 9.17. Loans Specifically Forbidden and Penalties. No loans shall be made, for himself or as agent or as partner of another, directly or indirectly, to any director or officer of any association by such association, except that loans may be made to any corporation in which any director or officer of such association may be a minority stockholder, on authorization of or confirmation within 30 days after making such loan by a majority of all the directors of such association and the affirmative vote of all the disinterested directors of such association present at the meeting authorizing or confirming such loan; provided, however, that such loan shall in all other respects conform to and comply with the other provisions of this act. Such interested director or officer shall not vote or participate in any manner in the action of the board upon such loan. Such authorization or confirmation shall be entered upon the records or minutes of such association The fact of making such loan, the names of the directors authorizing or confirming such loan, the corporate name of the borrower, the name of each director or officer of such association who is a stockholder, officer or director of the corporation to which such loan is made, the amount of stock held by him in such borrowing corporation, the amount of such loan, the rate of interest thereon, the time when such loan will become due, the amount, character and value of the security given therefor and the fact of final payment, when made, shall be forthwith reported in writing by the association to the commissioner; provided, that any loan made to any corporation of which any director or officer of such association owns not more than 5 percent of the paid-in capital of such borrowing corporation and any loan made to any corporation of which any two or more directors or officers of such association own not more than 20 percent of the paid-in capital of such borrowing corporation, need not be reported to the commissioner. No loan may be made to any corporation a majority of the stock of which is owned or controlled by any one or more of the directors or officers, or officers and directors, of such association collectively, except with the previous consent of the commissioner. No officer, director or employee of an association shall receive from such association, and it shall be unlawful for such association to pay to any officer, director, or employee of such association, any commission, emolument, gratuity or reward based on the volume or number of loans made, or based on the interest or fees collected thereon; provided, however, that nothing in this section shall be construed to prohibit or limit the receipt or payment of salaries of officers, directors and employees, of commissions to agents whether or not based on the volume or number of loans or on the interest or fees collected thereon, or of bonuses to officers and employees or any of them if such bonuses are not based on the volume or number of loans made or

on the interest or fees collected thereon; provided, that the legislative intent is not to interfere with any presently existing contract; provided, that if such bonuses are based on the profits of the association for any period, payment thereof shall not be made earlier than 10 days before the expiration of such period and shall be based on the profits of such period or on an estimate thereof made in good faith. Any officer or director of any association who knowingly violates any of the previous provisions of this section shall be guilty of a felony. Any officer, director or employee of any association who asks or receives or consents or agrees to receive any commission, emolument, gratuity or reward or any money, property or anything of value for his own personal benefit or of personal advantage for procuring or endeavoring to procure for any person, firm or corporation any loan from such association shall be guilty of a felony. It shall be unlawful for any association to loan any of its funds upon any of its stock as security. It shall be unlawful for any association to make any loan to, or purchase any loan or investment from, the commissioner or any deputy, attorney, examiner, accountant or appraiser appointed or employed by him Any officer or director of an association who shall make any such loan for and on behalf of any association shall be personally liable to such association for the full amount thereof and shall also be guilty of a felony. It shall be unlawful for any association to make or purchase any loan or investment not authorized or permitted by this act; and any officer or director who on behalf of any such association shall knowingly make or purchase any loan or investment not authorized by this act or who shall knowingly consent thereto shall be personally liable to such association for the full amount of any such loan or investment and he shall also be guilty of a public offense and shall be punished by imprisonment in the state prison not exceeding five years, or in a county jail not exceeding two years, or by a fine not exceeding five thousand dollars ($5,000), or by both such fine and imprisonment. Penalty

SEC. 13. Section 10.03a of said act is amended to read:

Sec. 10 03a. Federal Insurance Reserve Account. Any association by resolution of its board of directors may irrevocably establish all or any part of any reserve or surplus account for the sole purpose of absorbing losses; provided, however, that, except in the case of reserve or surplus accounts which were available prior to the adoption of such resolution for the purpose (either solely or among other things) of absorbing losses, the written consent of the commissioner shall first be obtained. If prior to the adoption of such resolution (a) the reserve or surplus account so established for the sole purpose of absorbing losses was available for the purpose (either solely or among other things) of absorbing losses, and (b) such reserve or surplus account constituted all or a part of, or counted toward, the investment certificate and withdrawable share reserve referred to in Section 2.10, the loan reserve or the stock Reserve or surplus account

surplus referred to in Section 10 03, or any other reserve or surplus account required by or referred to in this act, then such reserve or surplus account (excepting such part, if any, as may be absorbed by losses) shall continue to constitute all or a part of, or to be counted toward, such reserve or surplus account required by or referred to in this act.

SEC. 14. Section 11.06 is added to said act, to read.

Prohibited representations

Sec. 11 06. Office of Agent, Salesman or Collector No agent, salesman or collector shall represent that his office is the office or branch of an association.

SEC. 15. Section 12.09 of said act is amended to read:

Leases for office space

Sec. 12 09. Leases on Office Premises. An association may enter into or assume leases covering real property used or to be used in connection with the business of such association;

Restrictions

provided, that no association issuing stock or investment certificates shall enter into or assume leases providing in the aggregate for rental payments in any one year in excess of 5 percent of the sum of its aggregate paid-up nonwithdrawable capital, federal insurance reserve, loan reserve, and any surplus and reserve which is not subject to distribution to the shareholders or stockholders except upon dissolution or liquidation, after deducting from such sum any amounts invested in real property pursuant to subdivision (1) of Section 9 02 of this act.

SEC. 16. Section 12 13 is added to said act, to read:

Limitation

Sec. 12.13. Activities Limited to Principal Office or Branch. No association shall issue shares or investment certificates, or pay withdrawals, elsewhere than at the principal office or a branch of such association.

SEC. 17. Section 13.13 of said act is amended to read:

Powers upon seizure Appointment of representative

Sec. 13.13. Powers Upon Taking Possession. Upon taking possession of the business, property and assets of any association, the commissioner may under his hand and official seal appoint a custodian, require from him a good and sufficient

Continuance of business

bond and place him in charge as his representative. Upon taking such possession, the commissioner shall have authority to collect all moneys due to such association and to give full receipt therefor, and to do such other acts as are necessary or expedient to collect, conserve or protect its business, property and assets.

Liquidation

Unless the commissioner shall be enjoined from further proceedings and directed to surrender such business, property and assets or unless such association shall with the consent of the commissioner resume business, then the commissioner shall proceed to liquidate the affairs of such association as hereinafter provided. Whenever the commissioner shall be in possession of the business, property and assets of any association, and regardless of whether or not he shall be liquidating the affairs of such association, the commissioner may in his discretion (1) apply to the superior court of the county in which the principal office in this State of such association is located for an order confirming any action theretofore taken by the commissioner, or authorizing the commissioner to do any act or to execute any instrument not expressly authorized by this act, which order shall

be given and made after a hearing on such notice as the court shall prescribe; (2) pay and discharge any secured claims against such association, whether or not such claims shall theretofore have been presented for payment or have become barred from presentation by the expiration of the time limit hereinafter specified; provided, that no such claim shall be paid in an amount larger than the then value of the security therefor; (3) pay such administrative or current expenses incurred prior to the taking of possession by the commissioner as may be necessary or convenient to the orderly or economic liquidation or preservation of the assets, and pay all wages or salaries, not exceeding two hundred fifty dollars ($250) per month to any one person, earned within six months prior to the taking of possession by the commissioner, whether or not claims for such expenses, wages or salaries shall theretofore have been presented for payment, or shall have become barred from presentation by the expiration of the time limit hereinafter specified; or (4) within six months after obtaining knowledge of the existence thereof, disaffirm any executory contracts (including leases) to which such association is a party, and disaffirm any partially executed contracts (including leases) to the extent that they remain executory. Claims for damages resulting from the disaffirmance of any such contract or lease may be filed and allowed. No claim of a landlord for damages resulting from the disaffirmance of an unexpired lease of real property or under any covenant of such lease shall be allowed in an amount exceeding the rent reserved by the lease, without acceleration, for the year succeeding the date of the surrender of the premises plus the amount of any unpaid accrued rent without acceleration. Any such claim must be filed within 30 days of the date of such disaffirmance or within the time that claims must be filed under Section 13.16, whichever is longer. Pay

SEC. 18. Section 13.16 of said act is amended to read:

Sec. 13.16. Powers Upon Liquidation. In liquidating the affairs of an association, the commissioner shall have power to collect all moneys due to, and claims of, such association and to give full receipt therefor; to release or reconvey all real or personal property pledged, hypothecated or transferred in trust as security for loans; to approve and pay all just and equitable claims; provided, that shares shall participate ratably with investment certificates in the case of any association in which shareholders shall have heretofore been granted the right and option by the association to exchange their shares for investment certificates of equal value; to commence and prosecute all actions and proceedings necessary to enforce liquidation; and on the order of the superior court of the county in which the principal office in this State of such association is located, given and made after a hearing on such notice as the court shall prescribe, to compound bad or doubtful debts or claims, or to borrow money, or to sell, convey or transfer real or personal property. Notwithstanding anything to the contrary contained Powers upon liquidation

Court supervision

in Sections 73 and 142 of the Code of Civil Procedure, or contained in any other law of this State, the judge or judges of such superior court, may, in his or their discretion, whenever such judge or judges deem it necessary or advisable, hold hearings relating to the sale, exchange or other disposition of any parcel of real property or any item of personal property of such association regardless of the location of such property, at the county seat of any county in this State or at such places in the home county of such superior court at which sessions shall be held as provided in the Code of Civil Procedure. Whenever it becomes necessary for a judge, clerk, deputy clerk, court reporter or bailiff of or sitting in such superior court, to travel to another county, there to attend hearings relating to the sale, exchange or other disposition of real or personal property of such association, each such judge, clerk, deputy clerk, court reporter or bailiff shall be allowed his necessary expenses in going to, returning from and attending upon the business of such court. Such expenses shall upon order of such court, be a charge against the funds of such association and paid out of such funds by the commissioner. If a purchaser for any property or any bad or doubtful debt or claim cannot be obtained and it appears improbable in the case of any such bad or doubtful debt or claim that recovery thereon can be had, and that the cost of action to enforce collection of the same would probably be lost, the court may direct that suit thereon need not be brought, and if in the case of any such property it appears improbable that anything can be realized therefrom and that the cost of maintaining, preserving or protecting said property would probably be lost, the court may direct the commissioner to abandon the same. For the purpose of executing and performing any of the powers and duties hereby conferred upon him, the commissioner may in the name of such association or in his own name prosecute and defend any and all suits and other legal proceedings and may in the name of such association or in his own name as commissioner execute, acknowledge and deliver any and all deeds, assignments, releases, requests for reconveyance, and other instruments necessary and proper to effectuate any sale of real or personal property or other transaction in connection with the liquidation of such association; and any deed, assignment, release, request for reconveyance or other instrument executed pursuant to the authority hereby given shall be valid and effectual for all purposes as though the same had been executed by the officers of such association by authority of its board of directors. In case any of the real property so sold is located in a county other than the county in which the application to the court for leave to sell the same is made, the commissioner shall cause a certified copy of the order authorizing or ratifying such sale to be recorded in the office of the recorder of the county in which such real property is located.

Inventory of assets

Upon determining to liquidate an association, the commissioner shall cause an inventory of all the assets of such

association to be made in duplicate, the original to be filed with the court and the duplicate in the office of the commissioner. He shall cause notice to be given by publication once a week for four successive weeks in some newspaper of general circulation published at or near the principal place of business in this State of such association, to all persons having claims against it as creditors or investors or otherwise, to present and file same and make legal proof thereof at a place and within a time to be designated in such publication, which time shall be not less than six months after such first publication; and within 10 days after such first publication he shall cause a copy of such notice to be mailed to all persons whose names appear of record upon its books as creditors or investors; and upon the expiration of the time fixed for the presentation of claims, the commissioner shall prepare or cause to be prepared in duplicate a full and complete schedule of all claims presented, specifying by classes those that have been approved and those that have been disapproved and shall file the original with the court and the duplicate in the office of the commissioner. Not later than five days after the time of filing such schedule with the court, written notice shall be mailed to all claimants whose claims have been rejected. Action to enforce the payment of or to establish any rejected claim must be brought and service had within four months from and after the date of filing of the schedule of claims with the proper court; otherwise all such actions shall be forever barred. All claims, demands or causes of action of whatever nature, and regardless of whether or not a suit shall be pending to enforce the same at the time of the taking possession of the assets of the association by the commissioner, of creditors, and persons other than investors against the association or against any property owned or held by it in trust or otherwise, must be presented to the commissioner in writing, verified by the claimant, or someone in his behalf, within the period limited in the above mentioned notice for the presentation of claims; and the commissioner shall have no power to approve any claim not so presented, and any such claim, demand or cause of action not so presented shall be forever barred. Any investor, without presenting a claim, shall be entitled, as to any dividends hereafter declared, to share in such dividends to the extent, and in the proper relative order of priority, of any claim shown by the books of the association to exist in his favor against the association. Claims of holders of investment certificates and of shares shall bear interest, from the date when interest or dividends were last paid or credited on such certificates or shares, at the rate or rates of return on investment certificates and shares determined from time to time by the commissioner to be the rate or rates of return on investment certificates or shares paid or credited for the period or periods in question by the largest number of associations in this State. Claims of other creditors shall bear interest at the rate provided by law on judgments from the date the commissioner takes

Limitation

possession of the business, property and assets of the association.

Order of priority of claims

The commissioner may under his hand and official seal appoint one or more special deputies to assist in the duties of liquidation and distribution under his direction and may also employ such special legal counsel, accountants and assistants as may be needful and requisite and fix the salaries and compensation to be allowed and paid to each. All such salaries and compensation with such other reasonable and necessary expenses as may be incurred in the liquidation shall be paid by the commissioner from the funds of such association in his hands. Such expenses shall include, among other things, that part of the salary of the commissioner and of his deputies, examiners, accountants, appraisers and other assistants, and that part of the general expenses of the commissioner's office, as shall fairly represent, in the opinion of the commissioner, the proportion thereof properly attributable to such liquidation. From the net realization of assets in excess of such salaries, compensation and expenses, the commissioner shall first pay all claims heretofore or hereafter approved by him in the sum of less than ten dollars ($10), other than the claims of shareholders or stockholders, and other than the claims of certificate holders or other creditors who shall object in writing to such payment. Such claims of less than ten dollars ($10) shall be paid at their surrender value as estimated by the commissioner and fixed and determined by the court on the same basis as claims are received in payment of real property as provided for by Section 13.16a, and all such claims shall thereupon be canceled. The commissioner shall then pay all claims approved in the sum of ten dollars ($10) or more, other than the claims of shareholders and stockholders, without distinction or preference as between the claims of certificate holders and other creditors except as hereinabove provided as to the respective rates of interest thereon; and thereafter he shall distribute and pay dividends in liquidation first to the shareholders until their claims are fully paid or such assets or funds are exhausted, and second, if any such assets or funds remain, to the stockholders until such assets or funds are exhausted; provided, however, notwithstanding anything to the contrary herein contained, in the case of any association in which shareholders shall have heretofore been granted the right and option by the association to exchange their shares for investment certificates of equal value

Dividends

he shall distribute and pay dividends in liquidation to such shareholders without distinction or preference as between the claims of such shareholders and the claims of certificate holders and other creditors. Such distributions shall be made as funds are available therefor to the extent of 10 percent or more of the approved claims of the class of claimants then entitled to distribution, and shall continue until all the assets have been realized upon and a final dividend in liquidation shall be declared and paid. Where the commissioner shall have taken possession of an association and commenced paying dividends

in liquidation prior to the effective date of this section, as amended, he shall nevertheless pay the claims of certificate holders or other creditors approved in the original sum of less than ten dollars ($10), as hereinabove provided for, before paying other dividends in liquidation to those claimants whose claims were originally approved in the sum of ten dollars ($10) or more. Upon the payment of a final dividend in liquidation, the commissioner shall prepare and file with the court a full and final statement of the liquidation, including a summary of the receipts and disbursements, and a duplicate thereof shall be filed in the office of the commissioner and after due hearing and approval by the court, the liquidation shall be deemed to be closed.

Stay of process, etc.

The determination by the commissioner to liquidate any association, evidenced by filing written notice of such determination with the court, shall operate to stay or dissolve any or all actions or attachments instituted or levied within 30 days next preceding the taking of possession of such association by the commissioner, and pending the process of liquidation as herein provided no attachment or execution shall be levied or lien created upon any of the property of such association.

Disposition of balance

Whenever in the case of any association which shall have issued stock, the commissioner shall have fully liquidated all claims other than claims of stockholders, and shall have made due provision for any and all known but unclaimed liabilities, excepting claims of stockholders, and shall have paid all expenses of liquidation, then upon the written request of the holders of a majority of the stock of such association any surplus that may then remain in his hands, together with all the records and effects, shall be delivered to the association or its trustees, and thereafter such association or its trustees shall have title thereto free from any claim of the commissioner.

SEC. 17.5. Section 13.21 is added to said act, to read:

Judicial review of commissioner's acts

Sec 13.21. Review of Acts of Commissioner. Every order, decision, approval, certificate, license, permit or other official act of the commissioner provided for in Sections 2.04, 2.05, 2.06, 2.07, 2 09, 4.02 and 12 02 of this act is subject to judicial review in accordance with law. Except for review of proceedings conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, an action or proceeding for judicial review of any order, decision, approval, certificate, license, permit or other official act of the commissioner provided for in said sections of this act, or for judicial review of any denial by the commissioner of an approval, certificate, license or permit under such sections, must be commenced within 60 days after the issuance of such order, decision, approval, certificate, license or permit or within 60 days after such denial or other official act, or within 60 days after the effective date of this section, whichever is the later date.

NOTE: The sections of the Financial Code affected by this chapter appear in their proper place in that code. Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch 364

SEC. 40. Sections 18 to 39, inclusive, of this act become operative only if Division 2 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 2 takes effect, at which time Sections 1.01, 1 03, 2.05, 2.07, 7.06, 8.03, 8.04, 8.05, 9.02, 9.17, 10.03a, 12.09, 13.13, and 13.16 of the act cited in the title as amended by this act, and Sections 2.11, 8.14, 11.06, 12.13, and 13.21 of said act as added by this act, are repealed.

CHAPTER 452

Stats 1925, p 648, amended

An act to add Section 6c to an act entitled "An act authorizing the establishment of municipal courts, prescribing their constitution, regulation, government, procedure and jurisdiction, and providing for the election and appointment of the judges, clerks and other attaches of such courts, their terms of office, qualification and compensation and for the selection of jurors therein," approved May 23, 1925, relating to municipal courts.

In effect September 22, 1951

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6c is added to the act cited in the title hereof to read as follows:

Sec. 6c. When courts of cities of the first class open for exercise of criminal jurisdiction: application of CCP #134: authority to accept bail.

Exercise of criminal jurisdiction in San Francisco municipal courts

In a city or city and county of the first class one division of said court may remain open and in session for the transaction of any and all business which may come before said division in the exercise of the criminal jurisdiction of such municipal court or a judge thereof, at such hours of the day or night, or both, as may be prescribed by the judges of said court; and it is expressly provided that the provision of Section 134 of the Code of Civil Procedure, requiring that no court other than the Supreme Court must be open for the transaction of judicial business on any of the holidays mentioned in Section 10 of the Code of Civil Procedure, shall not apply to such municipal courts while exercising their jurisdiction as required by the provisions of this section. The clerk of said court or one or more deputy clerks shall be in attendance at said division at all hours of the day and night, including Sundays and holidays, and shall have authority to fix and accept bail for the appearance before said court of any defendant charged in such court with an offense of which the court has jurisdiction; provided, the amount thereof shall be in accordance with a schedule of bail in such cases previously fixed and approved by the judges of said court unless a warrant shall have been issued for the arrest of the defendant, in which

case the bail shall be in the amount fixed in the warrant; and provided also, the bail shall be cash or a surety bond executed by a certified, admitted surety insurer as provided in the Insurance Code of the State of California.

In any case where a defendant has been arrested for felony upon a warrant issued by a judge of such municipal court, the clerk may, under like conditions, accept bail in the amount fixed in the warrant.

The authority to accept bail as in this section provided shall include authority to approve the same, to issue and sign an order for the release of the defendant, and to set a time and place for the appearance of the defendant before the appropriate division or judge of such court and give the defendant notice thereof.

CHAPTER 453

An act to amend Section 16062 of the Revenue and Taxation Code, relating to gift tax liens.

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 16062 of the Revenue and Taxation Code is amended to read:

16062. If any personal property embraced in a gift is sold by the donee or his successor in interest to a bona fide purchaser for an adequate and full consideration in money or money's worth, the lien ceases as to that property and attaches to all other personal property of the donee, including any after-acquired property, except such part of such other property as is also sold to a bona fide purchaser for an adequate and full consideration in money or money's worth.

Sale to bona fide purchaser

CHAPTER 454

An act to amend Section 53200 of the Government Code, relating to group insurance.

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 53200 of the Government Code is amended to read:

53200. As used in this article:

(a) "Local agency" means a county, city, school district, municipal corporation, political subdivision, public corporation, or other public agency of the State.

Definitions

(b) "Group life insurance" and "group policies of life insurance" includes "group annuities" and "group annuity contracts."

Application

SEC. 2. The amendments to Section 53200 of the Government Code contained herein are in no way intended to and shall not be construed to permit any local agency to abolish any existing retirement program.

CHAPTER 455

An act to amend Section 24201 of the Education Code, relating to corporations for establishing, conducting, and maintaining colleges or seminaries of learning.

In effect September 22, 1951

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 24201 of the Education Code is amended to read:

Educational corporations Formation

24201. A corporation may be formed for the purpose of establishing, conducting, and maintaining a college or seminary of learning as provided in the Corporations Code, except that in lieu of the requirements of Sections 301 to 305, inclusive, of the Corporations Code, the articles of incorporation shall state:

(a) The name of the corporation.

(b) The purpose for which it is organized.

(c) The county in this State where the principal office for the transaction of the business of the corporation is to be located.

(d) The number of its trustees, which shall not be fewer than five nor more than 30, and the names and residences of the trustees. The term for which the trustees named and their successors are to hold office may also be stated. If it is desired that the trustees, or any portion of them, shall belong to any organization, society, or church, such limitation shall be stated.

(e) If the corporation is to be authorized to issue shares of stock, the total number of shares which the corporation shall have authority to issue and (1) the aggregate par value, if any, of all shares, and the par value of each of the shares, or (2) a statement that all the shares are to be without par value.

(f) If the corporation is not to be authorized to issue shares of stock, it shall be so stated.

The articles of incorporation shall not provide for more than one class of shares or members.

CHAPTER 456

An act to amend Section 3370 of the Banking Code, and Section 3370 of the Financial Code, relating to loans to corporations in which an officer is an officer, stockholder or director.

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3370 of the Banking Code is amended to read:

3370. A bank shall not make any loan to any officer of the bank, directly or indirectly, or to any corporation in which such officer is a stockholder, director, officer, or employee or to any partnership of which such officer is a partner, or for the benefit of such officer or on the endorsement, surety, or guaranty of such officer, except as follows:

Loans to bank officers, etc., prohibited

Exceptions

A loan may be made to a corporation of which the officer is a director or a minority stockholder if;

(a) The loan is authorized or is confirmed within 40 days after the same is made by a majority of all of the directors of such bank and the affirmative vote of all directors of such bank present at the meeting authorizing or confirming such loan; and

(b) If the officer is a director of such corporation or owns, directly or indirectly, more than 10 percent of the stock of such corporation or if two or more directors or officers of the bank own more than 20 percent of the capital stock of such corporation, the loan is reported to the superintendent in the manner provided in Section 3374.

NOTE The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC 3. Section 2 of this act becomes operative only if the Financial Code is enacted by the Legislature at the 1951 General Session, and in such case at the same time as said Financial Code takes effect, at which time Section 1 of this act is hereby repealed.

Effect Stats 1951, Ch 364

CHAPTER 457

An act to amend Section 753 of the Banking Code and Section 753 of the Financial Code, relating to investments in bank premises.

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 753 of the Banking Code is amended to read:

Investment limit

753. The aggregate investment of a commercial bank, of a savings bank or of a trust company in real property held pursuant to subdivision (a) of Section 750 of this chapter, in furniture and fixtures, vaults, safe deposit boxes, and other personal property, in the stock of one or more corporations authorized by Section 752 of this chapter, in the stock of one or more corporations authorized by Section 758 of this chapter, in the bonds or other obligations of such corporations, and in all loans or extensions of credit made by the bank or trust company to such corporations or upon the security of the stock thereof, shall not exceed in the aggregate at any time 50 percent of its capital and surplus, unless the superintendent shall approve a larger investment and unless such larger investment is approved by a vote of two-thirds of all of the directors of the bank or trust company.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch 364

SEC. 3. Section 2 of this act becomes operative only if Division 1 of the Financial Code is enacted by the Legislature at its 1951 Regular Session and in such case at the same time as said division takes effect at which time Section 1 of this act is hereby repealed.

CHAPTER 458

An act to amend Section 6580 of the Health and Safety Code, relating to date of election of officers of sanitary districts.

In effect September 22, 1951

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6580 of the Health and Safety Code is amended to read:

Election of officers

6580. All elections of officers, after the formation of the district shall be held on the first Tuesday after the first Monday of November in each even-numbered year.

CHAPTER 459

An act to amend Section 16024 of the Government Code, relating to the automatic denial of claims against the State of California where the liability of the State is insured.

In effect September 22, 1951

[Approved by Governor May 14, 1951. Filed with Secretary of State May 14, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 16024 of the Government Code is amended to read:

Liability insurance

16024. If the State elects to insure its liability, the board may automatically deny any claim covered by insurance.

CHAPTER 460

An act to amend Sections 1213, 1216, and 3400 of, and to add Section 1213.5 to, the Penal Code, relating to persons convicted of crime.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1213 of the Penal Code is amended to read:

1213. When a judgment, other than of death, has been pronounced, a copy of the entry thereof or if the judgment is for imprisonment in a state prison, an abstract thereof as provided in Section 1213.5, certified by the clerk of the court, or by the judge or justice if there is no clerk, must be forthwith furnished to the officer whose duty it is to execute the judgment, and no other warrant or authority is necessary to justify or require its execution. Abstract, etc., of judgment

SEC. 2. Section 1216 of said code is amended to read:

1216. If the judgment is for imprisonment in the state prison, the sheriff of the county must, upon receipt of a certified abstract thereof, take and deliver the defendant to the warden of the state prison. He must also deliver to the warden the certified abstract of the judgment, and take from the warden a receipt for the defendant. Delivery of defendant to prison

SEC. 3. Section 3400 of said code is amended to read:

3400. Upon the commitment or transfer of any woman to the institution it shall be the duty of the officer having custody of her or required to take custody of her, to deliver her to said institution, receiving therefor the fees payable for the transportation of prisoners to the state prisons. Such officer shall at the same time deliver to said institution a certified abstract of the judgment of conviction and of the order of commitment or order of transfer. Every woman so committed or transferred under this act shall be accompanied by a woman attendant from the place of commitment or transfer until delivered to said institution. Commitment, etc., of women

SEC. 4. Section 1213.5 is added to said code, to read:

1213.5. (a) The abstract of judgment provided in Section 1213 shall contain: Abstract of judgment Contents

(1) A designation of the crime or crimes and the degree thereof, if any, of which defendant has been convicted.

(2) The sections of the Penal Code or other provisions of law of which the designated crimes constitute violations.

(3) A statement of prior convictions which affect the sentence of the defendant.

(4) A statement as to whether or not the defendant was armed with a deadly weapon or a concealed deadly weapon when that fact will affect his sentence.

Same

(5) When the circumstances of the conviction are such as to constitute defendant an habitual criminal under subdivision (a) or (b) of Section 644 of the Penal Code, a statement as to whether or not the judge finds defendant is an habitual criminal.

(6) A statement as to how the sentence imposed on each count of which defendant was convicted shall be served with respect to the other counts, if any, of which he was convicted and with respect to any prior uncompleted sentence.

(7) A copy of the order remanding defendant to the custody of the sheriff for delivery to a state prison.

(b) The form of the abstract of judgment shall be substantially as follows:

Case Nos.: _____

In the Superior Court of the State of California

In and for the _____ County of _____.

Abstract of Judgment

(Commitment to State Prison)

The People of the State of California
v.

Present:

Hon _____
Judge of the Superior Court

_____
Prosecuting Attorney

_____
Counsel for Defendant

This certifies that on _____ judgment of conviction of the above-named defendant was entered as follows:

(1) Case No. _____ Count No. _____

On his plea of _____
(guilty, not guilty, former conviction or acquittal, once in jeopardy, not guilty by reason of insanity)

he was convicted by _____ of
(the court or jury)

_____in violation of
(designation of crime and degree if any, including fact that it constitutes a second or subsequent, if that affects the sentence)

_____
(reference to code or statute, including section and subsection thereof, if any violated)

with prior felony convictions as follows:

Date	County and state	Crime	Disposition

Defendant _____ ___ armed with a deadly
(was or was not)

weapon at the time of his commission of the offense or a concealed deadly weapon at the time of his arrest within the meaning of Penal Code Section 3024. Same

(Repeat foregoing with respect to each count of which defendant was convicted.)

(2) Defendant _____ adjudged an habitual
(was or was not)
criminal within the meaning of Subdivision _____ of Section
(a) or (b)
644 of the Penal Code and the defendant _____ an
(is or is not)
habitual criminal in accordance with the provisions of Subdivision (c) of that section.

(3) It is therefore ordered, adjudged and decreed that the said defendant be punished by imprisonment in the state prison of the State of California for the term provided by law, and that he be remanded to the Sheriff of the County of _____, and by him delivered to the Director of Corrections of the State of California at _____.

It is ordered that sentences shall be served in respect to one another as follows (CC or CS):

and in respect to any prior incompleted sentence(s) as follows (CC or CS):

(4) To the Sheriff of the County of _____ and to the Director of Corrections at the _____.

Pursuant to the aforesaid judgment, this is to command you, the said Sheriff, to deliver the above named Defendant into the custody of the Director of Corrections at the _____ at your earliest convenience.

Witness my hand and seal of said court this _____ day of _____ 19___.

_____ Clerk
By _____ Deputy

State of California,)
County of _____ _____) ss.

I do hereby certify the foregoing to be a true and correct abstract of the judgment duly made and entered on the minutes of the Superior Court in the above entitled action as provided by Penal Code Section 1213.

Attest my hand and seal of the said Superior Court this _____ day of _____ 19___.

_____
County Clerk and Ex-officio Clerk of the Superior Court of the State of California, in and for the County of _____

_____ Judge of the Superior Court of the State of California in and for the County of _____.

CHAPTER 461

An act to add Section 477.5 to the Vehicle Code, relating to traffic signals at school approaches.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 477.5 is added to the Vehicle Code, to read:

Flashing signals at school approaches

477.5. Flashing Signals at School Approaches. Upon a finding by the governing board of any school district that traffic conditions in the vicinity of any schools in the district are hazardous to school children crossing streets or highways in such vicinity and a request is made by such school district, the State Department of Public Works shall, with respect to highways under its jurisdiction, or local authorities shall, in their respective jurisdictions, make a study as to the hazards to school children from traffic on streets or highways adjacent to such schools. If the authority in charge of the highway determines that such flashing traffic signals would be justified as a protective measure, it shall place or replace, and maintain, or cause to be placed or replaced, and maintained, such flashing signals as are required. In the event the highway authorities find that such signals are not justified or that different measures should be taken they shall render a report to the governing board of the school district, advising them their conclusions and the reasons therefor.

One-half the cost to the State Department of Public Works or local authorities of placing and replacing any traffic signal pursuant to this section shall be borne by the school district requesting the placement of the signal.

CHAPTER 462

An act to amend Section 17953 of the Revenue and Taxation Code, pertaining to credits against net income of estates and trusts.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 17953 of the Revenue and Taxation Code is hereby amended to read as follows:

Credits against net income of estates and trusts

17953. There shall be allowed as a credit against net income in the case of an estate, an exemption of one thousand dollars ($1,000) and, in the case of a trust, an exemption of one hundred dollars ($100), provided that in the case of a trust, if the amount of tax otherwise due under this part after applying said exemption is less than one dollar ($1) the amount of the exemption shall be the amount of the net income of such trust but in no event shall such exemption exceed two hundred dollars ($200).

CHAPTER 463

An act to add Chapter 5, comprising Sections 8370 to 8374, inclusive, to Part 3, Division 9, of, and Sections 941.1, 941.2, 941.3, 1685, 1706, 50013, and Division 2 5, comprising Sections 1800 to 1903, inclusive, Division 11, comprising Sections 9000 to 9493, inclusive, and Division 18, comprising Sections 31500 to 34859, inclusive, to the Streets and Highways Code, thereby consolidating and revising the law pertaining to public ways and appurtenances thereto, and to repeal certain acts and parts of acts specified herein.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 941.1 is added to the Streets and Highways Code, to read:

941.1. Boards of supervisors may do any and all things necessary to lay out, acquire, and construct any section or portion of any street or highway within their jurisdiction as a freeway and to make any existing street or highway a freeway. Powers of boards of supervisors

SEC. 2. Section 941.2 is added to said code, to read:

941.2. Boards of supervisors may close any street or highway within their jurisdiction at or near the point of its intersection with any freeway, or may make provision for carrying such street or highway over, under, or to a connection with the freeway, and may do any and all work on such street or highway as is necessary therefor. Same

No public highway shall be converted into a freeway except with the consent of the owners of abutting lands or the purchase or condemnation of their right of access thereto.

SEC. 3. Section 941.3 is added to said code, to read:

941.3. Before taking any action authorized by Section 941.2 affecting any state highway, such action must be approved by the Department of Public Works. Approval of authorized action

SEC. 4. Section 1685 is added to said code, to read:

1685. Boards of supervisors may enter into contracts or agreements with the legislative body of any city for the purposes specified in Section 1803. Contracts

SEC. 5. Section 1706 is added to said code, to read:

1706. Whenever a city permits a county to use the city streets and highways for the purpose of constructing and maintaining any highway or boulevard as part of a county system of roads pursuant to Section 1850, the board of supervisors may construct and maintain such bridge or bridges on such highway or boulevard within the city as it deems necessary, and may macadamize, pave, curb, or gutter, such highway or boulevard in such manner as it determines; and the cost or expense thereof shall be paid from the general fund of the county. Construction of bridges etc

SEC. 6. Division 2.5 is added to said code, to read:

DIVISION 2.5. CITY STREETS

CHAPTER 1. CONSTRUCTION AND MAINTENANCE

Construction, etc., of freeway

1800. The legislative body of any city may do any and all things necessary to lay out, acquire, and construct any section or portion of any street or highway within its jurisdiction as a freeway, and to make any existing street or highway a freeway.

Closure, etc., of street intersecting freeway

1801. The legislative body of any city may close any street or highway within its jurisdiction at or near the point of its intersection with any freeway, or may make provision for carrying such street or highway over, under, or to a connection with the freeway, and may do any and all necessary work on such street or highway.

No public highway shall be converted into a freeway except with the consent of the owners of abutting lands or the purchase or condemnation of their right of access thereto.

Approval

1802. Before taking any action authorized by Section 1801 affecting any state highway, such action must be approved by the Department of Public Works.

Contract with county

1803. Whenever the legislative body of a city determines that it is necessary for the more efficient maintenance, construction, or repair of streets and roads within the city it may contract with the board of supervisors of any county for the rental, by the city, of such county's equipment for the maintenance, construction, or repair of such streets and roads, or for the maintenance, construction, or repair of such streets and roads by the county.

Tunnels

1804. Every city in the State may construct, maintain, and operate tunnels for street and highway purposes within and without the territorial boundaries of the city. As to any such tunnels on state highways, the approval of the Department of Public Works shall first be obtained.

CHAPTER 2. CITY STREETS AS PART OF THE STATE AND COUNTY HIGHWAY SYSTEMS

Use of city streets

1850. Any city may, by ordinance, permit the use of its streets and highways by the board of supervisors or highway commissioners of the county, for the purpose of constructing and maintaining thereon any highway or boulevard as part of a county system of roads within any portion of its incorporated limits

Grades

1851. The legislative body of any city may establish the grades of those portions of any county highway lying within the city boundaries.

Change of grade

1852. No city shall change the grade of any portion of a state or county highway where such grade has been established prior to the incorporation of the city, without first obtaining the written consent of the State or county authorities, as the case may be.

CHAPTER 3. ASSESSMENT RELIEF

Assessment reduction

1900. If the legislative body of a city by a resolution adopted by a four-fifths vote of its members, determines that any improvement of streets within the boundaries of the city is of more than local benefit and that the assessments levied against the property fronting on the street improvement or in the assessment district are unjust and in excess of the benefits derived from the improvement, public money may be appropriated to reduce such assessments.

Same Resolution

1901. A resolution to reduce assessments pursuant to this chapter shall refer to the improvement as designated in the assessment proceedings, state the amount of money to be appropriated and the fund or funds from which it is to be paid.

Appropriations Authorized purposes

1902. Appropriations may be made pursuant to this chapter for the following purposes:

(a) To reduce special assessments and special assessment bonds levied and issued against real property fronting upon the public improvement or in the district estimated to have been benefited thereby.

(b) For the payment of any portion of the principal or interest of, or for the purchase and redemption at a discount of, or the transfer to the interest and sinking fund for the discharge and payment of bonds, the proceeds of which have been used for the acquisition of rights of way or easements for, or for the construction, maintenance, improvement, or repair of streets, bridges, or culverts within the city.

Same Funds available

1903. An appropriation under this chapter may be made from any fund of the city which may be used for the construction, maintenance, improvement, or repair of streets, or for the acquisition of rights of way therefor, or from any other fund available for the purposes of this chapter.

SEC. 7. Chapter 5 is added to Part 3, Division 9 of said code, to read:

CHAPTER 5. DISPOSITION OF VACATED STREETS

8370. Section 8308 shall not apply to this chapter.

Conveyance of vacated streets

8371. Whenever any street or portion of a street is vacated by a city, under the provisions of any law of this State or of its charter, for the purpose of opening a new street or streets in lieu of that vacated, the legislative body of the city may, by ordinance, unless otherwise provided in its charter, convey by deed its interest in the street or portion of street vacated to the owners of the lands adjacent to, or fronting on the street in such manner as it deems that equity requires.

Ordinance Provisions

8372. An ordinance adopted pursuant to Section 8371 shall provide for the execution of the deed or deeds in the name of the city by at least two of its officials.

Conditions

8373. If the fee in lands occupied by the vacated street has reverted to the city, the legislative body may impose any reasonable conditions, or demand compensation by exchange of lands, or otherwise, before conveying the land.

Delivery of deeds

8374. The deeds provided for in this chapter shall not be delivered to the grantees named in the deeds until good and sufficient conveyances vesting in the city the title to the new street or streets opened in lieu of the streets vacated, are delivered to the city.

SEC. 8. Division 11 is added to said code, to read:

DIVISION 11. REFUNDING OF BONDS ISSUED UNDER THE "IMPROVEMENT BOND ACT OF 1915"

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

Article 1. General Provisions

Refunding of bonds S. & H. C., §8500, ff

9000. The refunding of bonds issued under the "Improvement Bond Act of 1915" so as to restore property to the tax rolls and make it available for development is declared to be an important policy of this State and all necessary authority, power, and jurisdiction to impose a valid reassessment upon lands deeded to the State or to any city therein for delinquent taxes or for delinquent taxes and assessments, and to enforce the lien of such reassessment is hereby granted, and any and all acts and proceedings of every kind and nature necessary for the levy of the valid reassessment and for the enforcement of the lien of such reassessment are hereby authorized.

Extension of liens of assessments

9001. The legislative body of any city in this State may refund bonds issued under the "Improvement Bond Act of 1915," under and subject to the provisions of this division, and may provide for the extension of the liens of assessments and the levy and collection of assessments and reassessments to pay such bonds.

Intention

9002. It is the intention of this division that the original bonds and the original assessments shall remain in full force and effect until superseded and supplanted by reassessments and refunding bonds validly and legally issued, upon which the city is validly subject to the liability to pay the refunding bonds

Necessary action authorized

9003. Any action or determination made necessary by reason of constitutional requirements or otherwise, or any action or determination which is convenient in the making of the reassessment, or in the refunding and reassessment proceedings, which is not expressly set forth in this division is hereby authorized and the same when made shall be valid and sufficient

Employment

9004. Any city may employ any qualified person to perform any work provided for or authorized by this division or in connection with the refunding of any indebtedness authorized to be refunded under this division.

Incidental expenses

9005. The incidental expenses of any refunding and reassessment authorized by this division shall be paid by the city in which the district lies.

Application of provisions

9006. When proceedings are commenced under this division, the provisions of this division only shall apply thereto.

Same

9007 This division does not affect any other act or acts now existing or which may hereafter be passed covering the

same subject matter, nor apply to any proceedings thereunder, but is intended to and does provide an alternative system for the refunding of bonds.

Remedies

9008. The remedies provided for the enforcement of any reassessment levied under the provisions of this division are not exclusive and additional remedies may be provided at any time.

Curative clauses

9009. The curative clauses of this division are cumulative and each of them is to be given full force and effect.

Construction

9010. This division and all of its provisions shall be liberally construed, to the end that the purposes thereof may be made effective.

Consent to refunding, etc

9011. Whenever the requisite number of property owners have filed their written consent to the refunding and reassessment under this division, any city may perform any of the following acts:

(a) File a petition and take all steps and proceedings required, permitted, or authorized under any bankruptcy law of the United States, or bring any action or proceeding authorized under the powers of any court for the composition or readjustment of the indebtedness to be refunded.

Action to foreclose etc Parties

9012 In any action to foreclose or in any action to quiet title brought by the purchaser at a sale for delinquency under this division, or by his successor in interest, the State of California may be made a party defendant, and in that event it shall be sufficient service of process to serve the Attorney General.

Service

9013. In the event of foreclosure or action to quiet title process shall be served upon the same person or persons as in other cases of suits against the city.

Purchase at tax sale, etc Conditions

9014. The purchaser, whether at tax collector's sale or at resale by the city in the event of the city having become the purchaser, or at foreclosure sale by order of court, takes the property subject to all unpaid installments, interest and penalties under the same proceeding.

Article 2. Definitions

Construction

9015. Unless the particular provision or the context otherwise requires, the definitions contained in this article shall govern the construction of this division.

Same

9016. All words in this division relating to municipal officers and matters shall be construed as referring to the corresponding county officers and matters under this division.

"Auditor"

9017 "Auditor" means:

(a) When used with reference to a county, the county auditor.

(b) When used with reference to a city, any person who, under whatever name or title, is charged with the duty of extending taxes upon the assessment rolls and lists.

"City"

9018 "City" includes counties, cities and counties, and all corporations organized and existing for municipal purposes.

"Clerk" 9019. "Clerk" means:

(a) When used with reference to a county, the county clerk.

(b) When used with reference to a city, the person who is or acts as clerk of the legislative body of the city

"Legislative body" 9020. "Legislative body" means.

(a) When used with reference to a county, the board of supervisors.

(b) When used with reference to a city, the body which by law constitutes the legislative department of the government of the city.

"Parcel" 9021. "Parcel" means lot, piece, parcel, or tract of land.

"Street superintendent" 9022. As used with reference to a county, "street superintendent" or "superintendent of streets" means the county surveyor or such other competent county officer as may be appointed by the board of supervisors to perform the duties imposed upon the street superintendent.

"Tax collector" 9023. "Tax collector" means any person who, under whatever name or title, is charged with the duty of collecting taxes, advertising delinquent lists of unpaid taxes, selling lands thereunder and executing certificates of sale and deeds thereon

"Tax-deeded lands" 9024. "Tax-deeded lands" are parcels of land, the assessment upon which is security for the outstanding bonds to be refunded, which have been deeded to the State for delinquent taxes or delinquent taxes and assessments.

"Treasurer" 9025. "Treasurer" means:

(a) When used with reference to a county, the county treasurer.

(b) When used with reference to a city, the city treasurer

CHAPTER 2. PRELIMINARY PROCEEDINGS

Article 1. Authority to Refund

Declaration of intent 9050. Whenever any principal or interest of any issue of bonds issued under the "Improvement Bond Act of 1915" is past due and unpaid because of delinquency in the payment of assessments, the legislative body of the city in which the property assessed lies may determine by resolution that the public interest or necessity requires the refunding of such issue of bonds, and declare its intention to refund the bonds.

Article 2. Consent of Bondholders

Contracts for cancellation of outstanding bonds 9055. The legislative body may enter into a written contract or contracts with the owner or owners of such bonds and provide therein for the cancellation of the outstanding bonds and coupons and the issuance of refunding bonds therefor, subject to the provisions of this division.

Bond owner 9056. When any bond is presented by any person to the legislative body for refunding, such person shall be deemed the owner thereof, and the legislative body may enter into a written contract or contracts to provide for the refunding of the bond.

9057 The contract or contracts shall determine the terms and conditions upon which the outstanding bonds shall be exchanged for the refunding bonds. Terms and conditions

9058. The bonds to be refunded may be deposited with the city treasurer or with any duly incorporated bank or trust company doing business in the State, which shall act as depository or escrow holder, as may be designated by contract between the city and the bondholders. The terms of the escrow shall be provided in the contract. Escrow

9059. The State of California or any city, county, or other political subdivision or public corporation, owning any bonds which might be refunded under the provisions of this division may perform all acts and do all things necessary or convenient for the refunding of the bonds under this division and may agree that the bonds be refunded under this division and contract for the refunding. Acts etc., necessary for refunding

9060. The city may at any time prior to the actual issuance and exchange of the refunding bonds make additional contracts with any owners of bonds for the surrender and exchange of bonds which are not agreed to be surrendered under the prior contracts. Additional contracts

9061. If the owners of 75 percent or more of the principal amount of the outstanding bonds of any issue join in the contract or contracts, the city may proceed under this division to refund all of the bonds of that issue. Joinder in contracts

Article 3. Nonconsenting Bondholders

9070 In the event that the holders of one or more of the outstanding bonds do not enter any contract to refund the same, nevertheless, if the holders of 75 percent or more of the outstanding bonds do contract for the refunding of the bonds owned or held by them the city shall have authority to refund all of the outstanding bonds of said issue under the provisions of this division, but in such event prior to recording the reassessment levied under this division sufficient money to adequately provide for the retirement or payment of the bonds of the nonconsenting holders must be provided and set aside in the proper fund for that purpose. Refund to nonconsenting bondholders

9071. The city which is conducting the refunding proceedings may make an advancement or contribution or an additional contribution in order to provide money to pay or retire the bonds of the nonconsenting holders. In the event the city makes all or any part of such advancement it may reimburse itself entirely or partially by taking all or any part of the refunding bonds at par. Advancement, etc., to retire bonds

9072. If any person advances money to provide for the payment or retirement of the bonds of nonconsenting holders the legislative body may deliver at par all or any portion of the refunding bonds which are not to be delivered to consenting bondholders to the person making such advance or advances, Reimbursement for advance

or may sell at par all or any part of the refunding bonds not to be delivered to consenting bondholders and from the proceeds thereof reimburse such person, and may contract to make such sale or delivery.

Other methods of raising funds

9073. Any other methods of raising funds for the payment or retirement of the bonds of nonconsenting holders which will, prior to the time the assessment is recorded under this division, adequately provide the money necessary for such payment or retirement is hereby authorized.

Use of money in fund

9074. Whenever any money is placed in any fund for the retirement or payment of the bonds of nonconsenting holders such money shall be used only for that purpose. After all of the bonds of the nonconsenting holders have been paid or retired any sum remaining in the fund shall be returned to the city or person which advanced the money.

Discharge at less than par

9075. In the event that the discharge of the bonds of any nonconsenting holders at less than the par value thereof has been authorized by any final decree or order confirming a plan of readjustment under any bankruptcy laws of the United States in any proceedings initiated under the authority of this division or otherwise the legislative body may perform all acts and do all things necessary for the discharge of the bonds in accordance with the decree or order.

Reassessment

9076. The reassessment shall not be recorded until adequate provision has been made in accordance with the terms of this article for the payment or retirement of bonds of nonconsenting holders.

Article 4. Refunding of Two or More Issues

Refunding of two or more issues

9080. Two or more issues of bonds issued under the Improvement Bond Act of 1915 may be refunded in one proceeding under this division and only one issue of refunding bonds issued therefor, to be secured by all of the reassessments levied in lieu of the original assessments.

Same Proceedings

9081. The proceedings for refunding two or more issues of bonds shall follow as nearly as may be the procedure for the refunding of one issue, with such modifications and changes in the resolutions, notices, reassessment list, bonds, auditor's report, summons, complaints, and all other proceedings as may be necessary or convenient in carrying through the proceedings, and the legislative body conducting the proceedings is hereby granted full jurisdiction, power, and authority to refund two or more issues of bonds issued under the Improvement Bond Act of 1915 in one proceeding under this division and with only one issue of refunding bonds secured by all of the reassessments and to perform all acts, take all steps and proceedings, provide all notices, and do all acts and things necessary or convenient for such refunding and not prohibited by the Constitution of the United States or the Constitution of this State.

CHAPTER 3. REASSESSMENT

Article 1. Computing the Reassessment

Statement

9100. When the contract between the city and 75 percent or more of the bondholders has been entered into, the legislative body shall direct the auditor to submit a complete and accurate statement showing the following:

(a) The total principal amount of the outstanding bonds of the issue to be refunded.

(b) The numbers of the bonds

(c) The amounts of the due and unpaid interest coupons of the bonds.

(d) The several assessments remaining unpaid and the time in which they become due, together with the interest and penalties on any unpaid installments thereof.

(e) The amount of each reassessment and description of the property upon which such reassessment is proposed to be levied.

Computation of assessment

9101. The amount of the reassessment upon any parcel of land shall be computed by the auditor in the following manner:

(a) Subtract from the total amount of unpaid assessments including interest and penalties thereon, if any, on all lands to be reassessed, the amount of the total proposed reassessment.

(b) Prorate the amount of the remainder so ascertained by subtraction, among the respective parcels to be reassessed in accordance with the amounts assessed against each of the parcels in the original assessment.

(c) Subtract the amount so prorated upon any parcel from the total amount of the unpaid assessment, with interest and penalties thereon, if any, on that parcel and the remainder shall constitute the proposed reassessment on such parcel.

Alternative method of apportionment

9102. As an alternative method of apportioning the reassessments, the legislative body, if it determines that it appears that the assessments upon some of the lands to be reassessed seem excessive and not in proportion to benefits, may by resolution direct that the superintendent of streets spread the proposed reassessment upon the parcels of land to be reassessed in accordance with the benefits derived from the acquisition or improvement, or acquisition and improvement, to pay for which the outstanding bonds were issued. If the alternative method of apportioning is used the superintendent of streets shall estimate for each parcel to be reassessed the benefits derived from the acquisition or improvement, or acquisition and improvement, to pay for which the outstanding bonds were issued, and shall credit to each parcel all amounts paid upon the assessment (excluding penalties and interest), and the balance remaining after these amounts have been credited shall be the amount of the reassessment upon the parcel.

Same Audit

9103. When the reassessment has been spread under the alternative method, it shall be filed with the auditor and the auditor shall include it in his statement in lieu of the reassessment computed by him.

Maximum amount of reassessment

9104. The amount of the reassessment upon any parcel shall not exceed the unpaid amount of the original assessment upon that parcel and the unpaid annual interest thereon.

Tax-deeded land

9105. Tax-deeded land shall be subject to reassessment.

Land subject to lien

9106. Any parcel of land subject to the lien of any assessment securing bonds to be refunded pursuant to this division which has been deeded to any city or other political subdivision or public corporation for delinquent taxes or for delinquent taxes and assessments shall be subject to reassessment under this division. The legislative body of the city or other political subdivision or public corporation may consent to the refunding and reassessment under this division and may do any and all acts and things necessary or convenient to accomplish the refunding of the outstanding bonds.

Credit of appropriated money

9107. All money appropriated by the city or county to assist in refunding shall be credited upon the reassessment and shall reduce each of the reassessments therein and shall be prorated among the respective parcels reassessed in accordance with the amounts assessed against each of the parcels in the original assessment.

Article 2. Contributions and Appropriations

City appropriation to assist in refunding

9125. A city proceeding under this division may appropriate money from any available fund to assist in the refunding. Wherever the improvement is a street, bridge, or highway improvement the county in which the city lies is authorized and empowered to appropriate money from any available fund to assist in the refunding.

Contributions by public corporations

9126. In addition to the authority contained elsewhere in this division, any city, county, or city and county, district, or other public corporation of any class or kind, in which all or any part of the lands to be reassessed lie, may, at any time, make a contribution or appropriation to aid in the refunding of the outstanding bonds as provided in this article.

Appropriation, etc., of delinquent taxes

9127. All or any part of the delinquent taxes levied upon lands subject to reassessment in the refunding proceeding for any city, county, or city and county, district, or other public corporation may be contributed or appropriated to aid in the refunding of such indebtedness by the legislative body of the city, county, city and county, district, or other public corporation for which such taxes were levied.

Same

9128. Such appropriation or contribution may be of money to be received from the collection of such delinquent taxes or may be made by authorizing the cancellation of the taxes.

Filing of resolution, etc

9129. If cancellation as provided in this article is authorized, a certified copy of the resolution making the contribution or appropriation and authorizing the cancellation of the taxes shall be filed with the city or county tax collector, as the case may be. Thereafter the tax collector, the clerk, the auditor, and

any other officers having any part in the collection of such taxes or keeping public records thereof, shall, immediately upon the recordation of the reassessment, make the necessary entries canceling the taxes, and the auditor shall certify to the legislative body which made the appropriation or contribution that the taxes described in the resolution have been canceled and annulled.

Cancellation of interest, etc.

9130. When any appropriation or contribution is made by authorizing the cancellation of taxes, all interest and penalties on the taxes appropriated or contributed shall be canceled at the same time the taxes are canceled and shall not be deemed a part of the appropriation or contribution and no part of the taxes so canceled and no penalties or interest thereon shall ever be collected.

Description

9131. The taxes to be appropriated or contributed may be described in the resolution making the appropriation or contribution as all of the taxes for the particular fiscal year or years; and the total amount thereof may be stated in the resolution. No error in the statement of the total amount shall invalidate the appropriation or contribution provided the taxes to be appropriated or contributed are otherwise clearly described.

Resolution

9132. The resolution making the appropriation or contribution and authorizing the cancellation of taxes shall comply with the following requirements:

(a) It shall be adopted by a two-thirds vote.

(b) It shall find that the public interest and necessity require the contribution or appropriation.

(c) It shall find the general interest of the city, county, city and county, district, or other public corporation of which the body adopting the resolution is the legislative body will be served and promoted by such appropriation or contribution.

(d) It shall find that the refunding to which the appropriation or contribution is made will tend to restore property to the tax roll or keep it upon the tax roll and to promote the improvement and development of the property subject to reassessment in the refunding proceeding.

Deduction

9133. When an appropriation or contribution of taxes has been made under this article, the county auditor shall compute the amount of the unpaid taxes, penalties, and interest canceled and shall notify the State Controller thereof, and such amount shall be deducted from the amount necessary for a redemption of the property or from the amount for which the property shall be sold when sold by the State.

Consent of Controller

9134. Where property has been deeded to the State for delinquent taxes and any appropriation or contribution of any part of the delinquent taxes is made pursuant to the authority conferred in this chapter, the consent of the Controller of the State of California to such appropriation or contribution shall be obtained; and if all taxes for which the sale was made are appropriated or contributed, the deed to the State shall be canceled.

Article 3. Approval of Reassessment

Statement of auditor

9140. The statement of the auditor pursuant to Article 1 of this chapter shall be filed with the legislative body.

Approval

9141. If the legislative body finds the statement of the auditor to be correct upon examination, it shall approve the statement.

Legislative resolution

9142. Upon the approval of the statement of the auditor the legislative body shall adopt a resolution reciting that the statement of the auditor has been approved and is on file with the clerk and that it shows the amount of outstanding bonds and the amount of due and unpaid interest coupons thereof, and the amount of assessments and interest and penalties thereon, together with descriptions of the property upon which reassessments are proposed to be levied, and the amount to be reassessed against each parcel. The resolution shall fix a time and place for hearing on the refunding and reassessment.

Same

9143. The resolution shall also state the total amount of the outstanding bonds, the amount of the due and unpaid interest coupons, the total amount of unpaid assessments including therein interest and penalties on unpaid installments, if any, the amount of the proposed public contribution, if any, the total amount of the proposed reassessment, the time the refunding bonds shall run, the rate or rates of interest thereon, and shall refer all parties interested to the report on file with the city clerk for the amount of the reassessment proposed to be levied on each parcel of land and for further details.

Same

9144. If the assessment was spread as provided in Section 9102 the resolution shall state that fact.

Same Publication

9145. The resolution shall be published once a week for four successive weeks in some newspaper of general circulation in the city.

Chapter 4. Election of Landowners to Pay Original Assessment

Assessment payments

9160. The owners of property liable to pay assessments have the right to pay such assessments, together with interest thereon as provided by the proceedings and statute under which the outstanding bonds were issued. If the owners of property against which assessments remain unpaid so elect, by written notice given to the legislative body at any time prior to the hearing on the refunding and reassessment they may continue to pay assessments as provided by the proceedings and statute under which the outstanding bonds were issued. The notice shall describe the property upon which the owner elects to continue to pay sufficiently to identify it.

Same

9161. The assessments upon property as to which such written notice has been given shall be paid and collected with interest and penalties thereon as provided by the proceedings and statute under which the bonds to be refunded were issued.

Outstanding bonds payable serially

9162. Outstanding bonds payable serially as the assessments are payable, and in principal amount equal to the principal of the assessments included in written notices given pursuant to this chapter shall not be canceled in the refunding proceeding but, with interest, shall be payable as provided in the original proceedings.

Election to pay original assessment

9163. In the event any property owner elects to continue to pay assessments as provided in this chapter, the proposed reassessment upon his parcel of land as set forth in the statement on file shall be marked "Not to be levied" and no reassessment shall be levied on such parcel in the refunding proceeding.

Reduction notation

9164. If in order that the principal amount of outstanding bonds not canceled in the refunding proceedings which is payable annually and interest thereon shall equal the principal amount of assessments made under the original proceedings which are payable annually and interest thereon, it is necessary to reduce the amount of any bond or interest coupon, an appropriate notation showing the amount of reduction shall be written, printed, or stamped upon the face of each bond or coupon reduced in amount. The remaining amount of such bond or coupon shall be payable, collectible, and enforceable in accordance with the provisions of the Improvement Bond Act of 1915.

Reassessment

9165. If any property owner does not elect to continue to pay assessments as provided in this chapter, then the legislative body shall make a reassessment against his property in the refunding proceedings.

CHAPTER 5 CONSENT OF LANDOWNERS TO REFUNDING AND REASSESSMENT

Consent to reassessment

9180. The written consent of the owners of a majority in area of the land subject to reassessment shall be filed with the clerk of the legislative body before the legislative body shall have jurisdiction to confirm any reassessment under this division.

Same Terms, etc

9181. Any owner of land subject to reassessment may file his consent in writing to the refunding and reassessment upon substantially the terms stated in the resolution provided for in Article 3 of Chapter 3. Such consent need not be in any particular form and no error or informality thereof shall in any manner vitiate the proceedings.

Landowners

9182. Owners of land within the meaning of this chapter are those and those only who appear to be such upon the records in the office of the county recorder of the county in which the district is situated on the day that the consents provided for in this chapter are filed with the clerk of the legislative body.

Consent of city

9183. As to any land deeded to a city for delinquent taxes or for delinquent taxes and assessments, the legislative body of the city is authorized to consent to the refunding and reassessment.

Consent of State county

9184. As to tax deeded lands the State Controller may sign any consent or consents to the refunding and reassessment for the State, and the board of supervisors of the county in

which the property lies may consent to the refunding and reassessment by resolution.

Consent of executors, etc

9185. Executors, administrators, special administrators and guardians may consent for any property of the estate represented by them. Any trustee of an express trust of land other than as security for the payment of money may consent for all or any part of the land held in such trust. A trustee in bankruptcy may consent for all or any part of the property of the bankrupt. Such executors, administrators, guardians and trustees are deemed owners of land within the meaning of this division.

Hearing on refunding and reassessment

9186. At the hearing on the refunding and reassessment the legislative body shall determine whether the written consent of the owners of a majority in area of the lands subject to reassessment has been filed or not and if it determines that such consent has been filed it has jurisdiction to confirm the reassessment.

Validity, etc of consents

9187. The validity, sufficiency, or genuineness of any of the consents, or the finding and determination of the legislative body thereon, shall not be contested in any action or proceeding unless commenced within three months after the determination of the legislative body has been made. Thereafter no person in any action or proceeding may plead or prove that said consents, or any thereof, or the finding and determination of the legislative body thereon, was in any way defective, invalid or insufficient.

Chapter 6. Protest and Hearing

Protest

9200. Any person interested in any of the property to be reassessed may file a written protest against the amount reassessed against his or any other property, as shown in the statement, at any time prior to the time fixed for hearing on the refunding and assessment The protest shall specifically set forth the nature thereof. Failure to file such written protest shall be a waiver of any right which such person may have or claim.

Hearing

9201. Any person who files such a protest shall have full opportunity to be heard thereon.

Same

9202. At the time and place fixed for hearing, the legislative body shall hear any complaints or objections that may be made concerning the amount of unpaid assessments, or the amounts of proposed reassessments as to any of the parcels of land to be reassessed.

Same Objections

9203. At the hearing no objections to the regularity of the proceedings with reference to the making of the improvement or the validity or the amount of any assessment levied in the original proceedings shall be considered. All other objections to any reassessment shall be deemed waived unless presented at the time and in the manner specified in this chapter.

Same. Determination on objections, etc

9204. The determination of the legislative body upon all objections or protests shall be final and conclusive.

9205 The hearing may be continued from time to time by order entered in the minutes, but must be concluded within 30 days from the date originally fixed. Same Conclusion

9206. At the hearing the legislative body may review and correct the amount of any reassessments upon any parcel of land, but shall not assess against any parcel of land a greater amount than the total unpaid assessment, with interest and penalties thereon, if any. Same Review

9207. At the conclusion of the hearing the reassessment as originally made or as reviewed and corrected shall be confirmed by resolution entered upon the minutes. Same Confirmation

9208. The resolution of confirmation shall designate by reassessment number or other appropriate designation or description the parcels of land in the statement on file with the clerk upon which the reassessments are confirmed and levied. Same

Chapter 7. Recordation of Reassessment

9225. When the reassessment, as made or as reviewed and corrected, has been confirmed by the legislative body, it shall be recorded in the office of the superintendent of streets. Recordation

9226. When recorded with the superintendent of streets the reassessment shall become a lien upon the various parcels of land assessed and shall be in lieu of the assessments originally levied thereon. Lien

9227. Assessments originally levied, and all penalties and interest accrued thereon, shall be deemed superseded and supplanted by the reassessments. Effect of reassessments

9228. The lien of the reassessment shall be given superiority and priority as of the date that the original assessment became a lien upon the property reassessed. Lien of reassessment

9229. Reassessments and each installment thereof and the interest and penalties thereon shall be a lien against the parcels of land on which made, until the same are paid, but for a period not exceeding the time within which an action might be brought on the last series of refunding bonds issued upon the security of the unpaid reassessments. Same

9230. Unmatured installments, interest, and penalties on unpaid reassessments shall not be deemed to be within the terms of any general warranty of title as to any parcel against which a reassessment is made. Unmatured installments, etc

9231. When refunding bonds are issued, the reassessments and any reassessments which may be issued thereon or in lieu thereof, together with interest thereon, shall remain and constitute a trust fund for the redemption and payment of the refunding bonds and the interest thereon. Trust fund

Chapter 8. Payment and Collection of Reassessments

Article 1. Reassessment Records

9250. A copy of the resolution of the legislative body confirming the reassessments upon the security of which the Filing of resolution

refunding bonds are issued, shall be filed in the office of the auditor.

Auditor's record

9251. The auditor shall keep a record in his office showing the several installments of principal and interest on the reassessments which are to be collected in each year during the term of the bonds.

Same

9252. The auditor shall annually enter in his assessment roll on which taxes will next become due, opposite each parcel of land affected, in a space marked "public improvement assessment," or by other suitable designation, the several installments of such reassessment coming due during the fiscal year covered by such assessment roll, including in each case the interest due on such total unpaid reassessments as herein provided, and also including a percentage of one-fourth of 1 percent of the amount of such installments and of such interest so entered.

Expenses incurred in collection

9253. The percentages when collected shall cover the expenses and compensation of the treasurer incurred in the collection of such reassessments, and of the interest and penalties thereon. No other percentage shall be claimed for any such collections.

Report of county auditor

9254. In the event that reassessment collections are made by county officials for a city the county auditor shall at the close of the tax collecting season promptly render to the city auditor a detailed report showing the amounts of installments, interest, penalties, and percentages of reassessments so collected on each proceeding and from what property collected. The report shall also include a statement of the percentages retained for the expenses of making such collections.

Description of affected parcel

9255. If a parcel of land affected by any reassessment is not separately assessed on the roll so that the installment to be collected can be conveniently entered thereon, the auditor shall enter on the roll a description of the parcel affected, with the name of the owners if known, but otherwise described as "unknown owners," and extend the proper installment opposite the entry.

Article 2. The Redemption Fund

Redemption fund

9260. The treasurer shall keep a redemption fund designated by the name of the bonds, into which he shall place all sums received by him from the collection of the reassessments made for such refunding and upon the security of which the refunding bonds are issued and all interest and penalties thereon.

Transfer of money into redemption fund

9261. A city proceeding under this division may at its discretion temporarily transfer money into the redemption fund from other funds in which such moneys are not immediately needed. The money so transferred shall be used to pay sums due from the redemption fund and shall be retransferred therefrom out of the first available receipts.

Payment, etc., of refunding bonds

9262. From the redemption fund the treasurer shall disburse and pay the refunding bonds and the interest due thereon upon presentation of the proper bonds and coupons. Under no circumstances shall the bonds or the interest thereon be paid out of any other fund.

Same

9263. All money in the redemption fund upon the date the statement of the auditor is approved by the legislative body shall be paid to the holders of outstanding bonds and coupons entitled thereto at or prior to the delivery of the refunding bonds.

Article 3. Payment of Entire Assessment

Payment of entire assessment

9270. Any interested owner may release and pay any unpaid reassessment by depositing with the treasurer of the city the total unpaid balance of such reassessment, together with the total interest which would become due on such reassessment were it paid in the regular way.

Credit

9271. If an owner pays a reassessment in a lump sum and the proceeds of that payment are used for the purchase or call of a bond, the person paying the reassessment shall be entitled to credit and reimbursement of his proportion of the interest saved by such purchase or call, less his proportion of any costs incurred for publishing or serving any notice of purchase or call for redemption.

Article 4. Payment Under Protest

Payment under protest

9280. Taxpayers shall have the same right to pay such reassessment as so entered with interest, and any penalties thereon, under protest as they have to pay general taxes under protest; but in making payment under protest they must accompany the payment with their written protest.

Article 5. Payment in Installments

Interest

9285. Reassessments shall bear interest from the date of recording of the reassessment at the rate or rates stated in the refunding bonds.

Same Computation etc

9286 For each year the interest shall be computed and collected up to the next second day of July succeeding, no deduction being made by reason of any installment of such reassessment being due or paid prior thereto in such year

Same Collection during preceding year

9287 Whenever it appears to the legislative body that according to the dates when taxes are collected in the city there will be an insufficient amount on hand to pay the interest then due, according to the method of collection provided in this division, then the legislative body may direct that such interest or some portion thereof be collected in the year preceding that in which it would otherwise be collected under this division. In that event the interest or portion thereof shall be extended on the rolls for the preceding year and be due and collected therein.

Bonds payable in annual series

9288. If the refunding bonds are payable in annual series, unpaid reassessments shall be payable in annual series corresponding in number to the number or series of bonds issued, and an even annual proportion of each reassessment shall be payable in each year preceding the date of maturity of each of the several series of bonds issued.

Bonds all maturing in one year

9289. If the refunding bonds all mature in one year, the unpaid reassessments shall be payable annually and an even annual proportion of each reassessment shall be payable each year preceding the July interest payment.

Payment of annual proportion of reassessment

9290. The annual proportion of each reassessment coming due in any year, together with the annual interest on such reassessment, shall be payable in annual or semiannual installments, whichever is the method of collection of the general taxes of such city on real property.

Payment of reassessment installments

9291. Reassessment installments and the annual interest thereon shall be payable and become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property of the city.

CHAPTER 9. SALE FOR DELINQUENCY

Article 1. General Provisions

Delinquent sales

9300. Upon default in payment of any installment of a reassessment, or interest or penalties thereon, the lands securing the reassessments shall be sold in the same manner in which real property in the city is sold for the nonpayment of general taxes, and shall be subject to redemption within one year from date of sale in the same manner as such real property is redeemed from such delinquent sale, and upon failure of such redemption shall in like manner pass to the purchaser.

Same

9301. In the event of default in the payment of any installment of any reassessment upon tax-deeded land or default in the payment of interest thereon, the land may be sold under this division as in the case of other lands.

City as purchaser

9302. The city shall be the purchaser at any delinquent sale in like manner in which it becomes or may become the purchaser of property sold for nonpayment of the general property tax, and shall pay and transfer into the redemption fund the amount of the delinquent reassessment and of the delinquent interest thereon.

State as purchaser

9303. If the municipal property tax is collected by county officials and sales for nonpayment of such taxes are made to the State, the State shall be the purchaser at any delinquency sale held pursuant to this division. However, the State shall hold the title acquired at such sale upon behalf of the city and shall account to the city for any money received upon redemption or from the sale of such property. The city, for the purposes of this division, shall be deemed the real purchaser.

Rights etc., of purchaser

9304. As to all lands of which any city is deemed the real purchaser under the provisions of this article, such city and all of the officials thereof shall have all of the rights, powers, duties, and obligations granted, authorized, or imposed by this division.

Redemption

9305. If any succeeding installment of the reassessment on property purchased by a city at a delinquency sale or interest thereon is not paid in any future year, the property shall not be sold unless there has previously been a redemption from such sale or unless under the law it is then being sold for delinquent taxes.

Future delinquent reassessments

9306. The city shall, unless a resale has been made by it, from time to time, when due pay and transfer into the redemption fund the amount of any future delinquent reassessment and interest pending redemption. No redemption shall be made until any such subsequent payments, with interest and penalties, shall also be paid.

Deed, etc., as evidence

9307. In the event of sale by the tax collector of any lot or parcel of land for nonpayment of taxes and of any installment of the reassessment thereon, or of the penalties, interest, or costs thereon, or for nonpayment of any installment, penalties, interest, or costs, then any certificate of sale or any deed issued is primary evidence of the regularity of all proceedings theretofore had, and shall be conclusive evidence of all things of which bonds issued upon the security thereof are conclusive evidence, and prima facie evidence of the regularity of all proceedings subsequent to the issuance of the bonds.

Effect of deed

9308. A deed issued under this chapter conveys to the grantee the absolute title to the lands described therein, free of all encumbrances, except unpaid installments, interest, and penalties under the same proceeding and except taxes and public improvement assessments which by law are equal or prior to the reassessment on which sale is made.

Article 2. Procedure When Funds Not Available For Payment

Funds not available for payment

9315. If there are no available funds in the treasury of the city or county with which to pay sums due on property bought at delinquency sales, the tax collector shall delay the entry of the certificate of sale until such funds are available, making demand in the meantime upon the legislative body that a suitable amount be included in the next tax levy for the purpose of providing funds with which to make such payment.

Delay in execution of certificate of sale

9316. The delay in execution of a certificate of sale to a city or to the State referred to in the next preceding section shall not extend the period of redemption from the tax sale; nor shall the rights or privileges of the property owner be thereby affected.

Special tax

9317. The legislative body may, and in the event of demand by the tax collector therefor as provided in Section 9315 shall, at the time of fixing the annual tax rate and levying the taxes to be collected for general municipal purposes, levy

a special tax upon the taxable property in the city for the purpose of paying for the lands purchased or to be purchased at delinquency sales held pursuant to this division, or for the purpose of paying installments of the reassessment or of interest which the city is required to pay, but not to exceed for each district, the bonds of which are refunded, ten cents ($0.10) on each one hundred dollars ($100) of assessable property.

Same

9318. The special tax provided for in this chapter shall be in addition to all other taxes and shall be computed, entered, and collected in the same manner and by the same persons and at the same time and with the same penalties and interest as are other taxes of the city.

CHAPTER 10. FORECLOSURE OF REASSESSMENT LIEN

Foreclosure of lien

9350. In the event of nonpayment of any reassessment or installment thereof or of any interest thereon, together with any penalties and other charges accruing under the laws or ordinances of the city and not later than four years after the due date of the last installment of principal, as a cumulative remedy, such amounts when due and delinquent may by order of the legislative body be collected by an action brought in the superior court to foreclose the lien thereof.

Manner of foreclosure

9351. The lien of a reassessment on tax-deeded land may be foreclosed as in case of other lands

Time, etc., of action

9352. The action shall be brought in the name of the city and may be brought at any time prior to the expiration of four years subsequent to the date of delinquency of the last installment of reassessment due or to become due thereunder.

Complaint

9353. The complaint may be brief and include substantially only the following allegations with reference to the reassessments sought to be collected:

(a) That on a date stated the legislative body passed its resolution or ordinance determining to refund certain bonds which had been issued for certain improvement work (the improvement work need not be described).

(b) That a reassessment for the purpose of refunding the bonds was duly given and made.

(c) That the reassessment was recorded on a stated date

(d) That certain property (describing it) was therein reassessed a stated amount.

(e) That bonds upon the security of such reassessment were duly issued, giving the date of the bonds, the interest rate, and the number of years the last installment thereof was to run, and that the bonds were duly issued, but it shall be unnecessary to state the amount, number, denomination, or other term thereof.

(f) That on a date stated a certain sum came due on the property on the reassessment and had not been paid and that the legislative body had directed the action to foreclose.

Costs

9354. The costs of the action shall be fixed and allowed by the court and shall include a reasonable attorney's fee, interest,

penalties, and other charges and advances as provided in this division, and when so fixed and allowed by the court shall be included in the judgment.

Same

9355. The amount of penalties, costs and interest due shall be calculated up to the date of judgment.

Court decree

9356. The court may adjudge and decree a lien against the lot or parcel of land covered by the reassessment for the amount of the judgment and may order the premises to be sold on execution as in other cases of the sale of real estate by the process of the court, with the same rights of redemption.

Appeal

9357. On appeal, the appellate courts shall have the same power to adjudge and decree a lien and order such premises to be sold on execution as is provided in this chapter for the superior court.

Application of provisions

9358. The foreclosure action shall be governed and regulated by the provisions of this chapter, and also where not in conflict herewith by the codes of this State.

Credit

9359. Upon the ordering of any of the foreclosure actions the tax collector shall be credited upon the assessment roll then in his hands with the amount charged against him on account of reassessments ordered to suit and shall be relieved of further duty in regard thereto.

Refunding bond as evidence

9360. In any action to foreclose the lien of a reassessment, any refunding bond shall be conclusive evidence of the regularity and validity of the reassessment proceedings and of the reassessment and of the refunding bond.

Payment of other taxes by city

9361. A city shall have the right to advance and pay county or other taxes wherever necessary to protect its interest in property against which there is a delinquent reassessment.

Effect of foreclosure

9362. Any foreclosure of a reassessment lien shall convey the property to the purchaser free and clear of all encumbrances except such taxes and special assessment liens as are by law equal or superior to said reassessment lien.

CHAPTER 11. ISSUANCE OF REFUNDING BONDS

Issuance of refunding bonds

9400. The legislative body shall provide for the issuance of the refunding bonds.

Limitation

9401. In no event shall refunding bonds be issued for more than the par value of the outstanding bonds and the due and unpaid interest coupons to be refunded.

Reassessments as security

9402. The refunding bonds shall represent and be secured by said reassessments and any later reassessments which may be levied or issued upon the same property in lieu of said reassessments.

Requirements

9403. Refunding bonds issued pursuant to this division shall comply with the following requirements:

(a) Bonds shall be in such denominations as the legislative body may determine.

(b) Bonds shall be payable to bearer.

(c) The date of the bonds shall be the date of the recording of the reassessment.

(d) Bonds shall be signed by the mayor or other chief executive of the city and by the city treasurer, and attested by the city clerk, the seal of the city affixed thereto.

(e) Bonds shall be numbered consecutively and shall bear interest and mature as provided in the contract with the bondholders.

(f) The coupons affixed to the bonds shall be signed by the city treasurer by his printed, lithographed, or engraved facsimile signature.

(g) At least the first two maturing interest coupons on the bonds must be at a rate of interest less than the interest rate on the bonds to be refunded.

Maturity 9404. All of the refunding bonds shall mature on July 2d.

Same 9405. In no event shall the first maturity of any refunding bonds be earlier than the second day of July next succeeding 10 months after the date of the bonds.

Same 9406. The last maturity of any refunding bonds shall not exceed 19 years from the second day of July next succeeding 10 months after the date of said bonds.

Interest 9407. The rate of interest on refunding bonds shall not exceed the rate of interest on the outstanding bonds.

Same 9408. The interest on refunding bonds shall be payable on January 2d and July 2d, respectively, of each year.

Same 9409. The first interest payment on such bonds shall in every case be January 2d next preceding the second day of July next succeeding 10 months after the date of the bonds.

Place payable 9410. Refunding bonds and the interest thereon shall be paid at the office of the treasurer.

Form 9411. Refunding bonds may be issued in substantially the following form:

United States of America
State of California

No._____ City of _____ $_____

Refunding Improvement Bond

Under and by virtue of an act of the Legislature of the State of California, designated as "Refunding Act of 1935 for 1915 Improvement Act Bonds," the _____ of the State of California, will, on the second day of July, 19___, out of the redemption fund for the payment of the bonds issued upon the reassessments made for the work upon and improvements on certain streets (or on _____ street, or in improvement district No. _____, or on certain rights of way owned by, or by other suitable description, or for the laying out, opening, extending, widening, straightening or acquiring of certain streets) more fully described in that certain resolution, or ordinance of intention passed by the city council (or other board) of the municipality on the _____ day of _____, 19___, pay to bearer the sum of _____ ($_____) with interest thereon from the _____ day of _____, 19___, to the _____ day of _____, 19___ at the rate of ____ percent per annum, and thereafter at the rate of ____ percent (___%) per

annum, payable semiannually on the second days of January and July of each year upon presentation of the proper interest coupons therefor, both principal and interest payable at the office of the treasurer of the aforesaid _ ___ _.

This bond is one of an issue of refunding bonds of like date and effect issued under the above-mentioned act for the purpose of refunding the bonds issued under the Improvement Bond Act of 1915 for the purpose of providing means for paying for the work and improvements described in the resolution (or ordinance) of intention and is secured by the moneys in the redemption fund and by the unpaid reassessments made for the payment of the work, and, including principal and interest, is payable exclusively out of the redemption fund.

This bond will continue to bear interest after maturity at the rate above stated, provided it is presented at maturity or within 10 days thereafter and payment thereof is refused upon the sole ground that there is not sufficient money in the redemption fund to pay it. If it is not so presented, interest thereon will run until maturity.

This bond may be redeemed and paid in advance of maturity upon the second day of January or July in any year by giving the notice provided in the refunding bond act.

It is hereby certified, recited, and declared that all proceedings, acts, and things required by law precedent to or in the issuance of this bond have been regularly had, done, and performed and this bond is by law made conclusive evidence thereof.

In witness whereof, _____ has caused this bond to be signed by the mayor (or other chief executive) and the treasurer of _____ and by its clerk and has caused its clerk to affix thereto its corporate seal, all on the _____ day of _____, 19___.

_____

Mayor.

_____

Treasurer.

Attest:

_____

City Clerk.

(SEAL)

Bond as evidence

9412. Each bond shall be conclusive evidence of the regularity of all proceedings for the issuance of refunding bonds and of the validity of said bonds and of all proceedings of which the bonds refunded were conclusive evidence.

Manner of delivery

9413. The refunding bonds shall be delivered to the holders of the outstanding bonds in accordance with the contract with such bondholders.

Cancellation of outstanding bonds

9414. When the refunding bonds have been exchanged for the outstanding bonds, the outstanding bonds, except as to any sum payable from assessments which property owners have by written notice elected to pay, shall be canceled by the city treasurer and shall be filed in the office of the treasurer.

Use of appropriated money

9415. If the city has appropriated money to assist in the refunding, such money shall be paid to the holders of outstanding bonds in accordance with the contract with the bondholders.

Contest of validity of refunding bonds

9416. The validity of any refunding bonds issued under this division shall not be contested in any action, suit or proceeding unless such action or proceeding shall have been brought within three months after the issuance of such bonds.

Treasurer's register

9417. The treasurer shall keep a register in his office which shall show the series, number, date, amount, rate of interest, and last known holder of each bond and the number and amount of each interest coupon paid by him. He shall cancel and file each bond and coupon paid.

CHAPTER 12. ADVANCE RETIREMENT OF BONDS

Purchase of bonds

9450. Whenever there is in the redemption fund two thousand dollars ($2,000) or more available for the payment of principal of bonds, and not collected for the purpose of paying the principal of bonds maturing on the next second day of July, the city shall purchase or call bonds as provided in this chapter.

Invitation for proposals

9451. The treasurer shall, by notice published once not less than 30 days prior to the date designated in some financial journal having a national circulation, invite sealed proposals for the sale of any of the refunding bonds to the city. The notice shall state the amount available for the purchase of such bonds and shall specify the time and place when proposals will be opened. The treasurer shall also, at least 10 days prior to the date so designated, mail a copy of the invitation for sealed proposals to any bondholder who has theretofore in writing requested such notice.

Action on proposals

9452. The proposals for the sale of bonds shall be opened in public at the time and place specified in the notice. The legislative body in its discretion may reject any or all of the proposals.

Redemption

9453. If no proposals are received at a price of less than par and accrued interest, or if an insufficient amount of bonds are tendered at less than par and accrued interest to exhaust, as nearly as possible, the money available for purchase of bonds, the treasurer shall set aside a sum sufficient to pay the principal and accrued interest to the next interest payment date of the bonds to be called for redemption and shall proceed to call for redemption, in numerical order, at par and accrued interest to the next interest payment date, such outstanding bonds as can be retired from said funds.

Publication

9454. Notice of the calling of bonds for redemption shall be given by publication once in a financial journal having a national circulation, unless the holders of the bonds to be called, in writing, waive such notice. The date of publication of notice shall be not less than 30 days prior to the date so fixed for redemption. Interest on the bonds so called shall cease upon the redemption date.

Cancellation of bonds

9455. All refunding bonds so purchased or redeemed pursuant to call shall be canceled by the treasurer.

Costs of publication

9456. All costs of publication provided for in this chapter shall be payable from the redemption fund.

CHAPTER 13. CONTEST OF VALIDITY

Contest of validity

9475. After the reassessment has been confirmed it shall not be contested in any way other than at the time and in the manner specified in this chapter, and in any such action all findings, conclusions, and determinations of the legislative body which conducted the reassessment proceedings shall be conclusive in the absence of actual fraud.

Defect in form, etc

9476. No defect in the form of any reassessment levied pursuant to this division and no statutory defect in any of the proceedings relating to the reassessment and refunding shall in any way invalidate any reassessment or any refunding bond.

Error in computation

9477. No bond, coupon, assessment, or installment thereof or of the interest or penalties thereon, and no certificate of sale or deed shall be held invalid for error in the computation of the proper amount due on it if the error be found to be comparatively negligible or be found to be in favor of the owner of real property affected thereby.

Action to determine validity

9478. At any time within 90 days after the confirmation of the reassessment, any person interested in any of the bonds to be refunded or in any of the lands reassessed may bring an action in the superior court of the county in which the property assessed lies to determine the validity or invalidity of such reassessment and of any refunding bonds issued or to be issued thereon.

Same
Trial and judgment

9479. The action shall be speedily tried and judgment rendered declaring the matter contested either valid or invalid.

Same
Nature of action, jurisdiction

9480 The action shall be in the nature of a proceeding in rem, and jurisdiction of all parties interested may be had by publication of summons for at least once a week for four weeks in some newspaper of general circulation published in the county where the action is pending, such paper to be designated by the court having jurisdiction of the proceedings

Same
Summons

9481. The summons published shall contain a description of the lands assessed sufficient to identify them.

Same
Jurisdiction

9482. Jurisdiction shall be complete within 10 days after the full publication of summons in the manner provided in this chapter

Same
Interested party

9483 Anyone interested may at any time before the expiration of 10 days from the date of final publication of summons appear and by proper proceedings contest the validity of, or uphold, the reassessment.

Same
Substantial rights

9484. The court hearing the proceeding, in inquiring into the regularity, legality, or correctness of the reassessment, shall disregard any error, irregularity, or omission which does not affect the substantial rights of the parties to the action or proceeding.

Same Rule of pleading etc

9485. The rules of pleading and practice provided by the Code of Civil Procedure which are not inconsistent with the provisions of this division are applicable to any proceeding provided for in this chapter.

Same Costs

9486. The costs of the legal proceedings provided for in this chapter may be allowed and apportioned between the parties or taxed to the losing party in the discretion of the court.

Same Motion for new trial

9487. The motion for a new trial must be heard and determined within 10 days from the filing of the notice of intention.

Same Appeal

9488. Either party to the action provided for in this chapter shall have the right to appeal to the Supreme Court at any time within 30 days after the rendition of judgment. The appeal must be heard and determined within three months from the time of taking such appeal.

Illegal etc., reassessment

9489. If any reassessment or any refunding bond is held illegal or invalid in any action or proceeding upon any ground which would apply to the entire reassessment or the entire issue of refunding bonds, then the unpaid bonds refunded remain in full force and effect. If the unpaid bonds have been canceled the treasurer of the city which conducted the invalid refunding or reassessment proceedings shall issue new bonds of the same tenor, force, and effect as the canceled unpaid bonds.

Same

9490. If refunding bonds are invalidated or held to be illegal, all of the provisions of the act under which the original bonds were issued shall apply to the original bonds and to any bonds issued under Section 9489 to replace such original bonds

Limitation on actions

9491. No action or proceeding to set aside, cancel, avoid, annul, or correct any reassessment levied under this division, or to review any of the proceedings, acts, or determinations made in the proceedings for the reassessment and the issuance of refunding bonds, or to question the validity of or enjoin the collection of the reassessment or any of the reassessments therein, or to enjoin the issuance of any bonds to represent reassessments, shall be maintained by any person unless such action shall have been commenced within 90 days after the date of confirmation of the reassessment

Same

9492. After 90 days from the date of confirmation of the reassessment all persons shall be barred from any action or proceeding referred to in Section 9491 and from any defense of the invalidity of the reassessment or any of the reassessments therein contained or any refunding bonds issued thereon

Same

9493. In any action or proceeding, brought after 90 days from the date of confirmation of the reassessment, to enforce any reassessment or any refunding bond, no person may urge, plead, or prove the invalidity of any reassessment or any refunding bond.

SEC. 9. Division 18 is added to said code, to read:

DIVISION 18. PARKING

PART 1. VEHICLE PARKING DISTRICT LAW OF 1943

CHAPTER 1. GENERAL

Short title

31500. This part may be cited as the Vehicle Parking District Law of 1943.

Construction

31501. Unless otherwise provided, the definitions contained in Chapter 1 of the Street Opening Act of 1903, Sections 4001 to 4012, inclusive, of the Streets and Highways Code govern the construction of this part, unless from the context of this part it clearly appears that a different meaning is intended.

"Parking places"

31502. As used in this part "parking places" includes parking lots, garages, and buildings for the parking of motor vehicles.

"City attorney"

31503. As used in this part "city attorney" means:

(a) When used with reference to a city, the city attorney.

(b) When used with reference to a county having a county counsel, the county counsel.

(c) When used with reference to a county not having a county counsel, the district attorney.

"City"

31504. As used in this part with reference to a parking district partly or wholly within unincorporated territory, "city" includes "county."

Formation of vehicle parking district

31505. Any portion of a county, incorporated, unincorporated, or both, may be formed into a vehicle parking district for the purpose of acquiring, constructing, maintaining, and operating parking lots, garages, and other improvements for the parking of motor vehicles.

Authorized acts

31506. In addition to matters specified elsewhere in this part, the acts authorized under this part include the following:

(a) The formation of districts.

(b) The acquisition of lands, property, and rights of way necessary or convenient for use as parking places

(c) The acquisition of lands, property, and rights of way necessary or convenient for the opening, widening, straightening, or extending of streets or alleys necessary or convenient for ingress to or egress from any parking place.

(d) The acquisition by condemnation, purchase, or gift of property or any interest therein. Any lands or property necessary or convenient for parking places may be acquired in fee simple by condemnation or otherwise.

(e) The improvement of any acquired lands by the construction thereon of garages or other buildings or improvements necessary or convenient for parking purposes

(f) The improvement of parking places, and any streets, or alleys necessary or convenient for ingress to or egress from parking places.

(g) The levy and collection of assessments to pay the cost and expenses of any acquisition or improvement authorized by this part, and the issuance, sale, and payment of bonds representing and secured by such assessments.

(h) The administration, maintenance, operation, and repair of parking places.

(i) The collection of fees or charges to pay all or any part of the cost of improving, repairing, maintaining, and operating parking places and of acquiring and improving additional parking places.

(j) The levy of taxes to pay all or any part of the cost of improving, repairing, maintaining, and operating parking places and of acquiring and improving additional parking places.

(k) The employment of engineers, attorneys, and other persons necessary or convenient for the doing of any act authorized by this part.

(*l*) The doing of all acts and things necessary or convenient for the accomplishment of the purposes of this part The enumeration of specific authority in this part does not limit in any way the general authority granted by this subdivision

Exercise of legislative authority

31507. Unless otherwise provided, all legislative authority and jurisdiction authorized under this part shall be exercised by the legislative body of the county or city with which the petition for the formation of the district was filed.

Notices

31508. Whenever any notice is to be given or posted pursuant to this part and the officer to give or post the notice is not designated, the notice shall be given or posted by the clerk of the legislative body. Any notice or posting shall not be invalidated because given or done by an officer other than the one whose duty it is to give the notice or perform the posting.

Invalidity of proceedings, etc

31509. Any proceedings taken, assessment levied, or bond issued pursuant to this part shall not be held invalid for failure to comply with the provisions of this part

Authorized procedure

31510. Any procedure not expressly set forth in this part but deemed necessary or convenient to carry out any of its purposes is authorized.

Remedies

31511. The remedies provided in this part for the enforcement of any assessment levied or bond issued pursuant to this part are not exclusive, and additional remedies may be provided at any time.

Curative clauses

31512. The curative clauses of this part are cumulative, and each is to be given full effect.

Abandonment of proceeding

31513. Any proceeding for the creation of a vehicle parking district and the acquisition and improvement of parking places pursuant to this part may be abandoned by the legislative body prior to the issuance of bonds for the acquisition and construction of the parking places.

S & H C, §2800, ff

31514. The Special Assessment Investigation, Limitation and Majority Protest Act of 1931 applies to the proceeding under this part.

Acquisition of property

31515. Notwithstanding any provision of this part, any proceeding for the formation of a vehicle parking district pursuant to this part and any proceeding under Sections 31861 and 31862 may provide for the acquisition of property for parking places or for both such acquisition and its improvement.

Official, etc., not provided for by a charter city

31516. Whenever any official or board designated in this part is not and cannot be provided for by a charter city, all acts to be done by such official or board pursuant to this part shall be done and performed by, and all jurisdiction and authority given by this part to such official or board shall be vested in, the official, board, or other body of the charter city empowered by the charter to perform such acts and exercise such jurisdiction and authority.

Alternative authority, etc

31517. This part does not affect any other law relating to the same or any similar subject, but provides an alternative authority and procedure for the subject to which it relates. When proceeding under this part, its provisions only need be followed.

Construction

31518. This part shall be liberally construed.

CHAPTER 2. FORMATION OF DISTRICT

Formation petition

31530. The formation of a vehicle parking district may be proposed by petition signed by the owners of land in the proposed district of an assessed value of not less than twenty percent (20%) of the total assessed value of all land in the district, as shown by the last equalized county assessment roll.

Same

31531. If the proposed district is wholly within a city, the petition shall be filed with the clerk of the city legislative body.

Same

31532. If the proposed district is partly within a city and partly within unincorporated territory, or wholly within unincorporated territory, the petition shall be filed with the county clerk of the county in which the district is located.

Same

31533. If the proposed district is partly within a city and partly within unincorporated territory, a copy of the petition shall be filed with the clerk of the city legislative body. The board of supervisors shall not act upon the petition until the city legislative body has approved and consented to the petition by resolution spread upon its minutes.

Same
Contents

31534. The petition shall contain:

(a) A general description of the exterior boundaries of the proposed district.

(b) A general description of the lands to be acquired for parking places, which may lie wholly or partially outside or inside the boundaries of the district.

(c) A general description of any lands or rights of way to be acquired as streets or alleys for ingress to or egress from any of the parking places.

(d) A general description of the improvements proposed to be made or constructed.

(e) A request that bonds be issued pursuant to this part and the term of, and interest rate, or maximum interest rate, to be paid on, the bonds.

(f) A statement that the petition is filed pursuant to this part.

Same: Optional provisions

31535. The petition may state that it is made upon the condition that the city pay not less than a specified amount of the costs and expenses of the proposed acquisition and improvement.

Same

31536. The petition may consist of any number of separate instruments.

Check of petition

31537. When the petition is filed, the clerk shall check or cause it to be checked. If it is signed by the requisite number of qualified signers, the clerk shall make his certificate to that effect and present the petition and certificate to the legislative body.

Ordinance of intention to form

31538. If the legislative body finds and declares in the ordinance of intention that the public interest and necessity require the acquisition and improvement described in the petition and that the property proposed to be acquired is necessary for the purpose, it may adopt an ordinance declaring its intention to form the vehicle parking district and to acquire the lands and rights of way, if any, and construct the proposed improvements

Contents of ordinance

31539. The ordinance shall also contain:

(a) The number of the proposed vehicle parking district and a general description of its exterior boundaries.

(b) A general description of the lands to be acquired for parking places, which may lie wholly or partially outside or inside the boundaries of the proposed district

(c) A general description of any land or rights of way to be acquired as streets or alleys for ingress to or egress from the parking places.

(d) A general description of the improvements proposed to be made or constructed.

(e) An estimate of the cost and expense of the proposed acquisition and improvement.

(f) A statement that an assessment will be levied pursuant to this part to pay the costs and expenses of the acquisition and improvement.

(g) If bonds are to be issued, a statement that bonds to represent unpaid assessments will be issued pursuant to this part and the interest rate or maximum interest rate, and term of any such bonds.

(h) A time and place for the hearing of protests and objections.

Costs, etc., to be paid by city

31540. At any time prior to the levy of the assessment, the legislative body may determine that a portion of the costs and expenses of the proposed acquisition and improvement shall be paid by the city.

Same
Recital in ordinance

31541. If a determination that a portion of the costs and expenses shall be paid by the city is made prior to the adoption of the ordinance of intention, the amount to be contributed under the determination shall be stated in the ordinance, and the ordinance shall provide that an assessment will be levied pursuant to this part to pay the balance of the costs and expenses of the acquisition and improvement.

Same
Rejection of petition

31542. If the petition for the formation of the district is made upon the condition that the city pay not less than a specified amount of the costs and expenses, the legislative body may either reject the petition or agree to make a contribution not less than the amount specified in the petition.

Publication of ordinance

31543. The ordinance shall be published once a week for two successive weeks in a newspaper published in the city or county. The first publication shall be not less than thirty (30) days prior to the date fixed for the hearing of protests. Unless otherwise provided by charter of the city or county, the ordinance takes effect upon the completion of publication.

Posting copies

31544. In cities or counties where no newspaper is published, copies of the ordinance shall be posted in three public places in the proposed district at least thirty (30) days before the date of hearing, and the ordinance takes effect two (2) weeks after the date of posting.

Same

31545 Copies of the ordinance headed "Notice of Formation of Vehicle Parking District," in letters at least one (1) inch in height, shall be posted upon all open streets within the proposed district. Notices shall be not more than three hundred (300) feet apart and shall be posted at least thirty (30) days prior to the hearing.

Mailing copies

31546. A copy of the ordinance shall be mailed, postage prepaid, by the clerk of the legislative body to each person to whom land in the district is assessed as shown on the last equalized county assessment roll, at his address as shown upon the roll, and to any person, whether owner in fee or having a lien upon, or legal or equitable interest in, any land within the district, whose name and address and a designation of the land in which he is interested is on file in the office of the clerk.

Filing objections

31547. Not later than the hour set for hearing, any owner of, or person interested in, any land within the proposed district may severally or with other owners file with the clerk of the legislative body written objection to the things proposed to be done, the extent of the proposed district, or both.

Hearing

31548. At the hearing all objections and protests shall be heard and considered.

Termination of proceedings

31549. If at the hearing it appears that the owners of more than one-half of the area of the land included within the proposed district and subject to assessment have made objection in writing to the doing of the things proposed to be done as an entirety the legislative body, by a resolution entered upon its minutes, shall so find. Thereafter the legislative body shall not proceed further under the ordinance of intention, and the proceeding is terminated.

Objections

31550. If the owners of more than one-half of the area of the property included within the district and subject to assessment have not made written objections or protests to the things proposed to be done as an entirety, the legislative body may so find orally or otherwise and proceed with the hearing.

Powers of legislative body

31551. At the hearing the legislative body may:

(a) Modify the boundaries of the proposed district.

(b) Add to the district land which in its opinion will be benefited.

(c) Exclude from the district any land described in the ordinance of intention which it finds will not be benefited by the doing of the things proposed to be done.

Continuation of hearing

31552. The hearing may be continued from time to time by order entered on the minutes.

Change of boundaries

31553. The legislative body shall not change the boundaries except after notice of intention to do so, given by the clerk by one insertion in the newspaper in which the ordinance of intention was published. The notice shall describe the proposed change and specify the time for hearing objections, which shall be at least 15 days after publication of the notice.

Inclusion of additional land

31554. If the change proposed is to include additional land in the district, the clerk also shall mail a copy of the notice to each person to whom land in the area proposed to be added is assessed as shown on the last equalized assessment roll, at his address as shown upon the roll. The notice shall be mailed at least 15 days prior to the time set for hearing objections.

Protests

31555. If the boundaries are changed, objections or protests made by owners of land excluded by the change shall not be counted in computing a majority protest, but written objections or protests to the things proposed to be done as an entirety made by owners of the remaining assessable land in the district, including assessable land added by a change, and filed with the clerk not later than the time set for hearing objections to the proposed change, shall be included in computing a majority protest.

Nonbenefited land

31556. Any land which in the judgment of the legislative body will not be benefited shall not be included in the district.

Determination not to acquire land, etc

31557. At the hearing the legislative body may determine that portions of the land, rights of way, and improvements proposed by the ordinance of intention to be acquired, made, or constructed shall not be acquired, made or constructed.

Notice of intention to eliminate acquisition, etc

31558. The legislative body shall not eliminate any proposed acquisition or improvement except after notice of intention to do so given by the clerk by one insertion in the newspaper in which the ordinance of intention was published.

Same Contents

31559. The notice shall:

(a) Describe generally the portion of the acquisition or improvement proposed to be eliminated.

(b) State the estimated reduction in the costs and expenses as a result of the elimination.

(c) Specify the time for hearing objections, which shall be at least 15 days after publication of the notice.

Limitations

31560. The legislative body shall not eliminate any portion of the acquisition or improvement unless following the hearing it:

(a) Determines that all of the lands in the proposed district will be benefited by the remaining acquisition and improvement, or

(b) Excludes from the district all land which in its opinion will not be benefited by the remaining acquisition and improvement.

Termination of proceedings

31561. If the proceedings are terminated by a majority protest, a proceeding under this part for the same, or substantially the same, acquisition and improvement shall not be commenced within one year thereafter, except upon petition signed by the owners of a majority in area of the taxable land in the district.

Withdrawal of protest

31562. Any protest or objection made pursuant to this part or the Special Assessment Investigation, Limitation and Majority Protest Act of 1931, or any signature to such objection or protest, may be withdrawn by a written withdrawal signed by the person or persons who signed the protest or objection or who affixed the signature to be withdrawn, and filed with the clerk at any time prior to the determination by the legislative body as to whether or not a majority protest exists. Any protest, objection, or signature withdrawn shall not be counted in computing a majority protest.

Objections, etc deemed waived

31563. Any objections or protests not made at the time and in the manner provided by this chapter are deemed waived voluntarily.

Determination of objections, etc

31564. Except in the case of a majority protest, the legislative body may sustain or deny any or all objections and protests, and its determination is final. The determination of the legislative body shall be entered upon the minutes.

Estoppel, etc

31565. Proceedings under this chapter shall not be attacked after the hearing upon any ground not stated in an objection or protest filed pursuant to this chapter. Any landowner or person interested in any land within the district is estopped to attack the proceedings upon any ground not stated in a protest filed by him pursuant to this chapter.

Order of acquisition

31566. Unless the power to proceed has been terminated pursuant to this chapter, at the conclusion of the hearing the legislative body, by ordinance, may find and determine that the public interest and necessity require the acquisition and improvement described in the ordinance of intention or the acquisition and improvement remaining after any elimination made pursuant to this chapter, and may order such acquisition and improvement.

Declaration of formation

31567. If the acquisition and improvement are ordered, the legislative body shall fix and establish the boundaries of the district and declare that the district is formed pursuant to this part.

Designation of district

31568. Each vehicle parking district formed pursuant to this part shall be numbered, and the designation of the district

shall be substantially (using appropriate number) "Vehicle Parking District No. __ _____ of the City of _____."

Amount of assessment

31569. The amount of the assessment levied to pay the cost of the acquisition and improvement ordered in the ordinance shall not exceed thirty-five percent (35%) of the assessed valuation of all land in the district subject to assessment, as shown by the last equalized county assessment roll at the date the assessment is confirmed.

Defect, etc., in petition

31570. Any defect, error, or informality in the petition, the clerk's certificate, the publication, posting, or mailing of notices, or of the landowner or person interested in the land to receive the notice shall not invalidate any proceeding pursuant to this chapter.

Chapter 3. Condemnation

Condemnation proceeding

31590. In its ordinance ordering the things proposed to be done and forming the district, the legislative body shall direct an action to be brought in the superior court in the name of the city by the city attorney, or other attorney designated by it for the condemnation of the property necessary and proposed to be acquired as described in the ordinance.

Contract to purchase

31591. The fee simple title of any land to be acquired for parking places may be condemned. The legislative body may contract for the purchase of any such land. Any land acquired by purchase or by gift need not be included in the condemnation action or, if included, need not be condemned.

Applicable law

31592. Except as otherwise provided in this part, the condemnation action shall be filed and the condemnation proceedings taken substantially as provided in the Street Opening Act of 1903 and particularly in Chapters 7, 8, 9, and 10 of that act. The provisions of such chapters relating to the condemnation of property and the fixing of compensation and damages therefor are adopted as the procedure to be followed under this part. Failure to comply fully with the provisions of those chapters shall not invalidate any proceeding under this part.

Chapter 4. Assessment of Cost and Expenses

Diagram

31620. Upon the entry of the interlocutory judgment or upon the fixing by contract of the purchase price of the property to be acquired, the legislative body shall order the engineer to make and deliver to the street superintendent a diagram of the acquisition and improvement and of the property within the vehicle parking district as finally established.

Same Contents

31621. The diagram shall show:

(a) The land and any rights of way to be acquired.

(b) The proposed improvement.

(c) Each separate lot or parcel of land within the district

(d) The dimensions of each such lot or parcel of land and its relative location to the proposed acquisition and improvement.

Delivery

31622. The diagram shall be delivered to the street superintendent who shall endorse the date of such delivery on the diagram.

Assessment of cost, etc

31623. Upon receiving the diagram, the street superintendent shall assess the total cost and expense of the proposed acquisition and improvement, less contributions by the city and expenses to be borne by the city, against the land within the district subject to assessment, in proportion to the benefits to be derived from the acquisition and improvement.

Same: Items included

31624. The total cost and expense include:

(a) The amounts awarded the defendants in the condemnation action and their costs.

(b) Any amounts fixed by contract for the purchase of any land or rights of way to be acquired.

(c) All costs and expenses of plaintiff in the condemnation action, attorneys' fees, fees of expert witnesses, service of process, and other costs or expenses.

(d) The expenses of making the diagram and assessment.

(e) The estimated expense of issuing and selling bonds.

(f) The estimated costs and expenses of the proposed improvement.

(g) All expenses of the proceedings pursuant to this part, including engineers' and attorneys' fees, title searches, certificates of title, publication and posting of ordinances or notices, maps, plans, the estimated expenses of the proceedings thereafter to be taken, and all expenses of the proceedings taken under the Special Assessment Investigation, Limitation and Majority Protest Act of 1931.

Assessable land

31625. All land within the district shall be assessed to pay the costs and expenses of the acquisition and improvement, except:

(a) Land owned by the United States.

(b) Streets, alleys, and highways.

(c) Property to be acquired for parking places pursuant to this part.

(d) Public property exempt from assessment pursuant to Section 31626.

Consent to inclusion of publicly owned property

31626. Any lot or parcel of land in any public use belonging to the State or to any county, city, district, or other public corporation, public agent, mandatory of the government, school board, educational, penal, or reform institution, or institution for the feeble-minded or insane, in use in the performance of a public function and lying within the district is not subject to assessment unless the consent of its governing body to the assessment is filed with the legislative body at or prior to the adoption of the ordinance of intention. If such consent is filed, the land is subject to assessment in the same manner as other land within the district.

Payment of assessment on public property

31627. An assessment upon public property is an enforceable obligation against the owner or the governing body controlling the property and shall be paid by the officer or board having charge of the disbursement of its funds.

Insufficient funds Levy of taxes

31628. If no money is available for the payment of an assessment of public property, the board or officer whose duty it is to levy taxes for the owner of the public property shall include in the next tax levy an amount, in addition to money for all other purposes, sufficient to pay the assessment and the interest thereon from the date the assessment is recorded, at the rate established for the bonds. When the money received from the tax levy is available, the assessment and interest shall be paid by the officer or board having charge of the disbursement of the funds of the owner.

Any duty imposed by this section and Section 31627 may be enforced by action, mandamus, or other proceeding.

Procedure governing assessment S. & H. C., §4000, ff

31629. The assessment shall be made, notice given, hearing held, and the assessment confirmed and recorded substantially in the manner provided in Chapter 11 of the Street Opening Act of 1903, and the provisions of that chapter relating to the method of making or spreading the assessment, the giving of notice, the holding of the hearing, and the confirmation and recordation of the assessment are adopted as the procedure to be followed pursuant to this part. Except as provided by this part, all of the powers and authority granted in Chapter 11 of the Street Opening Act of 1903 are applicable to any assessment to be levied pursuant to this part.

Notice

31630. After the assessment roll is recorded, all persons are deemed to have notice of its contents.

Lien

31631. Immediately upon the recording, the several assessments contained in the assessment roll are due and payable, and each assessment is a lien upon the property against which it is made. Unless sooner discharged, the lien shall continue for four years from the date of recording, or if bonds are issued to represent the assessment, the lien shall continue until the expiration of four years after the due date of the last installment upon the bonds or the last principal coupon attached to them.

Same Priority

31632. The lien is superior to all special assessment liens created against the same property after the date of recordation.

Effect of deed

31633. Any deed issued in the foreclosure of the assessment lien or sale of property for the lien conveys the property to the purchaser free and clear of all encumbrances, except taxes, and such special assessment liens as are, at the date of creation of the lien, equal or superior to the assessment lien.

Time limit for bringing actions

31634. Any action or proceeding to set aside, cancel, avoid, annul, or correct any assessment or reassessment, or to review any of the proceedings, acts, or determinations pursuant to this part, or to question the validity or enjoin the collection of any assessment or reassessment, or to enjoin the issuance of bonds to represent any assessment or reassessment, shall not be maintained by any person, unless such action or proceeding is commenced within thirty (30) days after the recording of the diagram and assessment or reassessment. Thereafter all persons are barred from any such action or proceeding or any defense of invalidity of the assessment or reassessment, or of bonds issued on the assessment or reassessment.

Notice of recordation of assessment

31635. The officer with whom the assessment is recorded shall give notice that the assessment has been recorded in his office and that all sums assessed in it became due and payable upon the recordation of the assessment, stating the date of recordation and that the payment of the sums is to be made to him within thirty (30) days after the date of recordation.

Same Contents

31636. The notice shall also contain a statement that bonds to represent assessments remaining unpaid after thirty (30) days will issue in the manner and form provided in the chapter of this part as fixed and designated in the ordinance of intention, and shall state the period over which the bonds extend and the rate or rates of interest payable on them.

Same Publication

31637. The notice shall be published twice in a daily or weekly newspaper of general circulation printed and published in the county in which the assessed land lies.

Same Mailing post card to owners

31638. Notice shall also be given by mailing a post card to the owner of each lot, piece, or parcel of land assessed, according to the name and address appearing on the last equalized assessment roll for county taxes prior to the recordation of the assessment or as known to the officer giving the notice.

Same Failure to mail or receive

31639. Failure of the officer with whom the assessment is recorded to give notice by mailing, or of the person addressed to receive the notice, shall not affect the validity of the proceedings or the validity of the lien of any assessment or of any bond issued on the assessment.

Procedure when assessment paid

31640. When any assessment is paid, the street superintendent shall mark opposite the assessment "Paid," the date of payment, and the name of the person by or for whom the assessment is paid. If so requested, he shall give receipt for the payment.

List of unpaid assessments

31641. After the expiration of thirty (30) days from the date of recording the assessment, the superintendent of streets shall make a complete list of all assessments unpaid and the amounts unpaid, except assessments upon public property.

Manner of collection

31642. All unpaid assessments upon public property shall be collected pursuant to this chapter, but if the property is not in use in the performance of a public function, the lien of the assessment may be foreclosed in the mode provided for foreclosure of assessments in Part 5, Chapter 11 of the Improvement Act of 1911.

Chapter 5. Bonds

Manner of issuance

31670. Bonds shall be issued pursuant to this chapter.

Preparation of bonds

31671. The list of unpaid assessments shall be certified and filed with the city treasurer. Upon the filing of the list, the city treasurer shall make out and sign a separate bond representing upon each lot or parcel of land on the list the total amount of the unpaid assessment against it as shown on the list.

Sale

31672. The legislative body shall sell the bonds for cash for not less than the amount of the assessments represented by the bonds.

Bids

31673. At any time after the assessment is recorded, the legislative body may call for sealed bids on the bonds proposed to be issued. Notice inviting bids shall be given by two publications in a newspaper published in the city, the first publication to be at least ten (10) days before the bids are to be opened.

Sale

31674. The bonds shall be sold for cash to the best responsible bidder.

Interest rate

31675. The bonds may be sold at any rate of interest not exceeding that stated in the ordinance of intention. The maximum interest rate shall not exceed 6 percent a year.

Term

31676. The bonds shall extend over a period not to exceed 19 years from January 2d next succeeding the October 15th following their date.

Issuance

31677. Upon the award of the bonds to a purchaser, the treasurer shall issue bonds representing the liens of the unpaid assessments as shown on the list and bearing interest at the rate fixed by the legislative body.

Delivery

31678. The treasurer shall deliver the bonds to the purchaser upon receiving the purchase price bid. The purchase price shall be deposited in the improvement fund of the district.

Applicable provisions

S. & H. C., §5000, ff.

31679. Except as otherwise provided in this chapter, bonds to be issued pursuant to this chapter shall be issued pursuant to Part 5 of the Improvement Act of 1911 Except as modified by this chapter, the provisions of that part are adopted for the issuance, collection, and enforcement of bonds issued pursuant to this chapter, and the provisions of that part apply to bonds issued pursuant to this chapter.

Date and interest

31680. The bonds shall be dated and bear interest from the date of recordation of the assessment.

Form

31681. The bonds shall be substantially in the following form:

Vehicle Parking District No. _____
(Number of District)
of the City of _____

IMPROVEMENT BOND

$_____ No._____

Under and by virtue of the Vehicle Parking District Law of 1943, I, out of the fund for the above designated Vehicle Parking District No. _____ of the City of _____ bonds, will pay to _____, or order, the sum of $_____, with interest at the rate of ____ percent per annum, all as is hereinafter specified, and at the Office of the Treasurer of the City of _____, State of California.

This bond is issued to pay the cost of the acquisition and improvement of certain parking places in the City of _____ as the same is more fully described in assessment number _____ issued by the street superintendent of said city and recorded in his office. Its amount is the amount assessed in said assessment against the lot or parcel of land numbered therein, and in the diagram attached thereto, as number _____, and which now remains unpaid, and constitutes a lien upon the property affected thereby, as the same is described herein, and in said

recorded assessment with its diagram, to wit: The lot or parcel of land in said City of _____, County of _____, State of California, described as follows: _____.

This bond is payable exclusively from said fund, and neither the city nor any officer thereof is to be holden for payment otherwise of its principal or interest. The term of this bond is _____ years from the second day of January next succeeding the next October 15th following its date, and at the expiration of said time the whole sum then unpaid shall be due and payable; but on the second day of January of each year, following the next October 15th after its date, an even annual proportion of its whole amount is due and payable, upon presentation of the coupon therefor, until the whole is paid, with all accrued interest at the rate of ____ per centum per annum.

The interest is payable semiannually, to wit: On the second days of January and of July in each year hereafter, upon presentation of the coupons therefor, hereto attached, the first of which is for the interest from date to the next second day of _____, and thereafter the interest coupons are for semiannual interest.

This bond may be redeemed by the owner or any person interested in any lot or parcel of land described herein, in the manner provided in said law, at any time before maturity, and before commencement of proceedings for sale, upon payment to the treasurer, for the holder of this bond, of the amount then unpaid on the principal therof, with interest thereon calculated up to the due date of the next maturing interest coupon, and all penalties accrued and unpaid.

Should default be made in the annual payment upon the principal, or in any payment of interest from the owner of said lot or parcel of land, or any one in his behalf, the holder of this bond is entitled to declare the whole unpaid amount to be due and payable, and to have said lot or parcel of land advertised and sold forthwith, in the manner provided by law; provided, however, that any bond may be reinstated after such default in the manner provided in said law. In case of such default there shall be immediately added to such defaulted amount 1 percent of the amount thereof, and on the first day of each month following such default there shall be added a further penalty of 1 percent of such defaulted amount. The 1 percent penalty first imposed and all subsequent penalties shall be paid to the holder of the bond along with and as a part of such defaulted payment.

At said City of _____, this _____ day of _____, in the year one thousand, nine hundred and _____.

_____

Treasurer of the City of _____

CHAPTER 6. ACQUISITION AND IMPROVEMENT

31700. From time to time the street superintendent shall pay to the treasurer all money collected by him on account of any assessment levied pursuant to this part. Payment to treasurer

Special fund

31701. On receipt of the money the treasurer shall place it in a special fund, designated the improvement fund of the vehicle parking district for which the assessments were levied. All proceeds of any bonds issued pursuant to this part shall also be placed in the special fund.

Use of funds

31702. If any parking lot acquired by the district has any building or other improvement upon it which needs to be removed, any money derived from the sale of the building or improvement may be used for the maintenance, operation, repair, or improvement of the parking places of the district, or be apportioned to the various lots or parcels of land in the district in proportion to the amounts of the assessments levied upon them. The amount apportioned to each parcel shall be credited against the unpaid assessment upon it, or if the assessment has been paid, shall be paid to the person who paid the assessment

Payment for condemned property

31703. As soon as there is sufficient money in the special fund devoted to the proposed acquisition and improvement to pay the amounts awarded to the defendants by the interlocutory judgment in the condemnation action, the amounts shall be paid to the parties entitled to them or into court for their benefit.

Payment for purchased property

31704. If any property is being acquired by private purchase, the amounts fixed by the contract of purchase shall be paid to the parties entitled to them upon delivery to the city of a good and sufficient deed conveying to the city the property or the interest in property to be acquired.

Final condemnation judgment

31705. When satisfactory proof is made to the court of payment of the amounts awarded by the interlocutory judgment to the respective parties entitled to them, or into court for their benefit, the court shall direct the interlocutory judgment to be satisfied, and shall make and enter a final judgment condemning the land described in the complaint to the use of the plaintiff for the purposes specified in the complaint.

Contracts for construction

31706. If the proceedings provide for any improvements to be constructed, contracts for the construction of the improvements shall be let by the legislative body in the same manner and with the same faithful performance or labor and material bonds as is provided by law for contracts payable from the general funds of the city. The contractor shall be paid from the special improvement fund.

Special fund deficiency

31707. If there is a deficiency in the special fund for the improvement, the legislative body may provide for the deficiency by an appropriation out of the general fund, or by ordering a supplementary assessment to be made by the street superintendent upon the property in the district in the same manner and form, and subject to the same procedure as the original assessment.

Advancement of deficiency

31708. To avoid delay in event of a supplementary assessment, the legislative body may advance the deficiency out of the treasury and reimburse the treasury from the collections under the supplementary assessment.

31709. If there is a surplus in the special fund for the improvement, the surplus shall be used for the repair of the improvements constructed. Disposition of surplus

CHAPTER 7. REASSESSMENT

31730. A reassessment shall be issued in any of the following events: When issuable

(a) When an assessment made, issued, or filed in the office of the clerk, or any bonds issued to represent the amounts of any such assessment, have been set aside by a court of competent jurisdiction, or when the court has refused to enforce an assessment or has decreed any such bonds not to constitute or represent valid and subsisting liens against the lots or parcels of land upon which the assessments represented by them have been levied.

(b) If for any reason the assessments or bonds, or both, are not effective and the curative and waiver provisions of this part or any curative act passed by the Legislature in relation to them fail to make them valid and enforceable

31731. It is the intent of this chapter to make the cost and expense of the acquisition and improvement made, or attempted to be made, through an attempted compliance with this part payable by the real property benefited by the acquisition and improvement by making a reassessment for that purpose. The power of reassessment embraces both a full and partial reassessment, and is not exhausted by a single attempted exercise of the power. Intent

31732. Whenever the owner or holder of any bonds issued to represent or to be secured by assessments requests the legislative body to order a reassessment and the legislative body is of the opinion that such bonds are not enforceable, it shall order the making and issuing of a reassessment covering only the assessments represented by, or securing the bonds owned or held by, the petitioner. Request for reassessment

31733. If, in any suit involving the validity of the obligation of any bond or assessment, a court of competent jurisdiction for any reason holds the lien of the assessment or bond to be unenforceable, the court in and by its decree shall direct the making of a reassessment to cover the assessments involved in the suit. Decree directing reassessment

31734 If, in any suit to set aside the lien of any assessment or of any bond representing any assessment, or in any suit to quiet title against the lien of any such assessment or bond, or in any suit to enjoin the making, filing, confirmation, or issuance of any assessment or bond to pay for the cost and expenses of any acquisition and improvement pursuant to this part, a court of competent jurisdiction in its judgment decrees such assessments or bonds to be void or unenforceable or enjoins the making, filing, issuance, or confirmation of any such assessment or bond, the court in and by its decree shall direct the making of a reassessment to cover the assessments involved in the suit. Same

Same

31735. If, in any suit contesting the validity and legal force and effect of a sale to foreclose the lien of any assessment or bond, a court of competent jurisdiction decrees the sale to be void or unenforceable for any reason, the court in and by its decree shall direct the making of a reassessment to cover the assessments involved in the suit.

Duties of street superintendent

31736. If a reassessment is directed, by a decree of court or by an order of the legislative body, the street superintendent shall proceed to make a reassessment.

Diagram

31737. If the reassessment is a partial one only, it is not necessary for the diagram to show any lots other than those covered by the partial reassessment. If it is a full reassessment, the street superintendent shall prepare and file with the reassessment a diagram showing the lots or parcels of land deemed by him to be benefited by the improvement.

Reassessment Amount and basis

31738. The reassessment shall assess upon and against each of the lots or parcels of land contained in it an amount determined as follows:

(a) The benefits derived, or to be derived, by each of the lots or parcels of land from the acquisition and improvement estimated as of the date of the filing in the clerk's office of the original assessment shall first be listed.

(b) Interest shall be added to amounts determined pursuant to (a) from the date of recording of the original assessment at the rate of seven percent (7%) a year.

Same Maximum

31739. The total of the reassessment, exclusive of interest, shall not exceed the cost and expenses of the acquisition and improvement.

Same Form

31740. The reassessment need not be in any prescribed form. It shall:

(a) Refer to the original assessment and set forth the date it was filed.

(b) State that it is made pursuant to the order of the legislative body or decree of court, as the case may be.

(c) Be accompanied by a diagram showing the lots or parcels of land to be reassessed and their relation to the improvement.

Same Hearing

31741. The reassessment shall be presented to the legislative body, which shall fix a time for hearing. The hearing shall be at least twenty (20) days after the presentation of the reassessment.

Same Notice of hearing

31742. The clerk shall advertise the time of hearing by publishing a notice in the newspaper in which the ordinance of intention for the acquisition and improvement was published unless the legislative body directs publication in some other newspaper. The notice shall be published for five (5) insertions, if the newspaper is a daily, or for two (2) insertions if the newspaper is published less frequently. If the reassessment is to be against the property in a district, this fact shall be set forth and the reassessment diagram referred to for particulars.

Same Revision, etc

31743. At the time fixed for the hearing, or at any time to which the hearing is adjourned, the legislative body shall

consider the objections to the reassessment and may informally direct the revision, correction, and modification of the reassessment in such manner as is most equitable to apportion to each lot or parcel of land benefited the amount of the actual benefits derived from the acquisition and improvement.

Same: Confirmation

31744. When the reassessment is revised, corrected, or modified to comply with its judgment the legislative body shall pass a resolution confirming the reassessment.

Same: Certification

31745. The clerk shall certify at the end of the reassessment that it is the reassessment approved by the legislative body.

Same: Recordation

31746. The street superintendent shall record the reassessment with the clerk's certificate.

Same Credit, etc

31747. The street superintendent shall note opposite the several assessments in the original assessment that have been displaced by the reassessment the fact that the reassessment has been made, giving its date, and shall credit upon the reassessment all payments made upon the original assessment, or upon the bonds issued to represent the original assessment, and interest on the payments at the rate of seven percent (7%) a year from the date of the payments.

Same Manner of collection, etc

31748. The reassessment shall be collected, paid, and enforced in the same manner as an original assessment, and shall have the same weight in evidence.

Same Issuance of bonds

31749. If bonds were issued under or upon the security of the original assessment, they shall issue upon the reassessment for the sum reassessed against the lots or parcel of land covered by it.

Cancellation of original assessment

31750. When the reassessment is recorded, the original assessment shall be canceled by the street superintendent so far as it affects the particular assessments involved. New bonds shall not be issued until the original bonds are delivered up to the treasurer who shall cancel them. The lien of the reassessment shall hold its relative rank as to other special assessment liens as of the date of filing of the original assessment.

Chapter 8. Board of Parking Place Commissioners

Parking place commission

31770. Immediately upon the acquisition of the parking places pursuant to the petition for the formation of the district, a parking place commission shall be appointed. In the discretion of the legislative body, the commission may be appointed at any time prior to such acquisition and after the adoption of the ordinance declaring the district formed.

Members

31771. The commission shall consist of three members, each of whom shall be a resident and qualified elector of the city or county

Compensation

31772. Members of the commission shall serve without compensation.

Appointment

31773. In the case of a city, members of the commission shall be appointed by the mayor, subject to confirmation by the legislative body. In the case of a county they shall be appointed by the legislative body.

Term

31774. The commissioners shall hold office for the term of three years from the date of their appointment and qualification and until their successors are appointed and qualified, except that members of the first board appointed shall classify themselves by lot so that one member holds office for one year, one for two years, and one for three years, and, in each instance, until a successor has been appointed and qualified.

Removal of commissioners

31775. A commissioner may be removed by a four-fifths vote of the legislative body at any time.

Qualifications of commissioners

31776. Commissioners shall be persons of business experience and ability and interested in the district, to the end that the affairs of the district shall be administered in the interests of the district.

Same

31777. A commissioner may be an owner or lessee of property, or an officer, employee, or agent of a corporation owning or leasing property, within the district or, in the case of a commission appointed under Section 31865, within one of the districts, or any other qualified person.

Removal of commissioners

31778. Whenever a petition signed by the owners of more than one-half of the area of assessable land within the district requesting the removal of a commissioner is filed with the legislative body, it shall immediately remove him and appoint a new commissioner. The commissioner removed is ineligible to hold office as a commissioner of the district for one year following his removal. To secure the removal of a commissioner from a commission appointed under Section 31865, the petition shall be signed by the owners of more than one-half of the area of assessable land within each of a majority of the districts governed by the commission.

Powers of board

31779. The board of commissioners shall have possession and complete charge, supervision and control of all parking places:

(a) Acquired, constructed, and paid for, or to be paid for, by taxes upon land or real property or assessments upon land in the district.

(b) Acquired or constructed for the use or benefit of the district and paid for in any other manner.

Same

31780. The board shall operate, manage, and control the parking places and make and enforce all necessary regulations for their use.

Same

31781. The board shall fix, regulate, and collect rentals, fees, or charges for the parking of vehicles in parking places under its control, and may provide different rates for different classes of customers or users.

Intent

31782. The providing of adequate public parking places in cities largely depends upon the formation of local vehicle parking districts. Such districts will be created and will be successful only if so operated as to serve adequately the property within the district. It is the intent of this part that the owners of real property in a vehicle parking district created pursuant to this part to provide parking places to solve the parking problems of the district, may receive preferential rates, charges,

or rentals for themselves, their tenants, and the classes of persons who call upon or do business with them, all to the end that the property which bears the burden and provides a solution for the parking problem shall receive a special benefit.

Restrictions on use of parking places

31783. All parking places acquired and constructed pursuant to this part are public parking places, but the board of commissioners may restrict or partially restrict their use to owners and tenants of real property in the district, and classes of persons designated by such owners or their tenants, and may establish rates, charges, or rentals for the owners and tenants of such properties and classes of persons designated by the owners or tenants which differ from and are less than the rates, charges, or rentals charged other persons.

Fixing of rentals, etc

31784. Rentals, fees, and charges shall be fixed after public hearing following such notice as the board of commissioners prescribes.

Appointment of employees

31785. The board shall appoint in the same manner as other city employees are selected, such employees as it deems necessary.

Leases, etc

31786. In the exercise of its power to operate, manage, and control parking places, the board may lease any or all parking places to any person for the sole purpose of the operation of public parking facilities on them by such person, or may grant a franchise, or make a contract with any person for such purpose.

Consideration of leases, etc

31787. The consideration to be paid by the operator for any lease or franchise or under any contract may be a fixed sum or a percentage of gross rentals, fees, or charges collected by the operator, or any other consideration.

Maximum rentals, etc

31788. The maximum rentals, fees, and charges to be collected by the operator shall be fixed by the board after public hearing following such notice as the board prescribes, and shall be recited in the lease or franchise. No higher rentals, fees, or charges shall be collected by the operator without amendment of the lease or franchise agreed to by the board after like public hearing.

Restriction on use

31789. An operator shall not conduct any business other than that of the operation of public parking facilities on any parking place of the district.

Terms of lease

31790. Any lease or franchise may provide that the use of the parking places shall be restricted, or partially restricted, to owners and tenants of real property in the district, and classes of persons designated by them, and may provide for maximum rates, charges, or rentals for such persons which differ from and are less than the maximum rates, charges, or rentals charged other persons.

Contracts, etc., by legislative body

31791. To provide revenues for the district, at any time prior to the formation of the district, or after the formation of the district and prior to the appointment of a board of parking place commissioners, the legislative body conducting the proceeding for the formation of the district may enter into a contract or lease with any owner or tenant of property in the

district under which the owner or tenant, for a specified rental or other consideration and for a specified period not exceeding 10 years, reserves a reasonable proportion or number of parking spaces in a parking place of the district for the use of the owner or tenant of such property, the employees of the owner or tenant performing services on the property, and the customers of, or other classes of persons designated by, the owner or tenant and entering the property as invitees or otherwise. After the appointment of a board of parking place commissioners, the board may make such contracts or leases.

Further improvements

31792. After the improvements to be made under the initial proceeding inaugurated by petition have been completed, any further improvement of any parking place shall be made by the board of commissioners.

CHAPTER 9. TAXATION

Estimate of expenditures

31820. Annually on or before June 30th, the board shall prepare an estimate of the expenditures required for the maintenance, operation, repair, and improvement of the parking places under its charge for the ensuing fiscal year, and required during that year for the acquisition of additional parking places, if any.

Estimate of revenues

31821. The board shall also estimate the amount of revenues to be derived from rentals, fees, or charges for the use of the parking places and the amount, if any, to be raised by taxation. The amount to be raised by taxation for the acquisition of additional parking places shall be stated separately.

Special ad valorem tax

31822. The estimate shall be filed with the legislative body, and at the time and in the manner for levying general taxes, the legislative body shall levy and collect upon and against all of the taxable land and improvements within the district a special ad valorem tax sufficient to raise the sum of money estimated as required to be raised by taxation.

Same Limitation on amount

31823. The tax levy for maintenance, operation, repair, and improvement of parking places in any year shall not exceed five cents ($0 05) on each one hundred dollars ($100) assessed value of taxable land and improvements within the district. The tax levy for acquisition of additional parking places in any year shall not exceed ten cents ($0.10) on each one hundred dollars ($100) assessed value of taxable land and improvements within the district.

Same: Levy and collection

31824. The special tax shall be levied and collected at the same time, in the same manner, by the same officers, and with the same interest and penalties as general taxes levied by the legislative body.

Disposition of tax proceeds

31825. The proceeds of the tax levied for maintenance, operation, repair, and improvement shall be placed in the district maintenance and operation fund and expended only for the maintenance, operation, repair, and improvement of parking places under the control of the board.

Separate fund

31826. The proceeds of the tax levied for the acquisition of parking places shall be placed in a separate fund of the district and shall be expended only for the purpose for which it was levied.

Disposition of fees etc

31827. All revenues from fees, charges, or rentals for the use of any parking place of the district shall be turned over to the treasurer and by him placed in such fund as the board designates, and may be used for the acquisition, improvement, maintenance, repair, and operation of any parking places for the use and benefit of the district.

Credit of excess revenues

31828. If the board determines that the revenues from fees, charges, and rentals exceeds the amount necessary for the proper maintenance, operation, repair and improvement of the parking places, and the acquisition of additional parking places, upon the order of the board the surplus revenue may be applied as a credit to each assessment or installment in the proportion which each assessment or installment bears to all the assessments.

Same Payment in cash

31829. If the assessment or installment has been paid in cash, the credit shall be returned in cash to the person who paid the corresponding assessment or installment, upon his furnishing satisfactory evidence of such payment.

Same Unpaid assessment, etc

31830. If the assessment or installment is unpaid, the credit shall be applied upon the assessment or the earliest unpaid installment of principal and interest.

CHAPTER 10. MISCELLANEOUS

Sale of property

31850. The city legislative body may sell any property acquired for parking places which is not needed for that public use.

Disposition of proceeds

31851. Any money received from the sale of property not needed for parking places shall be placed in such fund as the board directs, and may be used for any purpose for which revenues from fees, charges, and rentals for the use of parking places of the district may be used, except the proceeds from the sale of property acquired with the proceeds of an assessment shall not be applied as a credit upon any assessments except those levied for the acquisition of the property.

Title to property

31852. All real property shall be acquired or condemned in the name of the city, and title to such property shall be in the city, subject to the provisions of this part.

Contracts for lease etc

31853. All contracts for the lease or purchase, or both, of real property shall be made by the legislative body.

Acquisition of additional parking places

31854. Whenever the board determines by resolution that the public interest and necessity and the needs of the district require that additional parking places be acquired for the district, it shall also determine whether property for the parking places be acquired by lease, by contracts with installment payments, by lease with option to purchase, by a lump sum payment, or pursuant to Section 31861. It shall designate the property to be so leased or acquired.

Same

31855. When a certified copy of the resolution of the board is filed with the city legislative body, it may proceed to acquire or lease the property pursuant to the resolution.

Manner of acquisition

31856. Property for additional parking places may be acquired:

(a) By a lump sum payment or by contract of purchase with payments made annually, or otherwise, over a period of years, but any such contract shall not provide for payments to be over a period longer than ten (10) years from the date of the contract. The purchase price may be paid from the limited taxes levied for acquisition of parking places under Section 31822, from revenues derived from operation of parking places of the district, or from any other funds of the district available for the purpose.

(b) By lease, but any such lease shall not run for a period longer than ten (10) years. Rental on any lease may be paid from revenues derived from the operation of parking places of the district, from the limited taxes levied for maintenance, operation, repair, and improvement under Section 31822, or from any other funds of the district available for the purpose.

(c) Under lease and option to purchase. Any such lease and option shall not run for a longer period than ten (10) years. The purchase price may be provided from revenues derived from operation of parking places of the district, from the limited taxes levied for acquisition of parking places under Section 31822, or from any other funds of the district available for the purpose.

(d) Pursuant to Section 31861.

Liability of city

31857. Any lease or contract of purchase shall not bind the city to pay the rental or purchase price from funds other than those provided pursuant to this part.

Use of tax proceeds

31858. Proceeds of taxes levied under Section 31822 for maintenance, operation, repair, and improvement may also be used for the maintenance, operation, repair, and improvement of any parking places held under lease or contract of purchase, or lease with option to purchase.

Acquisition of parking places with city funds

31859. At any time and with any city funds available for the purpose, the legislative body may acquire parking places which benefit the district and improve them. It may place the parking places under the control of the board of commissioners of the district.

Parking meter revenues

31860. At any time, either before or after the formation of the district, the legislative body may provide by ordinance that, for a period specified in the ordinance but not exceeding 10 years from its effective date, all or any specified portion or percentage of revenues derived by the city from parking meters on streets within the district shall be used for the purposes specified in the ordinance which may include the acquisition, improvement, maintenance, repair, and operation of parking places for the use and benefit of the district. From the effective date of the ordinance such revenues shall for the period specified be placed in such fund or funds of the district as the board

of commissioners specify and may be expended only for the purposes specified in the ordinance.

Acquisition of additional parking places

31861. Whenever the board of commissioners determines by resolution that additional parking places should be acquired and improved by assessment upon land in the district, a certified copy of the resolution shall be filed with the legislative body. The legislative body may thereafter proceed to acquire the additional parking places and provide for their payment and improvement by a special assessment upon the land in the district levied in accordance with benefits.

Special assessment proceedings

31862. Special assessment proceedings for the acquisition of additional parking places shall be commenced by the adoption of an ordinance of intention containing, so far as applicable, the matters specified in Sections 31538, 31539, 31540, and 31541. Thereafter the procedure specified in this part for the initial acquisition and improvement for a district, so far as applicable, shall be followed in such special assessment proceedings.

Maximum assessment

31863. The amount of any assessment levied under Sections 31861 and 31862, when added to the balance outstanding at the time the assessment is confirmed of all previous assessments levied under this part, excluding ad valorem taxes levied under Section 31822 but including supplementary assessments levied under Section 31707, shall not exceed thirty-five percent (35%) of the assessed valuation of all land in the district subject to assessment, as shown by the last equalized county assessment roll at the date the assessment is confirmed. As used in this section "balance outstanding of all previous assessments" means the total unpaid principal of assessment bonds which would be outstanding if bonds had been issued upon the entire amount of each previous assessment and if none of the bonds had been redeemed in advance of maturity.

S & H C, §2800, ff

31864. The Special Assessment Investigation, Limitation and Majority Protest Act of 1931 applies to special assessment proceedings for the acquisition of additional parking places and they may be terminated by a majority protest as provided in that act and in this part.

Alternative method of management, etc

31865. As an alternative method of administration, upon request made to the legislative body of the city by the owners of fifty percent (50%) of the assessed value of taxable land in each vehicle parking district created in the city, as shown by the last equalized county assessment roll, the parking places acquired and constructed for the use or benefit of the districts shall be managed, operated, and controlled by a commission appointed to have charge of all parking places in the city acquired pursuant to this part.

CHAPTER 11. ALTERNATIVE METHODS OF FINANCING

Application

31890. This chapter provides an additional means of financing the parking districts authorized by this part. All provisions of this part are applicable to proceedings under this

chapter, except as otherwise expressly or by necessary implication provided in this chapter.

Petition

31891. The board of commissioners of any parking district, not financed under this chapter, may petition the legislative body of the city in which the district is located to authorize the financing of the district pursuant to this chapter in the same manner as provided for petitions for formation of districts.

Operation, etc., of existing parking meters

31892. The petition may contain a request that the board of commissioners be authorized to operate, maintain, and collect the revenues from existing parking meters on public streets and highways within the district.

Approval

31893. If the district lies partly within a city and partly within unincorporated territory, the city legislative body may approve the petition, but withhold approval of the request with respect to parking meters. In such event the board of supervisors shall not act upon the request, but may proceed on the petition.

Adoption of ordinance

31894. After the petition has been presented to the legislative body, if it finds and declares in an ordinance of intention that the public interest and necessity require that the district be financed pursuant to this chapter, it may adopt an ordinance to that effect.

Public hearing

31895. Thereafter a public hearing shall be held on the proposal in the manner, upon the notice, and with the effect provided for the formation of districts.

Determination

31896. Unless the power to proceed has been terminated, at the conclusion of the hearing the legislative body may find and determine that the public interest and necessity require that the district be financed pursuant to this chapter. Such determination shall be by ordinance in which the request, if any, for authority with respect to existing parking meters may be granted or denied.

Formation petition Contents

31897. If a district is to be formed pursuant to this chapter, the petition proposing the formation shall also contain a statement to that effect. The petition may also contain a request that the board of commissioners be authorized to operate, maintain, and collect the revenues from existing parking meters on public streets and highways within the district.

Estimated costs

31898. If the district is formed pursuant to this chapter, the assessment provided for in Sections 31623 and 31624 shall also include the estimated cost of preparing and issuing repayment certificates.

Estimate of the board

31899. If the district is financed pursuant to this chapter, the annual estimate of the board of commissioners provided for in Section 31821 shall also contain the estimated amount of revenues, if any, from parking meters on streets and highways within the district.

Special fund

31900. The board of commissioners shall place in a special fund a sufficient sum, if available, out of the revenues of the district, after deducting the amount necessary for the proper maintenance, operation, and repair of the district's parking

places, to pay installments on the amounts due on repayment certificates or to make up deficiencies in the sinking fund provided for the payment of such certificates.

Application

31901. Sections 31782 and 31783 are not applicable to districts financed pursuant to this chapter.

Additional powers of board

31902. The board of commissioners of districts financed pursuant to this chapter have the following additional powers.

(a) To operate and maintain existing parking meters on public streets and highways within the district, and to use the revenues from them as provided in this chapter.

(b) With the consent of the legislative body, to install, operate, and maintain additional parking meters on such streets and highways, and to use the revenue from them as provided in this chapter.

(c) To issue repayment certificates to the owners, of record at the date of issuance, of the property within the district assessed for any acquisition or improvement pursuant to this part. The principal sum of the certificates issued to each owner shall equal the principal of the assessment on his property.

(d) To accept the surrender of and to cancel repayment certificates representing property which has been reassessed pursuant to Chapter 7 and in their place issue new certificates in the amount of the reassessment.

(e) To pay the principal and interest on the repayment certificates out of the revenues of the district pursuant to this chapter.

(f) To issue funding or refunding certificates to pay or retire repayment certificates previously issued by it.

(g) To provide a sinking fund for the payment of repayment certificates as they fall due.

Repayment certificates

31903. Within 30 days after the recording of an assessment for acquisition or improvement against the property in any parking district financed pursuant to this chapter, or within 30 days after the adoption of the ordinance provided for in Section 31896, or within 30 days after the appointment of the parking place commission, whichever is later, the board of commissioners shall issue repayment certificates.

Negotiability

31904. Repayment certificates shall be negotiable in form, payable in not more than 20 years, with interest not exceeding 6 percent annually. Principal and interest on the certificates shall be payable solely out of the revenues of the district.

Form

31905. Repayment certificates shall be in such form as the board determines, except as provided in this chapter.

Payment

31906. Principal and accrued interest shall be paid in equal annual installments, if feasible, as soon as practicable after making the annual estimate.

Declaration of intent

31907. In enacting this chapter the Legislature expressly finds and declares that the providing of adequate parking places is of benefit to, and necessary for the protection of the safety and welfare of, the inhabitants of cities in which such

parking places are located and of the traveling public in general, as well as for the benefit of property owners within parking districts. This chapter is necessary in order to encourage the formation of new districts and the extension and improvement of facilities in existing districts.

PART 2. PARKING LAW OF 1949

CHAPTER 1. GENERAL PROVISIONS

Short title

32500. This part may be cited as the Parking Law of 1949.

Public purposes

32501. The supplying of additional parking facilities and the performance of all undertakings incidental or advantageous thereto are public uses and purposes for which public money may be spent and private property acquired, and are governmental functions.

Construction

32502. This part shall not affect any other provision of law relating to the same or a similar subject but provides an alternative method of procedure governing the subject to which it relates; and it shall not abridge, modify or otherwise affect the right of any city to exercise any power given to it by the Constitution.

Local regulations

32503. Parking facilities of an authority are subject to the planning, zoning, sanitary, and building laws, ordinances, and regulations applicable to the locality in which they are situated. In the planning and location of any parking facility, an authority is subject to the relationship of the facility to any master plan or sections of a master plan for the development of the area in which the authority functions.

To avoid unnecessary duplication of effort and expense, the authority shall have access for its purposes to the services and facilities of the city planning department, the city engineer, the police department, the fire department, and other appropriate departments and offices of the city.

Severability clause

32504. If any provision of this part, or its application to any person or circumstance, is held invalid, the remainder of the part, or the application of such provision to other persons or circumstances, shall not be affected thereby.

Construction

32505. Unless the context otherwise requires, the definitions set forth in this chapter govern the construction of this part.

"Authority"

32506. "Authority" or "parking authority" means any of the public corporations created by Chapter 2 of this part.

"City"

32507. "City" means any city or city and county. "The city" means the particular city, or city and county, for which a particular authority is created.

"Legislative body"

32508. "Legislative body" means, in the case of a city, that body in which the general legislative powers of the city are vested, and in the case of a city and county, the board of supervisors.

"Mayor"

32509. "Mayor" means the mayor of the city or the officer charged with the duties customarily imposed on the mayor or executive head of the city.

32510. "Clerk" means the clerk of the city or the officer charged with the duties customarily imposed on the clerk. "Clerk"

32511. "Obligee of the authority" or "obligee" means any of the following: "Obligee"

(a) Any bondholder or trustee for any bondholders.

(b) Any lessor demising to the authority property used in connection with a parking facility or any assignee of all or part of such lessor's interest.

(c) The State or the United States, or any agency of either, when a party to any contract with an authority by which aid or a loan is given or made to the authority.

32512. "State public body" means the State, or any city, city and county, county, district, authority, or any other subdivision or public body of the State. "State public body"

32513. "Project" means any acquisition, improvement, construction, or undertaking of any kind authorized by this part. "Project"

32514. "Indenture" means an ordinance, resolution, or indenture, relating to the issuance of bonds pursuant to this part passed, adopted, or entered into by an authority or by the legislative body of a city and with reference to an indenture, "clause" includes article, section, subsection, paragraph, sentence or provision. "Indenture" "Clause"

CHAPTER 2. PARKING AUTHORITIES

32650. There is in each city of the State a public body corporate and politic known as the parking authority of the city. Parking authority created

32651. The authority shall not transact any business or exercise any powers unless and until the legislative body of the city by resolution declares that there is need for a parking authority to function in the city. Activation

32652. The determination that there is need for an authority to function may be made by the legislative body on its own motion, or upon the filing of a petition signed by 100 residents of the city, asserting that there is need for an authority to function in the city and requesting that the legislative body so declare. Determination of need

32653. In any suit, action, or proceeding by or against or in any manner relating to an authority, the authority shall be conclusively deemed to have become established and authorized to transact business and exercise its powers upon proof of the adoption of a resolution by the legislative body declaring the need for the authority to function. Action against, etc., the authority

32654. A city shall not transact any business or exercise any powers pursuant to Section 33552 of this part unless and until the legislative body of the city declares by resolution that there is need for the city to exercise the powers of a parking authority. Restriction

32655. Either or both resolutions provided for in this chapter may be adopted by the legislative body. If both resolutions are adopted, they shall clearly specify the areas within the city within which, or the projects over which, the authority and Adoption of resolutions

the city, respectively, are to have jurisdiction and control. The division of jurisdiction and control shall be as specified, but may be changed from time to time to such extent as is consistent with obligations to bondholders, by action of both the legislative body and the authority.

Appointment of members of authority

32656. When the legislative body of a city first adopts a resolution declaring need for a parking authority to function, the mayor, with the approval of the legislative body, shall appoint five electors of the city as members of the authority.

Terms

32657. Three of the members first appointed shall be designated to serve for terms of one, two, and three years, respectively, from the date of their appointments, and two shall be designated to serve for terms of four years from the date of their appointments. Thereafter members shall be appointed for a term of four years. All vacancies occurring during a term shall be filled for the unexpired term. A member shall hold office until his successor has been appointed and has qualified.

Chairman

32658. The mayor shall designate the first chairman. Thereafter, when the office of chairman becomes vacant the authority shall elect a chairman from its members. Unless otherwise prescribed by the legislative body, the term of office of the chairman shall be for the calendar year, or for that portion of the year remaining after the chairman is designated or elected.

Powers of authority

32659. The powers of the authority are vested in the members in office.

Compensation of members

32660. Members shall receive their actual and necessary expenses, including traveling expenses, and may receive such other compensation as the legislative body prescribes.

Removal of members

32661. A member of an authority may be removed by the mayor with the consent of the legislative body.

Appropriation for administrative expenses

32662. At the time the authority becomes authorized to transact business and exercise its powers, and from time to time thereafter, the legislative body, subject to its fiscal law, may make an estimate of the amount of money required for administrative purposes of the authority, and by a two-thirds vote, appropriate such amounts to the authority as it deems necessary, subject to such conditions as it prescribes.

Report

32663. Quarterly, semiannually, or annually, as the legislative body prescribes, the authority shall file with the legislative body a detailed report of all its transactions, including a statement of all revenues and expenditures.

Statement of financial affairs Publication

32664. At least once annually the authority shall publish a statement of all its financial affairs, audited by independent certified public accountants. The statement shall be published in a newspaper of general circulation, published in the city, or if none is so published then in such newspaper of general circulation as the authority may deem most likely to give notice to the residents of the city.

Suspension of authority

32665. If within four years after the adoption of a resolution declaring the need for a parking authority to function in a city, the authority has not acquired or entered into possession of land for a parking facility, issued bonds, or entered

into any contract for the acquisition, construction, or operation of a parking facility, the legislative body by resolution may declare that there is no need for the authority. Upon the adoption of such resolution, the offices of the members of the authority become vacant and the capacity of the authority to transact business or exercise any power is suspended until the legislative body again adopts a resolution declaring the need for the authority to function.

Winding up affairs

32666. After adoption of a resolution declaring there is no need for an authority to function, and while it is in effect, the legislative body may wind up the affairs of the authority and has title to all property of the authority for such purpose and for the benefit of the city.

Transfer of property

32667. At any time after the activation of a parking authority, the legislative body by a two-thirds vote may adopt a resolution transferring the property of the authority to the city, and the city may, through such department as it determines, exercise its powers in regard to such property by virtue of the Constitution, its charter, this part or any general law. No such transfer shall be made in contravention of any covenant or agreement made with the holders of bonds of the authority issued and outstanding.

CHAPTER 3. POWERS

Public body

32800. Each authority constitutes a public body, corporate and politic, exercising public and essential governmental functions.

Powers of the authority

32801. The authority may:

(a) Sue and be sued, have a seal, and make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

(b) Make, and from time to time amend and repeal, by-laws and regulations not inconsistent with this part to carry into effect the powers and purposes hereof.

(c) Select and appoint or remove such permanent and temporary officers, agents, counsel, and employees, as it requires, and may determine their qualifications, duties, and compensation. The powers of the authority under this subdivision are subject to all limitations and rights applicable to similar employment by the city, unless by resolution the legislative body otherwise determines.

Same

32802. The authority may:

(a) Purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property within or outside the city, or any interest in, or improvements on, such property.

(b) Acquire any property by the exercise of the power of eminent domain, except that property of a state public body shall not be acquired without its consent.

(c) Sell, lease, exchange, transfer, assign, or otherwise dispose of any real or personal property or any interest in such property.

(d) Lay out, open, extend, widen, straighten, establish, or change the grade, in whole or in part, of public parking facilities and public rights of way necessary or convenient for such facilities.

(e) Insure any of its real or personal property or operations against risks or hazards.

Acquisition, etc., of property

32803. Either on its own behalf or as an agent of the city, the authority may acquire, construct, rent, lease, maintain, repair, manage and operate all or any portion of any real and personal property, including the leasing of the operation of the property, and the leasing for commercial purposes of surplus space or space which it is not economic to use for parking purposes.

Incidental use of property

32804. As an incident to the operation of any parking facility, the authority may devote a portion of its property to uses such as retail stores, bus terminal, gasoline service station, helicopter landing area, or any other commercial use, when in its judgment it is convenient or necessary to conduct or permit such use in order to utilize properly the property as a parking facility. Any such incidental use shall be secondary to the primary use as a parking facility, and the portion of the land devoted to the incidental use shall not exceed 25 percent of the surface area of the property. If a building is erected on the property for the purpose of parking motor vehicles, the incidental use of the building shall not occupy more than 25 percent of the floor area.

Surplus space

32805. Neither the authority nor the city shall manage or operate surplus space devoted to commercial purposes other than parking of vehicles, but shall lease such space to private operators.

Furnishing parking space, etc

32806. The authority may do any act to furnish motor vehicle parking space, to establish parking facilities for motor vehicles within the city, and to handle and care for such vehicles within any parking space owned, controlled, or operated by it.

Expenditures

32807. The authority may receive, control, and order the expenditure of any and all money and funds pertaining to parking facilities or related properties, including but not limited to:

(a) All revenue derived from operations of the authority.

(b) All money appropriated or made available by the city.

(c) The proceeds of all financial aid or assistance by the city, the State, or the Federal Government.

(d) The proceeds of assessments levied pursuant to this part.

(e) The proceeds of all bonds issued pursuant to this part.

(f) The proceeds of all general obligation, revenue, or other bonds issued by the city for parking facilities

Investments

32808. The authority may invest funds held in reserve, or sinking funds, or funds not required for immediate disbursement, in property or securities in which cities may legally invest funds subject to their control. No such investment shall be made in contravention of any covenant or agreement with the holders of any bonds of the authority issued and outstanding.

Borrowing money

32809. The authority may borrow money or accept financial or other assistance from the city, the State, or the Federal Government for or in aid of any parking facility within its area of operation, and to such ends may comply with any conditions attached thereto.

General powers

32810. The authority may exercise all or any part or combination of the powers granted by this part.

Same

32811. The authority may do and perform any and all other acts and things necessary, convenient, desirable, or appropriate to carry out the provisions of this part.

CHAPTER 4. PROPERTY

Acquisition of existing parking facilities

32950. An authority shall not acquire any existing parking facility by the exercise of the power of eminent domain except after public hearing. Notice of the date, time, place, and purpose of the hearing shall be published once not less than 10 nor more than 20 days prior to the hearing.

Limitation

32951. Property being used as a facility for the parking or storing of motor vehicles shall not be acquired by an authority, unless the project to be furnished or constructed which necessitates the acquisition of the existing facility will encompass an area of land and parking area at least three times that of the existing facility.

If this section is held invalid, no existing parking facility may be acquired by an authority.

Lease Bids

32952. The authority shall lease any project acquired by it pursuant to this part to the highest responsible bidder after the publication of a notice inviting bids two or more times, not less than five days apart, in a newspaper of general circulation printed and published in the city. If there is no newspaper of general circulation printed or published in the city, copies of the notice shall be posted in at least three public places in the city. Publication shall be commenced or notice posted not less than 15 days prior to the date set in the notice for the opening of bids.

Notice

32953. The notice inviting bids shall distinctly and specifically describe the project and the facilities which are to be leased, the period of time for which the project is to be leased, and the minimum rental to be paid under the lease.

No bid

32954. If no bid is received, the authority need not readvertise and may operate the project itself.

Rejection of bids

32955. The authority may reject any and all bids presented and readvertise; if no valid bid is received after readvertisement, the authority may operate the project itself.

Readvertisement

32956. If the authority operates the project it shall readvertise for bids as provided in this chapter once every year.

Payments to city

32957. In the resolution declaring need for a parking authority to function, the legislative body may provide for a sum to be paid annually by the authority to the city. This sum shall not exceed the amount the authority would be required to pay in ad valorem taxes if it were a private entity owning the same property.

CHAPTER 5. REVENUE BONDS

"Bonds"

33100. As used in this chapter, "bonds" means revenue bonds issued pursuant to this part.

Issuance authorized

33101. Bonds shall not be issued in any city until the legislative body, either at a general or a special election, submits to the electors of the city the question whether the legislative body or the authority, or both, shall be authorized to adopt the revenue bond method of financing projects provided for in this part. If a majority of the voters voting upon the proposition favor the proposition, the authority, or the city, or both, as specified in the proposition, may from time to time issue bonds in accordance with this part. In any city in which the voters have previously authorized the issuance of general obligation bonds or revenue bonds for parking facilities an authority may issue bonds without submitting such proposition to the voters.

Nature of obligation

33102. The authority may issue bonds in its name. The bonds constitute obligations of the authority only, and the payment of the principal or interest of any such bond does not constitute a debt, liability, or obligation of the city or the State.

Recital

33103. Any bond issued by an authority shall contain a recital on its face that the payment of all or part of the principal or interest does not constitute a debt, liability, or obligation of the city or the State.

Types of bonds

33104. An authority may issue such types of bonds as it determines, including bonds on which the principal and interest are payable:

(a) Exclusively from the income and revenue of the parking facilities financed with the proceeds of the bonds, or with such proceeds and financial assistance from the State or Federal Governments in aid of such projects.

(b) Exclusively from the income and revenue of certain designated parking facilities, whether or not such facilities were financed in whole or in part with the proceeds of the bonds.

(c) From its revenues generally.

(d) From any contributions or other financial assistance from the State or Federal Governments.

(e) From parking meter revenue of the city which may be appropriated by the governing body of the city.

Security for bonds

33105. Bonds may be additionally secured by a pledge of any parking meter revenue. Until all bonds so secured have been paid, the legislative body of a city may pledge or allocate its parking meter revenue or special taxes for periods of years for the financing or operation of any project authorized by this part and the payment of principal and interest on all or any type of bond issued and outstanding pursuant to this part.

Terms and conditions of bonds

33106. Except as limited by express provision of this part, each authority, by resolution, may determine all the terms and conditions of each issue of bonds and of their sale and issuance, and all matters necessary or appropriate in connection with the bonds.

33107. An authority may enter into indentures providing for the aggregate principal amount, date or dates, maturities, interest rate, denominations, form, registration, transfer, and interchange of bonds and coupons, and the terms and conditions upon which they shall be executed, issued, secured, sold, paid, redeemed, funded, and refunded. Indentures providing for aggregate principal amount, etc

33108. Reference on the face of the bonds to the indenture by its date of adoption, or the apparent date of adoption on the face of the indenture, is sufficient to incorporate all of the provisions of the indenture into the body of the bonds and their appurtenant coupons Each taker and subsequent holder of the bonds or coupons, whether the coupons are attached to or detached from the bonds, has recourse to all of the provisions of the indenture and is bound thereby. Reference to indenture

33109. An indenture may include such covenants and agreements on the part of the authority as the authority deems necessary or advisable for the better security of the bonds, including a pledge of the project. Indenture terms Security of bonds

33110. An indenture may include a clause requiring the authority to pay punctually the principal and interest on the bonds on the date or dates, at the place or places, and in the manner mentioned in the bonds and coupons in accordance with the indenture. Same Punctual payment

33111. An indenture may include a clause requiring the authority to continuously operate in an efficient and economical manner all projects acquired, constructed, or completed, in whole or in part, from the proceeds of the bonds or from other proceeds. Same Operation of projects

33112. An indenture may include a clause requiring the authority to make all repairs, renewals, and replacements necessary to the operation of the project and to keep it in good repair at all times. Same Repairs, etc

33113. An indenture may include a clause requiring the authority to preserve and protect the security of the bonds and the rights of bondholders and to warrant and defend such rights. Same Preservation of security

33114. An indenture may include a clause requiring the authority to pay and discharge from the funds available for that purpose all lawful claims for labor, materials and supplies, or other charges which if unpaid may become a lien or charge upon all or any part of the revenue or physical properties of the project which may impair the security of the bonds. Same Payment of labor claims, etc

33115. An indenture may include a clause which limits, restricts, or prohibits the power of the authority to mortgage or otherwise encumber, sell, lease, or dispose of the project, or to enter into any lease or agreement which impairs or impedes the operation of all or any part of the project necessary to secure adequate revenues or which otherwise impairs or impedes the rights of bondholders with respect to the revenue. Same: Restriction of power to mortgage, etc

33116. An indenture may include a clause requiring the authority to fix, prescribe, and collect fees, tolls, rentals, or Same: Authority to fix fees, etc

other charges in connection with the services and facilities furnished from the project sufficient to pay all of the following:

(a) The principal of and interest on the bonds as they become due and payable.

(b) All expenses of operation, maintenance, and repair of the project.

(c) Such additional sums as may be required for any sinking fund, reserve fund, or other special fund provided for the further security of the bonds or as a depreciation charge or other charge in connection with the project.

Same
Authority to hold revenue in trust

33117. An indenture may include a clause requiring the authority to hold in trust the revenue pledged to the payment of the principal and interest on the bonds, or to any reserve or other fund created for the further protection of the bonds, and to apply such revenue only as provided in the indenture.

Same
Limit of authority to use proceeds

33118. An indenture may include a clause limiting the power of the authority to use the proceeds of the sale of any issue of bonds for acquiring, constructing, or completing all or part of any project or more than one project.

Same
Limit of authority to issue additional bonds

33119. An indenture may include a clause limiting the power of the authority to issue additional bonds for the purpose of acquiring, constructing, or completing all or part of any improvement.

Same
Insurance

33120. An indenture may include a clause requiring, specifying, or limiting the kind, amount, and character of insurance to be maintained by the authority on all or any part of any project, and the use and disposition of the proceeds of such insurance.

Same
Default

33121. An indenture may include a clause prescribing the events of default and the terms and conditions upon which any or all of the bonds then or thereafter issued become or may be declared due and payable prior to maturity. Such clause may also specify the terms and conditions upon which such declaration and its consequences may be waived.

Same
Breach of covenants, etc

33122. An indenture may include a clause designating the rights, limitations, powers, and duties arising upon breach by the authority of any of the covenants, conditions, or obligations contained in any indenture.

Same
Procedure for amendment, etc., of terms

33123. An indenture may include a clause prescribing a procedure by which certain specified terms and conditions of the indenture may be subsequently amended or modified with the consent of the authority and the vote or written assent of the holders of a specified principal amount of the bonds issued and outstanding. Such clause may provide for meetings of bondholders and for the manner in which the consent of the bondholders may be given. The clause shall specifically state the effect of such amendment or modification upon the rights of the holders of all of the bonds and interest coupons appertaining to the bonds, whether attached to or detached from the bonds.

Same
Provisions for amendment, etc

33124. Any clause providing for the modification or amendment of an indenture may provide that bonds held by the authority, by any department, political subdivision, or agency of the State, any public corporation, municipality, district, or political subdivision shall not be counted as outstanding bonds or be entitled to vote or assent, but shall nevertheless be subject to any such modification or amendment.

Same
General provisions

33125. The indenture may include a clause providing for such other acts and matters as are necessary, convenient, or desirable to secure the bonds or to make them more marketable.

Designation of trustee

33126. The authority may designate a bank or trust company as a trustee for the holders of bonds issued pursuant to this part, and may authorize the trustee to act on behalf of the bondholders, and to exercise and prosecute on their behalf the rights and remedies available to them.

Conditions of trust

33127. The authority may fix and determine the conditions upon which any trustee shall receive, hold, or disburse any or all revenues collected for or on account of the bondholders.

Duties etc., of trustee

33128. The authority may prescribe the duties and powers of any trustee respecting the payment of principal and interest on the bonds, the redemption of the bonds, the registration and discharge from registration of the bonds, and the management of any sinking or other fund provided as security for the bonds.

Issuance of bonds in series, etc

33129. The authority may issue bonds in series or may divide any issue into one or more divisions, and fix different maturities or dates of such bonds, different rates of interest, or prescribe different terms and conditions for the bonds of the several series or divisions. The authority may provide for successive issues or for one maximum issue.

Bond terms

33130. All bonds of the same authorized issue need not be of the same kind or character, have the same security, or be of the same interest rate, but the terms of the bonds shall in each case be prescribed by the authority, at or prior to their issuance

Optional powers of authority

33131. The authority may:

(a) Issue such types of bonds as it determines.

(b) Provide for the interchange of coupon bonds for registered bonds, and registered bonds for coupon bonds.

(c) Provide that the bonds shall be registered as to principal only, or as to both principal and interest, or otherwise as the authority determines.

Interest rate

33132. Bonds shall bear interest at a rate not to exceed six (6) percent a year, payable annually or semiannually or in part annually and in part semiannually. Prior to the issuance of bonds the authority may fix limitations or restrictions on the payment of interest.

Right to call bonds

33133. Bonds may be callable upon such terms, conditions, and notice as the authority determines, and upon the payment of the premium fixed by the authority in the proceedings for their issuance. A bond is not subject to call or redemption prior to its fixed maturity date unless the right to exercise such call is expressly stated on its face.

Place, etc., of payment

33134. The authority may provide for the payment of the principal and interest of bonds at any place within or without the State, and in specified coin or currency of the United States.

Signatures

33135. Signatures on the bonds and interest coupons may be printed, lithographed, or engraved facsimile, except the countersignature of the clerk or other officer of the authority designated by it which shall be manually affixed.

Validity of signature

33136. If any officer whose signature or countersignature appears upon the bonds or coupons ceases to be an officer before the delivery of the bonds or coupons, his signature or countersignature is nevertheless valid and of the same force and effect as if he had remained in office until the delivery of the bonds and coupons.

Date and maturity

33137. Bonds shall bear dates prescribed by the authority. They may be serial or sinking fund bonds with such maturities as the authority determines. A bond by its terms shall not mature more than forty (40) years from its own date. If any authorized issue is divided into two or more series or divisions, the maximum maturity date shall be calculated from the date on the face of each bond separately, irrespective of the fact that different dates may be prescribed for the bonds of each separate series or division of any authorized issue.

Sale

33138. The authority may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. It may sell bonds at less than their par or face value, but a bond shall not be sold at a price below its par or face value which would result in a sale price yielding to the purchaser an average of more than 6 percent a year, payable semiannually, according to standard tables of bond values.

Security

33139. The authority may provide for the security of the bonds.

Interest

33140. Interest on bonds issued for the acquisition, construction, or completion of any project may be paid out of the proceeds of the sale of the bonds during the actual construction of the project and for a period of not to exceed two years after completion of actual construction as provided for in the indenture.

Lien

33141. In the proceedings for the issuance of bonds, the authority may provide that the principal of and interest on the bonds constitutes such lien upon the revenue of any project acquired, constructed or completed from the proceeds of the bonds as is provided for in the indenture.

Temporary bonds, etc

33142. Pending the actual issuance or delivery of bonds, the authority may issue temporary or interim bonds, certificates, or receipts of any denominations, with or without coupons, to be exchanged for definitive bonds when ready for delivery.

Exemption from taxation

33143. The principal, interest, and income of all bonds is exempt from all taxation in this State other than gift, inheritance, and estate taxes.

Legal investments

33144. All bonds issued pursuant to this part are legal investments for both public and private funds.

33145. The authority may provide for the issuance, sale, or exchange of refunding bonds to redeem or retire any revenue bonds issued by it. All provisions of this part applicable to the issuance of bonds are applicable to funding or refunding bonds and to their issuance, sale or exchange. Refunding bonds

33146. Funding or refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of the bonds to be funded or refunded and all expenses incident to the calling, retiring, or paying of the outstanding bonds and the issuance of the funding or refunding bonds. These expenses include: Same Amount

(a) The difference in amount between the par value of the funding or refunding bonds and any amount less than par for which the funding or refunding bonds are sold.

(b) The amount of interest upon the funding or refunding bonds from the date of their sale to the date of payment of the bonds to be funded or refunded or to the date upon which the bonds to be funded or refunded will be paid pursuant to their call or pursuant to any agreement with the holders of such bonds.

(c) Any premium required to be paid to call or retire the outstanding bonds.

(d) The interest accruing on the outstanding bonds to the date of their call or retirement.

33147. Bonds issued pursuant to this part are negotiable instruments, except when registered in the name of a registered owner. Negotiability

33148 Prior to the issuance of any bonds, the authority may commence a special proceeding in the superior court of the county to determine the right to issue the bonds and their validity. The proceeding shall be instituted and prosecuted in the manner provided by Sections 22670 to 22684, inclusive, of the Water Code. These sections apply to and govern all proceedings instituted pursuant to this part. The proceeding is in rem and the judgment rendered therein is conclusive against all persons, the city, and the State. Proceeding to determine validity

Chapter 6. Rates, Fees, and Charges

33250. The authority shall fix the rates, fees, and other charges for the use by any person or public or private agency of any of the projects, services, or facilities furnished, acquired, constructed, or completed pursuant to this part. Fixing rates, etc

33251. Subject to contractual obligations entered into by the authority and the bondholders, the authority may change the rates, fees, and charges from time to time as conditions warrant. Changing rates

33252. The rates, fees, and charges shall be fixed to yield annual revenue which when added to other revenue is equal to annual operating and maintenance expenses, including insurance costs, redemption payments, and interest charges on outstanding bonds issued in connection with the project of which the facilities are a part as these expenses become due. Basis of rates

Lien, etc

33253. The authority may provide that bond redemption and interest payments constitute a first, direct, and exclusive charge and lien on all fees, charges, and other revenue and on the interest on, and sinking funds created from such fees, charges, and other revenues received from the use and operation of the project for the acquisition, construction, or completion of which the bonds were issued. All such fees, charges, and other revenues, and the interest thereon constitutes a trust fund for the security and payment of such bonds and shall not be used or pledged for any other purpose so long as any such bonds are outstanding and unpaid.

Changes in rates

33254. The authority may provide that the rates, fees, and charges established are minimum rates, fees, and charges, and that they are subject to increase or decrease in accordance only with the terms of the indenture under which the bonds were issued.

Incorporation of provisions in contracts

33255. Every contract entered into by the authority for the use of a project or the services or facilities of a project acquired, constructed, or completed from the proceeds of the sale of bonds shall incorporate by reference the provisions of any indenture pursuant to which the bonds were issued and shall refer to the provisions of this part with respect to the obligation of the authority to fix fees and charges to meet the payments provided for in this part and in the proceedings for the issuance of bonds. All payments required to be made to the authority under such contract shall be subject to increase if and when the authority is required to increase rates or charges to meet its obligations under this part and under any indenture providing for the issuance of bonds.

CHAPTER 7. RIGHTS OF OBLIGEES

Rights of obligee

33400. In addition to all other rights conferred on an obligee and subject only to any contractual restrictions binding upon him, an obligee may:

(a) By mandamus, suit, action, or proceeding at law or in equity, compel the authority and its members, officers, agents or employees to perform every term, provision, and covenant contained in any contract of the authority with or for the benefit of the obligee, to carry out all covenants and agreements of the authority, and to fulfill all duties imposed upon the authority by this part.

(b) By suit, action, or proceeding in equity, enjoin any acts or things which are unlawful or in violation of any of the rights of the obligee.

Additional rights

33401. By resolution, trust indenture, mortgage, lease, or other contract an authority may confer upon any obligee holding or representing a specified amount in bonds, the right, in addition to all rights otherwise conferred, upon the happening of an event or default as defined in such resolution or instrument, by suit, action, or proceeding in any court of competent jurisdiction:

(a) To cause possession of all or any part of any parking facility to be surrendered to the obligee.

(b) To obtain the appointment of a receiver of all or any part of any parking facility of the authority and of the rents and profits of the facility.

(c) To require the authority and its members and employees to account as if they were the trustees of an express trust.

Receiver

33402. If a receiver is appointed, he may enter and take possession of all or any part of the parking facility and operate and maintain the facility, and collect and receive the rents, fees, revenues, or other charges thereafter arising from its operation. The receiver shall keep such money in a separate account and apply it in accordance with the obligations of the authority as the court directs.

CHAPTER 8. MISCELLANEOUS PROVISIONS

Alternative, etc., method of financing

33550. As an alternative or additional method of financing the projects authorized by this part, assessment districts may be formed pursuant to the provisions of Part 1 of this division.

Exemption from levy and sale under execution

33551. All real property of an authority is exempt from levy and sale under execution. Execution or other judicial process shall not issue against such property. A judgment against an authority is not a charge or lien upon its real property. This section does not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage, deed of trust, or other encumbrance of an authority, or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by an authority on its rents, fees, or revenues.

Application to cities

33552. Any city may exercise any or all of the powers granted to an authority by this part alone, or in combination with powers granted by any other general law relative to parking facilities.

PART 3. MUNICIPAL PARKING REVENUE BOND LAW OF 1949

CHAPTER 1. GENERAL PROVISIONS

Short title

33800. This part may be cited as the Municipal Parking Revenue Bond Law of 1949.

Construction

33801. This part shall be liberally construed to carry out its objects and purposes, and to finance the construction of needed public improvements through the medium of revenue bonds, and to protect the holders of such bonds.

Severability clause

33802. If any provision of this part, or the application thereof to any person or circumstance, is held invalid the remainder of the part, or the application of such provision to other persons or circumstances, shall not be affected thereby.

Definitions

33803. Unless the context otherwise requires, the definitions contained in this chapter shall govern the construction of this part.

"City"

33804. "City" means city, city and county, county, parking district, and parking authority.

"Legislative body"

33805. "Legislative body" means the governing legislative or administrative body of a city.

"Bonds"

33806. "Bonds" means the written evidence of any obligation incurred by the legislative body payable out of revenue pursuant to this part, issued to secure funds to carry out the purposes of this part, irrespective of the form of the obligation and includes bonds, notes, debentures, interest-bearing certificates and other forms prescribed by the legislative body.

"Indenture"

33807. "Indenture" means any ordinance, resolution, or indenture relating to bonds issued pursuant to this part, passed, adopted, or entered into by the legislative body.

"Project"

33808. "Project" means a public parking place authorized by this part and such connected facilities as in the opinion of the legislative body may be reasonably necessary to provide for the full, complete, and convenient public utilization of such parking place.

"Revenue"

33809. "Revenue" means all fees, rates, charges, rentals or other income and revenue actually received or receivable by or for the account of the legislative body from the operation of any particular project and includes interest allowed on any money or securities, any proceeds derived from the sale of the securities, and any consideration in any way derived from the particular project owned, operated, or maintained by the legislative body.

Powers of legislative body

33810. Pursuant to this part, a legislative body may:

(a) Acquire, construct, maintain, and operate projects either on, above, or below the surface of the ground.

(b) Issue revenue bonds to finance projects.

Election

33811. Before this part becomes operative in any city the legislative body, at a general or special election, shall submit to the electors of the city the question whether the legislative body shall be authorized to adopt the revenue bond method of financing projects.

Result of election

33812. If a majority of the electors voting favor the revenue bond method of financing the project, the legislative body may proceed pursuant to this part.

Same

33813. If a majority of the electors voting are against the revenue bond method of financing the project, the legislative body shall not again submit the question to the electors for at least two years after the last election at which the question was submitted.

Acquisition of existing parking facility: Notice

33814. An existing parking facility shall not be acquired by a city except after public hearing following notice. The notice shall state the date, time, place, and purpose of the hearing and shall be published once not less than 10 nor more than 20 days prior to the hearing.

33815. Property being used as a facility for the parking or storing of motor vehicles shall not be acquired pursuant to this part, unless the project which necessitates the acquisition will contain a capacity for parking of not less than three times the capacity for parking of the existing facility to be acquired. Same Capacity

CHAPTER 2. POWERS

33950. If the legislative body deems it advisable to acquire, construct, or complete a project, in whole or in part, it shall cause a report on the project to be made by an appropriate city officer. Project report

33951. The report shall include an estimate of: Same Contents

(a) The probable cost of the acquisition, construction, and completion, including all incidental financing, economic, engineering, legal, and administrative expenses during the construction.

(b) The probable sources of income and its amount.

(c) The cost of maintenance and operation upon completion, including the cost of repairs, and administrative and overhead charges.

33952. The expense of the preparation of the report is a city charge and shall be paid by the legislative body out of any funds of the city available for that purpose. Same Expense

33953. If the legislative body approves the report, it may adopt a resolution: Same Approval

(a) Declaring that the public interest and necessity demand the acquisition, construction or completion of all or a designated part of the project.

(b) Describing in general terms the purpose, nature, and extent of the project.

(c) Authorizing the acquisition, construction, or completion of the project.

33954. Upon the adoption of the resolution, the legislative body may authorize the issuance of bonds to obtain funds in the amount it estimates to be sufficient for all or part of the project. Issuance of bonds

33955. The legislative body has charge of the acquisition, construction, and completion of all projects authorized by it, and may proceed with the work subject to the availability of funds for that purpose. Power of legislative body

33956. The legislative body may acquire all property necessary for the project by purchase, gift, or eminent domain. Same Property acquisition

33957. If the cost of construction or repair of any project exceeds two thousand five hundred dollars ($2,500), the work shall be done by contract. All contracts shall be let pursuant to the law governing the letting of contracts by the city. Contracts Limitation

33958. A project shall not be split or separated into smaller work orders or projects for the purpose of evading any provisions of this part requiring such work to be done by contract after competitive bidding. Every person who wilfully violates this section is guilty of a misdemeanor. Competitive bidding

Title, revenue, etc., in city

33959. Title to all property acquired pursuant to this part and the revenue and income from the property shall be in the city. All such property and income is exempt from taxation by the State, the city, any district, political subdivision, or public corporation.

Management, etc. of projects

33960. The management, operation, and control of projects acquired, constructed, or completed by the legislative body pursuant to this part shall be in the legislative body, and the powers, rights, functions, and duties of the legislative body with respect to the project shall not be impaired or interfered with.

Lease of project

33961. The legislative body of the city shall lease any project acquired by it pursuant to this part to the highest responsible bidder after notice.

Same Notice

33962. The notice inviting bids shall be published two or more times, not less than five days apart, in a newspaper of general circulation printed and published in the city, or if there is no such newspaper, by posting copies of the notice in at least three public places in the city, or county. The notice shall be published or posted not less than 15 days prior to the date set in the notice for the opening of bids.

Same

33963. The notice inviting bids shall distinctly and specifically describe the projects proposed to be leased, the time for which such projects are to be leased, and the minimum rental to be paid under the lease.

Failure to receive valid bid

33964. If a valid bid is not received after notice is given pursuant to this chapter, then and only then may the legislative body operate the project. If the legislative body operates the project, upon the expiration of each year it shall advertise for bids for the leasing of such project.

Operation, etc., vested in legislative body

33965. As long as any bonds issued are outstanding and unpaid, the operation, maintenance, control, repair, construction, alteration, and improvement of any project acquired, constructed or completed pursuant to this part is vested in the legislative body subject to the terms of any lease entered into by the legislative body pursuant to this part.

Funds authorized to be expended, etc

33966. The legislative body may use only the proceeds of revenue bonds issued and sold by the legislative body or the revenue from the project for the payment of the acquisition, construction, completion, maintenance, operation and insurance of any project; but it may contribute land or cash, or other facilities, if it receives compensation for such contributions from the proceeds of bonds issued pursuant to this part, in an amount not less than the actual value of the contribution.

Insurance

33967. The legislative body may insure against any accident to or destruction of all or part of any project. Any money collected on such insurance shall be used to repair or rebuild the project damaged, injured or destroyed or to retire bonds issued in connection with the project which are outstanding or unredeemed, as is agreed upon by the legislative body in the indenture authorizing the issuance of the bonds.

Same

33968. The legislative body may insure against loss of revenue from any cause whatever, and the proceeds of such

insurance shall be used solely for the payment of the principal or interest of the bonds.

Same

33969. The legislative body may insure against public liability or property damage in connection with any project. In the proceedings authorizing the issuance of bonds, it may provide for the carrying of any other insurance in such amount and of such character as may be specified and for the payment of the premiums thereon.

Construction of act

33970. This part does not limit or control the authority of the legislative body to undertake the same improvements in any other manner authorized by law.

CHAPTER 3. REVENUE BONDS

Issuance of bonds

34100. The legislative body shall issue bonds in the name of the city. The bonds are obligations of the project only, and neither the payment of the principal or interest of any such bond constitutes a debt, liability, or obligation of the city or the State.

Bond terms

34101. All bonds issued by the legislative body shall contain a recital on their face that the payment of all or any part of the principal of, or interest on the bonds does not constitute a debt, liability, or obligation of the city or the State.

Time, etc., of issuance

34102. The legislative body shall determine the time, form, and manner of the issuance of bonds.

Authorized indentures, provisions, etc

34103. The legislative body may enter into indentures providing for the aggregate principal amount, date or dates, maturities, interest rate, denominations, form, registration transfer, and interchange of the bonds and coupons, and the terms and conditions upon which they shall be executed, issued, secured, sold, paid, redeemed, funded, and refunded.

Reference to indentures

34104. Reference on the face of the bonds to the indenture by its date of adoption, or the apparent date of adoption on the face of the indenture, is sufficient to incorporate all of the provisions of the indenture and of this part into the body of the bonds and their appurtenant coupons. Each taker and subsequent holder of the bonds or coupons, whether the coupons are attached to or detached from the bonds, has recourse to all provisions of the indenture and of this part, and is bound by them.

Indenture terms Security

34105. An indenture may include such covenants and agreements on the part of the legislative body as it deems necessary or advisable for the better security of the bonds, including a pledge of the project.

Same Punctual payment

34106. An indenture may include a clause requiring the legislative body to pay punctually the principal of, and interest on the bonds on the date or dates, at the place or places, and in the manner mentioned in the bonds and their coupons in accordance with the indenture.

Same Operation of project

34107. An indenture may include a clause requiring the legislative body to continuously operate in an efficient and

economical manner all projects acquired, constructed, or completed, in whole or in part, from the proceeds of the bonds.

Same Repair of project

34108. An indenture may include a clause requiring the legislative body to make all repairs, renewals, and replacements necessary to the operation of the project and to keep it in good repair at all times.

Same Protection of security

34109. An indenture may include a clause requiring the legislative body to preserve and protect the security of the bonds, the rights of the bondholders, and to warrant and defend such rights.

Same Payment of claims

34110. An indenture may include a clause requiring the legislative body from funds available for such purpose, to pay and discharge all lawful claims for labor, materials and supplies, or other charges which if unpaid, may become a lien or charge upon all or any part of the revenues or physical properties of the project which may impair the security of the bonds.

Same Encumbrance of project

34111. An indenture may include a clause which restricts, or prohibits the power of the legislative body to mortgage or otherwise encumber, sell, lease, or dispose of the project or to enter into any lease or agreement which impairs or impedes the operation of all or any part of the project necessary to secure adequate revenues or which otherwise impairs or impedes the rights of the bondholders with respect to the revenues.

Same Fees, etc., for services

34112. An indenture may include a clause requiring the legislative body to fix, prescribe, and collect fees, tolls, rentals, or other charges in connection with the services and facilities furnished from the project sufficient to pay all of the following:

(a) The principal of, and interest on the bonds as they become due and payable.

(b) All expenses of operation, maintenance, and repair of the project.

(c) Such additional sums as may be required for any sinking fund, reserve fund, or other special fund provided for the further security of the bonds or as a depreciation or other charge in connection with the project.

Same Pledged revenues

34113. An indenture may include a clause requiring the legislative body to hold in trust the revenues pledged to the payment of the principal of, and interest on the bonds, or to any reserve or other fund created for the further protection of the bonds, and to apply such revenues only as provided in the indenture.

Same Proceeds of bond sale

34114. An indenture may include a clause limiting the power of the legislative body to use the proceeds of the sale of any issue of bonds for acquiring, constructing, or completing all or part of any project, or more than one project.

Same Issuance of additional bonds

34115. An indenture may include a clause limiting the power of the legislative body to issue additional bonds for the purpose of acquiring, constructing, or completing all or part of any improvement.

Same Insurance

34116. An indenture may include a clause requiring, specifying, or limiting the kind, amount, and character of insurance to be maintained by the legislative body on all or any part

of any project and the use and disposition of the proceeds of such insurance.

Same Default

34117. An indenture may include a clause prescribing the events of default and the terms and conditions upon which any or all of the bonds then or thereafter issued become, or may be declared due and payable prior to maturity. It may also prescribe the terms and conditions upon which the declaration and its consequences may be waived.

Same· Breach of covenants, etc

34118. An indenture may include a clause designating the rights, limitations, powers, and duties arising upon breach by the legislative body of any of the covenants, conditions, or obligations contained in any indenture.

Same Procedure for amending

34119. An indenture may include a clause prescribing a procedure by which the terms and conditions of the indenture may be subsequently amended or modified with the consent of the legislative body and the vote or written assent of the holders of a specified principal amount of the bonds issued and outstanding. Such clause may provide for meetings of bondholders and for the manner in which the consent of the bondholders may be given. The clause shall specifically state the effect of such amendment or modification upon the rights of the holders of all of the bonds and interest coupons appertaining to the bonds, whether attached to or detached from the bonds.

Same· Modification or amendment

34120. With respect to any clause providing for the modification or amendment of an indenture, the legislative body may agree that bonds held by the legislative body, any department, political subdivision, or agency of the State, any public corporation, municipality, district, or political subdivision shall not be counted as outstanding bonds or be entitled to vote or assent, but shall nevertheless be subject to any such modification or amendment.

Same General provisions

34121. The indenture may include a clause providing for such other acts and matters as are necessary, convenient, or desirable in order to secure the bonds or to make them more marketable.

Designation of trustee

34122. The legislative body may designate a bank or trust company, qualified to do business in this State, as a trustee for the bondholders, and may authorize the trustee to act on behalf of all or any stated percentage of the bondholders and to exercise and prosecute on their behalf the rights and remedies available to them.

Conditions of trust

34123. The legislative body shall fix and determine the conditions upon which any trustee shall receive, hold, or disburse any or all revenues collected for or on account of the bondholders.

Duties, etc., of trustee

34124. The legislative body shall prescribe the duties and powers of any trustee respecting the payment of principal and interest on the bonds, the redemption of the bonds, the registration and discharge from registration of the bonds, and the management of any sinking or other fund provided as security for the bonds.

Issuance of bonds in series, etc

34125. The legislative body may issue bonds in series or may divide any issue into one or more divisions and fix different maturities or dates of such bonds, different rates of interest, or prescribe different terms and conditions for the bonds of the several series or divisions. The legislative body may provide for successive issues or one maximum issue.

Bond terms

34126. All bonds of the same authorized issue need not be of the same kind or character, have the same security, or be of the same interest rate, but the terms of the bonds shall in each case be prescribed by the legislative body, at or prior to their issue.

Coupon or registered bonds

34127. Bonds may be issued as coupon bonds or as registered bonds. The legislative body may provide for the interchange of coupon bonds for registered bonds, and registered bonds for coupon bonds, and may provide that the bonds shall be registered as to principal only, or as to both principal and interest, or otherwise as the legislative body determines.

Interest rate

34128. Bonds shall bear interest at a rate not to exceed 6 percent a year, payable annually or semiannually, or in part annually and in part semiannually. Prior to the issuance of bonds the legislative body may fix limitations or restrictions on the payment of interest.

Right to call bonds

34129. Bonds may be callable upon such terms, conditions, and notice as the legislative body determines, and upon the payment of the premium fixed by the legislative body in the proceedings for their issuance. A bond is not subject to call or redemption prior to its fixed maturity date unless the right to exercise such call is expressly stated on its face.

Place of payment

34130. The legislative body may provide for the payment of the principal and interest of bonds at any place within or without the State, and in specified coin or currency of the United States.

Execution, etc

34131. The legislative body may provide for the execution and authentication of bonds by the manual, lithographed, or printed facsimile signature of its officers.

Validity of signature

34132. If any officer whose signature or countersignature appears upon the bonds or coupons ceases to be an officer before the delivery of the bonds or coupons, his signature or countersignature is nevertheless valid and of the same effect as if he had remained in office until the delivery of the bonds and coupons.

Dates and maturity

34133. Bonds shall bear dates prescribed by the legislative body. They may be serial or sinking fund bonds with such maturities as the legislative body determines. A bond by its terms shall not mature more than 50 years from its own date. If any authorized issue is divided into two or more series or divisions, the maximum maturity date shall be calculated from the date on the face of each bond separately, irrespective of the fact that different dates may be prescribed for the bonds of each separate series or division of any authorized issue.

Sale

34134. The legislative body may fix terms and conditions for the sale or other disposition of any authorized issue of bonds.

It may sell bonds at less than their par or face value, but a bond shall not be sold at a price below its par or face value which would result in a sale price yielding to the purchaser an average of more than 6 percent a year, payable semiannually, according to standard tables of bond values.

Security

34135. The legislative body may provide for the security of the bonds in any manner not specifically prohibited by the Constitution of the State.

Interest

34136. Interest on bonds may be paid out of the proceeds of the sale of the bonds during the actual construction of the project for which the bonds were issued, and for not to exceed two years after completion of actual construction as provided for in the indenture.

Lien

34137. The legislative body may provide in the proceedings for the issuance of bonds that the principal of and interest on the bonds constitute such lien upon the revenues of any project acquired, constructed or completed from the proceeds of the bonds as is provided for in the indenture.

Temporary bonds

34138. Pending the actual issuance or delivery of revenue bonds, the legislative body may issue temporary or interim bonds, certificates, or receipts of any denomination, with or without coupons, to be exchanged for definitive bonds when ready for delivery.

Exemption from taxation

34139. The principal, interest, and income of all bonds is exempt from taxation by the State other than gift, inheritance, and estate taxes.

Investigation

34140. Bonds issued pursuant to this part are subject to investigation by the California Districts Securities Commission. If the bonds are certified by the California Districts Securities Commission, pursuant to Division 10 of the Water Code, they are legal investments for all trust funds, for the funds of all insurance companies, banks both commercial and savings, trust companies, the state school funds, and any funds which may be invested in bonds of cities, counties, cities and counties, school districts, or municipalities in the State.

Refunding, etc., bonds

34141. The legislative body may provide for the issuance, sale, or exchange of refunding bonds to redeem or retire any revenue bonds issued by it. All provisions of this part applicable to the issuance of revenue bonds are applicable to the funding or refunding bonds and to their issuance, sale or exchange.

Same Amounts

34142. Funding or refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of bonds to be funded or refunded and all expenses incident to the calling, retiring, or paying of the outstanding bonds, and the issuance of the funding or refunding bonds. These expenses include:

(a) The difference in amount between the par value of the funding or refunding bonds and any lesser amount for which they are sold.

(b) Interest upon the funding or refunding bonds from the date of their sale to the date of payment of the bonds to be funded or refunded or to the date upon which the bonds to be

funded or refunded will be paid pursuant to their call or pursuant to any agreement with the holders of such bonds.

(c) Any premium, necessary to be paid to call or retire the outstanding bonds.

(d) The interest accruing on the outstanding bonds to the date of their call or retirement.

Negotiability

34143. Bonds issued pursuant to this part are negotiable instruments, except when registered in the name of a registered owner.

Proceeding to determine validity

34144. Prior to the issuance of any bonds, the legislative body may commence a special proceeding in the superior court of the county to determine the right to issue the bonds and their validity. The proceeding shall be instituted and prosecuted in the manner provided by Sections 22670 to 22684, inclusive, of the Water Code, on October 1, 1949 These sections apply to and govern all such proceedings instituted pursuant to this part. The proceeding is in rem and the judgment rendered is conclusive against all persons, the city, and the State.

CHAPTER 4. COMPETITIVE PROJECTS

Competitive projects Limitations

34250. The legislative body may include in an indenture for the issuance of bonds, a clause containing such limitations as to competitive projects by the city as to location and rates, as are deemed necessary or desirable for the security of the bonds. The limitations are valid and binding upon the legislative body.

Free service prohibited

34251. The legislative body may also include in an indenture for the issuance of bonds a clause that a project or the facilities or services of the project acquired, constructed, or completed from the proceeds of such bonds shall not be used without charge or be furnished free of charge to any person, including the State, any political subdivision, public corporation, or individual.

CHAPTER 5. RATES, FEES, AND CHARGES

Fixing rates, etc

34400. The legislative body shall fix the rates, fees, and other charges for all projects, services, or facilities furnished, acquired, constructed, or completed pursuant to this part for their use by any person, or public or private agency.

Changing rates

34401. Subject to contractual obligations entered into by the legislative body and the bondholders, the legislative body may change the rates, fees, and charges from time to time as conditions warrant.

Basis of rates

34402. The rates, fees, and charges at all times shall be fixed to yield annual revenue equal to annual operating and maintenance expenses as they become due. These expenses include insurance costs, redemption payments, and interest charges on outstanding bonds issued in connection with the project of which the facilities are a part.

Lien, etc

34403. The bond redemption and interest payments constitute a first, direct, and exclusive charge and lien on the principal of and interest on all fees, charges, and other revenues received from the use and operation of the project for the acquisition, construction or completion of which the bonds were issued and on sinking funds created from such fees, charges, and other revenues. The principal of and interest on all such fees, charges, and other revenues, constitute a trust fund for the security and payment of such bonds and shall not be used or pledged for any other purpose so long as any such bonds are outstanding and unpaid.

Changes in rates

34404. The legislative body may provide that the rates, fees, and charges established are minimum rates, fees, and charges, and that they are subject to increase or decrease in accordance only with the terms of the indenture under which the bonds were issued.

Incorporation of provisions in contracts

34405. Every contract entered into by the legislative body for the use of all or any part of a project acquired, constructed, or completed from the proceeds of the sale of bonds shall incorporate by reference the provisions of any indenture pursuant to which the bonds were issued.

Same

34406. Every contract or lease for the use of all or any part of a project shall also refer to the provisions of this part with respect to the obligation of the legislative body to fix rates, fees, and charges to meet the payments provided for in this part and in the proceedings for the issuance of bonds.

Change in payments

34407. All payments required to be made to the legislative body under a contract or lease for the use of all or any part of a project shall be subject to increase if and when the legislative body is required to increase rates, fees, or charges to meet its obligations under this part and any indenture.

Chapter 6. Rights of Bondholders

Bondholder's rights Mandamus, etc

34550. In addition to all other rights and remedies, a bondholder may by mandamus or other appropriate proceeding, require and compel the performance of any duty imposed upon the legislative body or its officers, agents, or employees in connection with:

(a) The acquisition, construction, operation, maintenance, repair, reconstruction, or insurance of any project.

(b) The collection, deposit, investment, application, and disbursement of charges, fees, and other revenue derived from the operation and use of any project.

(c) The deposit, investment, and disbursement of the proceeds received from the sale of bonds.

Impairment of powers, etc

34551. While any bonds issued by the legislative body are outstanding, its powers and duties shall not be diminished or impaired in any manner that will adversely affect the interest and rights of the bondholders.

CHAPTER 7. CONTRIBUTIONS AND COOPERATION

Contributions from United States, etc

34700. The legislative body may accept contributions or appropriations from the United States, the State, or any department or agency of either, or from any city, city and county, county, political subdivision, agency, district, or other public corporation of the State.

Cooperation with State, etc

34701. The legislative body may enter into any contract, arrangement, or agreement with the State, county, any municipal corporation, or public agency, and may cooperate with such party in the development, maintenance, operation, or use of any project or services.

Cooperation with United States 50 U S C App §1651

34702. The legislative body may cooperate and contract with the United States under the War Mobilization and Reconversion Act of 1944, approved October 3, 1944, and any acts amendatory or supplemental thereto or any other act of Congress authorizing or permitting such cooperation.

Services of city officers, etc

34703. The legislative body may authorize or direct any officer, employee, or department of the city to perform services in connection with the development, construction, maintenance, or operation of any project. The cost of such services shall be a charge against the appropriate project fund.

Limitation

34704. The legislative body shall not authorize, direct, or permit any officer, employee or department of the city to render any services or incur any cost or expense in connection with any project until funds are available either from the proceeds of the sale of bonds authorized for the project or from the revenues of the project for such cost or expense All costs and expenses incurred by the city or by any officer, employees, or department of the city in connection with any project constitute a charge against that project and shall be paid from the appropriate fund of the project in the same manner as other costs and expenses incurred in connection with the projects are paid.

Project on city lands

34705. The legislative body may provide for the construction, maintenance, and operation of any project upon any land owned by the city without regard to the manner in which the land was acquired. If such land was acquired other than through the issuance of bonds authorized for the particular project, the legislative body shall fix a reasonable rental for its use. The rental shall be a charge against the appropriate funds of the project and shall be payable into the general or other appropriate fund of the city.

CHAPTER 8. FUNDS AND TRUSTEES

Disposition of bond sale proceeds

34850. The proceeds from the sale of all bonds shall be paid into the city treasury to the credit of the construction fund which the treasurer shall establish for the particular project for which the bonds were authorized.

Construction fund

34851. The construction fund shall be kept separate and apart from all other funds in the city treasury and shall be

paid out and disbursed in the same manner that other funds are paid out and disbursed from the city treasury on the order of the legislative body solely for the payment of construction costs of the particular project for which the bonds were authorized.

Such construction costs may include:

(a) The cost of preliminary reports, surveys, preparations, plans, and specifications.

(b) All other costs and expenses prior to and during construction, including the acquisition of necessary rights of way, easements, land, and other property and appurtenances of every kind and description.

(c) All expenses, financing, economic, legal, engineering, and administrative costs as provided by the legislative body in the proceedings for the issuance of the bonds.

Disposition of surplus funds

34852. If any surplus exists in the construction fund after the payment in full of all costs of acquisition, construction, and completion of the project for which the bonds were issued, the fund may be paid out and disbursed for any of the purposes provided for in this part or in any indenture for the issuance of the bonds.

Payments from construction fund

34853. The legislative body may provide for the payment out of the construction fund of:

(a) The interest and principal payments on the bonds, prior to and during the period of actual construction of the project for which the bonds are issued, and for the period specified in the indenture which period shall not exceed two years after the completion of construction.

(b) The costs and expenses of administration during a period of one year after the completion of construction of the project.

(c) An amount to a reserve fund equal to the interest and principal of the bonds becoming due prior to and during the period of actual construction of the project for which the bonds are issued.

Investment of funds

34854. Subject to such limitations as are provided in the proceedings authorizing the issuance of the bonds, money in the construction fund not required to meet acquisition or construction costs or expenses payable from the construction fund or interest on the bonds, may be invested in bonds and other obligations eligible for investment of surplus city money. Any income or interest on the portion of the fund so invested shall be added to and become a part of the construction fund.

Deposit of revenues from operation

34855. All revenue received from the operation of the project shall be paid into the city treasury to the credit of the revenue fund which the treasurer shall establish for the particular project for which the bonds were authorized.

Disposition of money in revenue fund

34856. The money in the revenue fund shall be paid out and disbursed for the payment of:

(a) The principal and interest on bonds issued by the legislative body for the particular project producing the revenue as and when such principal and interest become due.

(b) The creation of any reserve fund or other special fund provided by the legislative body in the proceedings for the issuance of the bonds.

(c) The payment of all costs and expenses incurred in connection with the project from which the fund is derived.

Deposit of bond sale proceeds. Alternate procedure

34857. In lieu of depositing the proceeds of the sale of bonds with the city treasury, the legislative body in any indenture or proceedings for the issuance of bonds may designate a trustee or fiscal agent to receive the proceeds of the bonds and to hold them to the credit of the legislative body in funds which shall be kept segregated from all other funds, and which shall be paid out and distributed solely upon the application and demand of the legislative body. The trustee or fiscal agent shall be a bank or trust company qualified to do business in the State.

Deposit of revenues. Alternate procedure

34858. In lieu of depositing the revenue received from the project with the city treasury, the legislative body may deposit the revenue at any bank or trust company appointed depositary or fiscal agent of the city in the proceedings for the issuance of the bonds.

Disposition of revenues received by fiscal agent

34859. If a fiscal agent or depositary is appointed to receive project revenues, the legislative body shall provide for the collection, receipt, and disbursement of all such revenue by the fiscal agent. The legislative body may fix the terms and conditions upon which the trustee, fiscal agent, or depositary shall receive, hold, and disburse such revenues, and may prescribe the duties and powers of the trustee, fiscal agent, or depositary in the indenture or other proceedings for the issuance of the bonds.

SEC. 10. Section 50013 is added to said code, to read:

Repeals

50013. The following acts and sections together with all acts and sections amendatory thereof, or supplementary thereto, are hereby repealed:

Year	Chapter	Page
1895	177	204
1907	183	215
1909	283	429
1911	690	1346
1917	29	20
1925	151	302
1931	687	1425
1933	34	325
1933	1019	2598
1935	76	415
1935	134	484
1935	728	1982
1937	657	1810
1939	359	1692
1943	44	257
1943	971	2859
1949	1484	2581
1949	1503	2658

CHAPTER 464

An act to amend Sections 27174 and 27177 of the Streets and Highways Code, relating to rules of the board of directors of a bridge and highway district, and the enforcement of such rules, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 27174 of the Streets and Highways Code is amended to read:

27174. The district may adopt rules and regulations not inconsistent with the Vehicle Code for the control of traffic on any facility of travel constructed by the district, to aid and insure the safe and orderly flow of traffic, and shall so far as practicable notify the public of such rules and regulations by signs on such facility of travel. The district may also adopt rules and regulations pertaining to parking areas in conjunction with any facilities of travel constructed or maintained by the district Rules and regulations

SEC. 2. Section 27177 of the Streets and Highways Code is amended to read:

27177. The California Highway Patrol shall have the authority and it shall be its duty to provide for proper and adequate policing of all facilities of travel constructed by the district, to insure the enforcement thereon of the Vehicle Code and of any other law relating to the use and operation of vehicles upon highways or vehicular crossings as defined in the Vehicle Code, and of the rules and regulations of the district in respect to facilities of travel and parking areas, and to cooperate with the district, to the end that such facilities of travel and parking areas be operated at all times in such manner as to carry traffic efficiently Such authority of the California Highway Patrol is exclusive except as to the authority conferred by law upon the district in respect to such facilities of travel or parking areas. Policing of facilities of travel

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

There at present exists an extreme traffic hazard endangering the safety of the public due to the unrestricted parking of motor vehicles in the parking areas and facilities of the bridge and highway districts. The existing hazard is increasing daily due to the growing use of district facilities by vehicles of the Army and Navy. In the event of a disaster or emergency it will be necessary to have the congestion cleared so that the facilities

can be used for moving vehicles as rapidly as possible. This legislation is immediately necessary to enable a district to adopt rules regulating the use of parking facilities and to have the rules enforced.

CHAPTER 465

An act to amend Section 27154 of the Streets and Highways Code, relating to the investment of surplus funds, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 27154 of the Streets and Highways Code is amended to read:

Powers of the board Investment of surplus funds

27154. Notwithstanding any contrary provision of law, or any limitation or restriction contained in any law, the board may:

(a) Invest and reinvest all or any part of lapsed, unallocated, unappropriated or other surplus moneys belonging to any fund of which the board has custody or control in bonds and other obligations for which the faith and credit of the United States of America are pledged or in any obligation, bond or security approved by the Superintendent of Banks as legal for investment by savings banks. All such investments heretofore made are legalized.

(b) Use all or any part of lapsed, unallocated, unappropriated or other surplus or reserve moneys of the district for the refunding or partial refunding or purchase of any existing bonded indebtedness against the district.

The interest or income from any funds invested under this section may be made a part of the fund from which the investment was made and may itself be so invested.

Any investment previously made in bonds and other obligations for which the faith and credit of the United States of America are pledged or in any obligation, bond or security approved by the Superintendent of Banks as legal for investment by savings banks is hereby validated and made legal investments for the purposes of this section, whether such bonds or obligations are negotiable or not.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In aid of the national defense program the Legislature of the State of California deems it advisable that certain districts

should be authorized to invest surplus funds in non-negotiable obligations of the United States. In order to aid in promoting the national defense program without undue delay, it is necessary that such investments should be authorized immediately.

CHAPTER 466

An act to add Section 6499 to the Health and Safety Code, relating to the reimbursement of county officers for expenses incurred by them in acting as officers of sanitary districts.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6499 is hereby added to the Health and Safety Code, to read:

6499. Any county officer required to act as an officer of the district and perform services for the district by virtue of his office, shall be entitled to reimbursement from the district for the expenses incurred by him while acting on behalf of the district, to be paid into the county treasury.

Reimbursement for expenses

CHAPTER 467

An act amending Sections 30200, 30748 and 30802 of the Water Code, relating to county water districts.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 30200 of the Water Code is amended to read:

30200. The people of any county or portion of a county, whether the portion includes unincorporated territory or not, may form a county water district pursuant to this part.

Formation of district

SEC. 2. Section 30748 of said code is amended to read:

30748. The certificate of nomination shall be signed by 25 voters, or 10 percent of the voters, whichever is the smaller number, may consist of one or more parts, and shall read substantially as follows:

Certificate of nomination

CERTIFICATE OF NOMINATION

State of California } ss.
County of _____ }

We, the undersigned, certify that we do hereby join in a certificate of nomination of _____, whose residence is at _____, in said county and State, for the office of director of _____ County Water District to be voted for at the election to be held in said district on the _____ day of _____, 19___, and each of us further certifies that he is a voter residing within the district and is not at this time a signer of any other certificate nominating any other candidate for the above named office, or, in case there are several places to be filled in the office, that he has not signed more certificates than there are places to be filled in the office; that his residence and occupation are as hereinafter stated.

Signature	Residence	Occupation
_____	_____	_____
_____	_____	_____

VERIFICATION DEPUTY'S AFFIDAVIT

State of California } ss.
County of _____ }

I, _____, solemnly swear that I have been appointed according to provisions of the County Water District Law as a verification deputy to secure signatures to a certificate of nomination of _____ as a candidate for election to the office of director, of _____ County Water District; that all the signatures on this section of the certificate were made in my presence and that to my knowledge and belief each of the signatures is the genuine signature of the person whose name it purports to be.

_____
Verification deputy

Subscribed and sworn to before me this
_____day of _____, 19___.

_____
Notary Public (or other official)

The certificate of nomination of which this section forms a part shall, if found insufficient, be returned to the verification deputy at No. _____ Street, _____, California.

SEC. 3. Section 30802 of said code is amended to read:

Certificate of election

30802. The secretary shall immediately make and deliver to each person elected a certificate of election signed by the secretary and authenticated with the seal of the district.

When a district is formed and first directors are elected pursuant to Chapter 4 of Part 2 of Division 12 of this code, a certificate of election shall be made and delivered to each person elected by the county clerk immediately following the canvass of the vote by the board of supervisors.

CHAPTER 468

An act to amend Sections 28020, 28023 to 28078, inclusive, 28105, 28107 to 28113, inclusive, 28115 to 28119, inclusive, 28121, 28123-28141, inclusive, 28144, 28145, 28147 to 28149, inclusive, and 28151 to 28154, inclusive, of the Government Code, and to amend Sections 405, 407 to 413, inclusive, 415 to 419, inclusive, 421, 433 to 426, inclusive, 428 to 437, inclusive, 439 to 441, inclusive, 444, 445, 447 to 449, inclusive, and 451 to 454, inclusive, of the Education Code, relating to the classification of the counties of California and providing for compensation for public service in such counties as so classified declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 28020 of the Government Code is amended to read:

28020. The population of the counties of this State is hereby ascertained and determined to be and is as follows: Population of counties

1	Los Angeles	4,151,687
2	San Francisco	775,357
3	Alameda	740,315
4	San Diego	556,808
5	Contra Costa	298,984
6	Santa Clara	290,547
7	San Bernardino	281,642
8	Sacramento	277,140
9	Fresno	276,515
10	San Mateo	235,659
11	Kern	228,309
12	Orange	216,224
13	San Joaquin	200,750
14	Riverside	170,046
15	Tulare	149,264
16	Monterey	130,498
17	Stanislaus	127,231
18	Ventura	114,647
19	Solano	104,833
20	Sonoma	103,405
21	Santa Barbara	98,220
22	Marin	85,619
23	Merced	69,780
24	Humboldt	69,241
25	Santa Cruz	66,534
26	Butte	64,930
27	Imperial	62,975
28	San Luis Obispo	51,417

29	Kings	46,768
30	Napa	46,603
31	Placer	41,649
32	Mendocino	40,854
33	Yolo	40,640
34	Madera	36,964
35	Shasta	36,413
36	Siskiyou	30,733
37	Sutter	26,239
38	Yuba	24,420
39	Nevada	19,888
40	Tehama	19,276
41	Lassen	18,474
42	El Dorado	16,207
43	Glenn	15,448
44	San Benito	14,370
45	Plumas	13,519
46	Tuolumne	12,584
47	Inyo	11,658
48	Colusa	11,651
49	Lake	11,481
50	Calaveras	9,902
51	Modoc	9,678
52	Amador	9,151
53	Del Norte	8,078
54	Mariposa	5,145
55	Trinity	5,087
56	Sierra	2,410
57	Mono	2,115
58	Alpine	241

SEC. 2. Section 28023 of said code is amended to read:

Classification for purpose of regulating compensation

28023. Counties containing a population of 750,000 and under 900,000 are counties of the second class.

SEC. 3. Section 28024 of said code is amended to read:

28024. Counties containing a population of 600,000 and under 750,000 are counties of the third class

SEC. 4. Section 28025 of said code is amended to read:

28025. Counties containing a population of 400,000 and under 600,000 are counties of the fourth class.

SEC 5. Section 28026 of said code is amended to read:

28026. Counties containing a population of 295,000 and under 400,000 are counties of the fifth class.

SEC. 6. Section 28027 of said code is amended to read:

28027. Counties containing a population of 285,000 and under 295,000 are counties of the sixth class.

SEC. 7. Section 28028 of said code is amended to read:

28028. Counties containing a population of 280,000 and under 285,000 are counties of the seventh class.

SEC. 8. Section 28029 of said code is amended to read:

28029. Counties containing a population of 277,000 and under 280,000 are counties of the eighth class.

SEC. 9. Section 28030 of said code is amended to read: Same

28030. Counties containing a population of 250,000 and under 277,000 are counties of the ninth class.

SEC. 10. Section 28031 of said code is amended to read:

28031. Counties containing a population of 230,000 and under 250,000 are counties of the tenth class.

SEC. 11. Section 28032 of said code is amended to read:

28032. Counties containing a population of 220,000 and under 230,000 are counties of the eleventh class.

SEC. 12. Section 28033 of said code is amended to read:

28033. Counties containing a population of 210,000 and under 220,000 are counties of the twelfth class.

SEC. 13. Section 28034 of said code is amended to read:

28034. Counties containing a population of 175,000 and under 210,000 are counties of the thirteenth class.

SEC. 14. Section 28035 of said code is amended to read:

28035. Counties containing a population of 160,000 and under 175,000 are counties of the fourteenth class.

SEC. 15. Section 28036 of said code is amended to read:

28036. Counties containing a population of 140,000 and under 160,000 are counties of the fifteenth class.

SEC. 16. Section 28037 of said code is amended to read:

28037. Counties containing a population of 128,000 and under 140,000 are counties of the sixteenth class.

SEC. 17. Section 28038 of said code is amended to read:

28038. Counties containing a population of 120,000 and under 128,000 are counties of the seventeenth class.

SEC. 18. Section 28039 of said code is amended to read:

28039. Counties containing a population of 110,000 and under 120,000 are counties of the eighteenth class.

SEC. 19. Section 28040 of said code is amended to read:

28040. Counties containing a population of 104,000 and under 110,000 are counties of the nineteenth class.

SEC. 20. Section 28041 of said code is amended to read:

28041. Counties containing a population of 100,000 and under 104,000 are counties of the twentieth class.

SEC. 21. Section 28042 of said code is amended to read:

28042. Counties containing a population of 90,000 and under 100,000 are counties of the twenty-first class.

SEC. 22. Section 28043 of said code is amended to read:

28043. Counties containing a population of 75,000 and under 90,000 are counties of the twenty-second class.

SEC. 23. Section 28044 of said code is amended to read:

28044. Counties containing a population of 69,500 and under 75,000 are counties of the twenty-third class.

SEC. 24. Section 28045 of said code is amended to read:

28045. Counties containing a population of 67,000 and under 69,500 are counties of the twenty-fourth class.

SEC. 25. Section 28046 of said code is amended to read:

28046. Counties containing a population of 65,000 and under 67,000 are counties of the twenty-fifth class.

Same

SEC. 26. Section 28047 of said code is amended to read:

28047. Counties containing a population of 64,000 and under 65,000 are counties of the twenty-sixth class.

SEC. 27. Section 28048 of said code is amended to read:

28048. Counties containing a population of 60,000 and under 64,000 are counties of the twenty-seventh class.

SEC. 28. Section 28049 of said code is amended to read:

28049. Counties containing a population of 50,000 and under 60,000 are counties of the twenty-eighth class.

SEC. 29. Section 28050 of said code is amended to read:

28050. Counties containing a population of 46,700 and under 50,000 are counties of the twenty-ninth class

SEC. 30. Section 28051 of said code is amended to read:

28051. Counties containing a population of 42,000 and under 46,700 are counties of the thirtieth class.

SEC. 31. Section 28052 of said code is amended to read:

28052. Counties containing a population of 41,000 and under 42,000 are counties of the thirty-first class.

SEC. 32. Section 28053 of said code is amended to read:

28053. Counties containing a population of 40,700 and under 41,000 are counties of the thirty-second class.

SEC. 33. Section 28054 of said code is amended to read:

28054. Counties containing a population of 37,000 and under 40,700 are counties of the thirty-third class.

SEC. 34. Section 28055 of said code is amended to read:

28055 Counties containing a population of 36,500 and under 37,000 are counties of the thirty-fourth class.

SEC. 35. Section 28056 of said code is amended to read:

28056. Counties containing a population of 32,000 and under 36,500 are counties of the thirty-fifth class.

SEC. 36. Section 28057 of said code is amended to read:

28057. Counties containing a population of 30,000 and under 32,000 are counties of the thirty-sixth class.

SEC. 37. Section 28058 of said code is amended to read:

28058. Counties containing a population of 25,000 and under 30,000 are counties of the thirty-seventh class.

SEC. 38. Section 28059 of said code is amended to read:

28059. Counties containing a population of 20,000 and under 25,000 are counties of the thirty-eighth class.

SEC. 39. Section 28060 of said code is amended to read:

28060. Counties containing a population of 19,300 and under 20,000 are counties of the thirty-ninth class

SEC. 40. Section 28061 of said code is amended to read:

28061. Counties containing a population of 19,000 and under 19,300 are counties of the fortieth class.

SEC. 41. Section 28062 of said code is amended to read:

28062. Counties containing a population of 17,000 and under 19,000 are counties of the forty-first class.

SEC. 42. Section 28063 of said code is amended to read:

28063. Counties containing a population of 16,000 and under 17,000 are counties of the forty-second class.

SEC. 43. Section 28064 of said code is amended to read: Same

28064. Counties containing a population of 15,000 and under 16,000 are counties of the forty-third class.

SEC. 44. Section 28065 of said code is amended to read:

28065. Counties containing a population of 14,000 and under 15,000 are counties of the forty-fourth class.

SEC. 45. Section 28066 of said code is amended to read:

28066. Counties containing a population of 13,000 and under 14,000 are counties of the forty-fifth class.

SEC. 46. Section 28067 of said code is amended to read:

28067. Counties containing a population of 12,000 and under 13,000 are counties of the forty-sixth class

SEC. 47. Section 28068 of said code is amended to read.

28068. Counties containing a population of 11,655 and under 12,000 are counties of the forty-seventh class.

SEC. 48. Section 28069 of said code is amended to read:

28069. Counties containing a population of 11,500 and under 11,655 are counties of the forty-eighth class.

SEC. 49. Section 28070 of said code is amended to read:

28070. Counties containing a population of 10,000 and under 11,500 are counties of the forty-ninth class.

SEC. 50. Section 28071 of said code is amended to read:

28071. Counties containing a population of 9,750 and under 10,000 are counties of the fiftieth class

SEC. 51. Section 28072 of said code is amended to read:

28072. Counties containing a population of 9,500 and under 9,750 are counties of the fifty-first class.

SEC. 52. Section 28073 of said code is amended to read:

28073. Counties containing a population of 9,000 and under 9,500 are counties of the fifty-second class.

SEC. 53 Section 28074 of said code is amended to read:

28074. Counties containing a population of 6,000 and under 9,000 are counties of the fifty-third class.

SEC. 54. Section 28075 of said code is amended to read:

28075. Counties containing a population of 5,100 and under 6,000 are counties of the fifty-fourth class.

SEC. 55. Section 28076 of said code is amended to read:

28076. Counties containing a population of 3,000 and under 5,100 are counties of the fifty-fifth class

SEC. 56. Section 28077 of said code is amended to read:

28077. Counties containing a population of 2,250 and under 3,000 are counties of the fifty-sixth class.

SEC. 57 Section 28078 of said code is amended to read:

28078. Counties containing a population of 1,000 and under 2,250 are counties of the fifty-seventh class.

SEC 58. Section 28105 of said code is amended to read:

28105. In a county of the fifth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Salaries Contra Costa County

(a) The auditor, ten thousand dollars ($10,000) a year.

(b) The district attorney, ten thousand dollars ($10,000) a year.

Same

(c) Each supervisor, five thousand dollars ($5,000) a year for personal services performed by him as supervisor, member of the board of equalization, and road commissioner. Each supervisor shall be allowed not to exceed 5 percent of his monthly salary for expenses necessarily incurred in the conduct of his office. He shall file an itemized statement, supported by receipts and vouchers, on the first day of each month, designating the actual expenditure on his part of such expenses for the preceding month. No allowance shall be made to him for such expenses unless they are itemized and designated in his claim.

(d) Grand jurors and trial jurors, six dollars ($6) a day and mileage for each attendance at the rate of seven cents ($0 07) for each mile actually traveled. Grand jurors shall also receive as compensation three dollars ($3) for each day's attendance as a member of any committee of the grand jury called by the secretary or committee of the grand jury or committee chairman and mileage at seven cents ($0 07) for each mile actually traveled in attending such committee meeting.

No official of the county whose compensation is fixed by this section shall receive any other compensation in any form in any other capacity from the county. The salaries and expenses provided are in full compensation for the services required of them by law, or by virtue of their offices, and all other fees, mileage, or other remuneration or compensation of any kind or character received by such officers for or by reason of any duty imposed by law on them or by virtue of their offices shall be paid by them into the county treasury at the times and in the manner required by law, except that until the county provides for them and makes available to their use such automobiles as are reasonably necessary to carry out the duties of their offices, they may retain for their own use and benefit such mileage as is allowed by law. In lieu of the mileage allowed members of the board of supervisors, each member shall be supplied by the county with an automobile for use in performance of official duties. All expenses for fuel, oil, supplies, upkeep, and maintenance of automobiles for members of the board of supervisors shall be paid from county funds.

SEC. 59. Section 28107 of said code is amended to read:

San Bernardino County

28107. In a county of the seventh class the officers shall receive as compensation for the services required of them by law or by virtue of their offices the salaries and fees fixed pursuant to the charter of the county, except that the following shall receive as compensation for such services the following sums:

(a) The chairman of the board of supervisors, six thousand six hundred dollars ($6,600), and each other supervisor, one thousand eight hundred dollars ($1,800) a year, and his necessary expenses when attending to the business of the county, other than the meetings of the board, and ten cents ($0.10) a mile in traveling to and from his residence to the county seat. Not more than one mileage at any one regular or special meeting of the board shall be allowed. The compensation provided in this section to be paid to the chairman and to each member of the board

is in full for all official services performed by him in any public capacity.

(b) For attending as a grand juror for each day's attendance, including each day's attendance at committee meetings and investigations upon the order of the grand jury, three dollars ($3); as a juror in the superior court, for each day's attendance, three dollars ($3). For each mile actually traveled in attending court as a juror, in going only, ten cents ($0.10); for each mile actually traveled in attending meetings of the grand jury, grand jury committee meetings, and in making investigations upon the order of the grand jury, in going only, ten cents ($0.10) The grand jury may order members to act as committees thereof and to conduct investigations on its behalf.

SEC. 60. Section 28108 of said code is amended to read:

28108. In a county of the eighth class the officers shall receive as compensation for the services required of them by law or by virtue of their offices the salaries and fees fixed pursuant to the charter of the county. Sacramento County

The fee for trial jurors for attendance in any court is four dollars ($4) for each day's attendance and mileage at the rate of five cents ($0.05) a mile for each mile actually and necessarily traveled in attending upon and returning from court, the mileage to be computed for daily attendance, irrespective of whether the daily attendance covers one or more sessions of court.

Each member of the grand jury is allowed three dollars ($3) for each day in attendance upon the sessions of the grand jury or for each day's service as a member of any committee of the grand jury and mileage at the rate of five cents ($0.05) a mile for each mile actually and necessarily traveled in attendance upon and returning from meetings of the grand jury or any session of a grand jury committee, duly called by the secretary or committee chairman.

SEC. 61. Section 28109 of said code is amended to read:

28109. In a county of the ninth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Fresno County

(a) The auditor, seven thousand two hundred dollars ($7,200) a year.

(b) The district attorney, ten thousand dollars ($10,000) a year. He shall devote his entire time during office hours to the work of the county and the State and is prohibited from engaging in private work within office hours.

(c) Each supervisor other than the chairman of the board, four thousand eight hundred dollars ($4,800) a year for all services, either as supervisor or road overseer. The chairman of the board of supervisors, six thousand dollars ($6,000) a year for all services as chairman or road overseer. In addition, each member who uses a privately owned automobile in the discharge of necessary official duties as supervisor shall be paid for the use of the automobile the following sums:

(1) In supervisorial districts containing five hundred (500) miles of road or less, fifty dollars ($50) a month.

(2) In supervisorial districts containing more than five hundred (500) miles, but less than seven hundred fifty (750) miles of road, seventy-five dollars ($75) a month.

(3) In supervisorial districts containing road mileage in excess of seven hundred fifty (750) miles, one hundred dollars ($100) a month.

(4) In addition to the sums mentioned in this section, the chairman of the board of supervisors shall receive twenty-five dollars ($25) a month for the use of his privately owned automobile in the discharge of necessary official business.

(d) Grand jurors and trial jurors in the superior courts, three dollars ($3) a day while engaged in the performance of the duties required of them by law, and the mileage allowed by law. Trial jurors in the justices' courts shall receive three dollars ($3) a day and no mileage.

The county officers provided for in this section shall receive as compensation for the services required of them by law or by virtue of their offices, the salaries and expenses set forth, except that the members of the board of supervisors, auditor, and district attorney shall be allowed all actual expenses which are necessary to the performance of their duties. The expenses and the salaries designated in this section for such officers, except as specifically provided, shall be full and complete compensation for giving their entire time and attention to the duties required of them by law or which are for any reason imposed upon or performed by them under the laws of or on behalf of the United States, this State, any political subdivision thereof, or any public corporation.

All other fees, statutory mileage, or other remuneration or compensation of any kind or character received by such officers or their deputies from the United States, this State, any political subdivision thereof, or any public corporation shall be paid into the county treasury, except that this requirement does not apply to that portion of any fees collected which is authorized by statute to be paid to other persons or is necessarily diverted to other persons for the purpose of carrying out the objects of the statute

SEC. 62. Section 28110 of said code is amended to read:

San Mateo County

28110. In a county of the tenth class each supervisor shall receive as compensation for the services required of him by law or by virtue of his office three thousand six hundred dollars ($3,600) a year, and eight cents ($0.08) for each mile actually traveled when engaged in official business in the county When a supervisor is also road commissioner he shall receive the amounts allowed by law and his actual traveling expenses All other officers shall receive as compensation for the services required of them by law or by virtue of their offices the salaries and fees fixed pursuant to the charter of the county.

Each grand juror and trial juror in the superior court shall receive for each day's attendance, three dollars ($3) and for

each mile actually and necessarily traveled from his residence to the county seat, in going only, twenty cents ($0.20) to be allowed but once during each session the juror is required to attend.

SEC. 63. Section 28111 of said code is amended to read:

28111. In a county of the eleventh class the following shall receive as compensation for the services required of them by law or by virtue of their office the following sums: Kern County

(a) The auditor, six thousand dollars ($6,000) a year and his necessary expenses incurred while traveling in the performance of his official duties. He shall pay into the county treasury all fees and commissions or compensations received by him in his official capacity, other than his official salary.

(b) The district attorney, eight thousand seven hundred fifty dollars ($8,750) a year and the necessary expenses incurred in the discharge of his official duties. All fees and commissions or compensations, other than his official salary, received by him in his official capacity from any source shall be paid into the county treasury. He shall devote his entire time during office hours to the work of the county and the State and is prohibited from engaging in private work within office hours.

(c) Each supervisor, six thousand six hundred dollars ($6,600) a year and actual and necessary expenses incurred in the performance of the duties of his office.

(d) For attending as a grand juror, for each day's actual attendance, five dollars ($5), and ten cents ($0.10) a mile for each mile actually traveled in going only.

For attending as a trial juror, in the superior court for each day's actual attendance, three dollars ($3), and ten cents ($0.10) for each mile actually traveled in going only.

For attending as a trial juror in criminal cases in justices' courts, two dollars ($2), for each day of actual service as a juror.

The judge or justice of the court shall make an order directing the auditor to draw his warrant in favor of the juror for the per diem and mileage and the treasurer shall pay the warrant.

SEC. 64. Section 28112 of said code is amended to read:

28112. In a county of the twelfth class the following shall receive as compensation for the services required of them by law or by virtue of their office the following sums: Orange County

(a) The auditor, six thousand nine hundred dollars ($6,900) a year.

(b) The district attorney, seven thousand eight hundred dollars ($7,800) a year for his full-time services. He shall not engage in the private practice of law.

(c) Each supervisor, three thousand six hundred dollars ($3,600) a year and the necessary and actual expenses incurred in the performance of the duties of his office.

(d) Grand jurors and trial jurors in superior courts shall receive for each day's attendance in court, upon regularly called jury meetings, committee meetings, or when appointed by the

foreman of a grand jury to make individual investigations three dollars ($3) a day. In justices' courts in civil cases, jurors shall receive for each day's attendance, two dollars ($2). In justices' courts and city courts in criminal cases jurors shall receive for each day's attendance, one dollar and fifty cents ($1.50). All jurors shall receive ten cents ($0.10) for each mile actually and necessarily traveled from their residences to the places of service, in going only, mileage to be allowed but once in any one day, during any session of the court where the jurors serve. The fees of all trial jurors in civil cases shall be paid by the litigants as other costs are paid, and jurors in criminal cases in a city court shall be paid by the city in which the court is established.

San Joaquin County

SEC. 65. Section 28113 of said code is amended to read:

28113. In a county of the thirteenth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, six thousand dollars ($6,000) a year.

(b) The district attorney, seven thousand five hundred dollars ($7,500) a year.

(c) Each supervisor, three thousand six hundred dollars ($3,600) a year. In addition, each member who uses a privately owned automobile in the discharge of necessary official duties as supervisor or as ex officio road commissioner, shall be paid six cents ($0.06) a mile for all mileage traveled within a radius of 200 miles from the county seat; for any one trip over 200 miles, six cents ($0.06) a mile for the first 200 miles of the trip, and three cents ($0.03) for each mile traveled in excess of the first 200 miles of the trip. In addition, each member shall be allowed his actual and necessary traveling expenses including meals and lodging, when required to leave the county on official county business. The chairman of the board of supervisors shall receive, as additional compensation, three hundred dollars ($300) a year for services rendered as chairman.

(d) For attendance in the superior court each trial juror shall be allowed three dollars ($3) for each day's attendance, and mileage at the rate of seven cents ($0.07) for each mile actually and necessarily traveled in attending upon and returning from court, mileage to be computed for daily attendance, irrespective of whether the daily attendance covers one or more sessions of court.

Each member of the grand jury shall be allowed three dollars ($3) for each day in attendance upon the sessions of the grand jury or for each day's service as a member of any committee of the grand jury and mileage at the rate of seven cents ($0.07) for each mile actually and necessarily traveled in attendance upon and returning from meetings of the grand jury, or any session of a grand jury committee, duly called by the secretary, or committee chairman.

SEC. 66. Section 28115 of said code is amended to read:

Tulare County

28115. In a county of the fifteenth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The county auditor, six thousand three hundred dollars ($6,300) a year.

(b) The district attorney, seven thousand two hundred dollars ($7,200) a year.

(c) Each supervisor, four thousand five hundred dollars ($4,500) a year for all personal services performed by him as supervisor and member of the board of equalization, and his actual and necessary traveling expenses incurred in performing any of the duties of his office, the claim for which shall be allowed and paid out of the county general fund in the same manner as other claims are allowed and paid. The traveling expenses exclusive of meals and hotel accommodations shall not exceed six cents ($0.06) a mile.

(d) Each member of the grand jury shall be allowed four dollars ($4) for each day in attendance upon the sessions of the grand jury or for each day's active and necessary service as a member of any committee of the grand jury. Each grand juror shall be allowed mileage at the rate of five cents ($0.05) a mile for each mile actually and necessarily traveled in attendance upon and returning from meetings of the grand jury or any actual or necessary session of a grand jury committee duly called by the secretary or committee chairman, but no mileage shall be allowed outside of the county. For attending as a trial juror in the superior court, for each day's attendance, two dollars ($2); for attending as a trial juror in the justice's court for each juror sworn to try the cause, two dollars ($2) a day; for each mile actually traveled in attending court as a juror, five cents ($0.05) a mile each way.

SEC. 67. Section 28116 of said code is amended to read:

28116. In a county of the sixteenth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Monterey County

(a) The county auditor, five thousand seven hundred dollars ($5,700) a year. If he serves as and performs the duties of the county purchasing agent, he shall receive as full compensation for such services eight hundred fifty-five dollars ($855) a year.

(b) The district attorney, five thousand seven hundred dollars ($5,700) a year.

(c) Each supervisor, one thousand two hundred dollars ($1,200) a year, and four hundred fifty dollars ($450) a year, for his duties as road commissioner. He shall be allowed mileage at the rate of seven cents ($0.07) a mile in going from his residence to the county seat and returning at each session of the board. If necessary official business requires any supervisor to travel beyond the boundaries of the county, he shall receive actual necessary traveling expenses incurred therefor. No other mileage or remuneration and no other traveling expenses shall be allowed.

(d) Grand jurors and trial jurors in the superior court shall receive for each day's attendance three dollars ($3), and

for every mile actually traveled in attending court as such jurors, in going only, fourteen cents ($0.14).

SEC. 68. Section 28117 of said code is amended to read:

Stanislaus County

28117. In a county of the seventeenth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, six thousand dollars ($6,000) a year.

(b) The district attorney, five thousand dollars ($5,000) a year.

(c) Each supervisor, three thousand dollars ($3,000) a year and mileage at the rate of ten cents ($0.10) for each mile traveled to and from the meetings of the board. Only one mileage at any one session of the board shall be allowed. The county may furnish automobiles to the supervisors for use on any trips taken in performance of their official duties for which mileage would otherwise be allowed. All expenses for fuel, oil, supplies, upkeep, and maintenance of the automobiles shall be paid from county funds. The use of automobiles is in lieu of any other mileage. The supervisors shall act as road commissioners in their respective districts.

(d) Grand jurors and trial jurors in the superior court shall receive three dollars ($3) for each day's attendance and ten cents ($0.10) for each mile from their residences to the county seat, to be allowed for each day the jurors are required to and do attend For attending as a member of a committee of the grand jury, for each day's attendance on the committee, three dollars ($3) and mileage at the rate of five cents ($0.05) a mile. The court shall make an order directing the auditor to draw his warrant on the county treasury for the amounts due, and the auditor, unless otherwise specifically ordered, shall draw warrants on the first and fifteenth days of each month, and the treasurer shall pay the warrants.

SEC 69. Section 28118 of said code is amended to read:

Ventura County

28118. In a county of the eighteenth class the following shall receive as full compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, five thousand four hundred sixty dollars ($5,460) a year. He shall devote his full working time to the duties of his office.

(b) The district attorney, eight thousand one hundred fifty-five dollars ($8,155) a year and actual traveling expenses while away from his office on county business, and shall be furnished an automobile for use in the performance of his duties. When traveling in his own car he shall receive six cents ($0.06) for each mile actually traveled. He shall not personally engage in private law practice.

(c) Each supervisor, three thousand dollars ($3,000) a year and his necessary expenses when attending to the business of the county. When traveling in his own car on county business he shall receive six cents ($0.06) for each mile actually traveled

(d) For acting as a grand juror for each day's attendance upon regularly called grand jury meetings, committee meetings,

or when appointed by the foreman of a grand jury to make individual investigations, five dollars ($5). For every mile actually traveled as a grand juror in attending court, grand jury meetings, regularly called committee meetings, or when properly appointed by the foreman of the grand jury to make individual investigations, six cents ($0.06) for each mile actually traveled.

(e) Trial jurors in criminal cases, shall receive as compensation for each day's attendance for trial in the superior courts the sum of three dollars ($3) per day, and for each mile actually and necessarily traveled from their residence in attending the superior court, one way only, the sum of ten cents ($0.10) per mile.

SEC. 70. Section 28119 of said code is amended to read:

28119. In a county of the nineteenth class the following shall receive as compensation for their services required of them by law or by virtue of their offices the following sums: Solano County

(a) The auditor, five thousand dollars ($5,000) a year.

(b) The district attorney, seven thousand two hundred dollars ($7,200) a year.

(c) Each supervisor, two thousand four hundred dollars ($2,400) a year for all services rendered including mileage and services as road commissioner. If required to go on business to any point outside of the county, he shall be allowed actual expenses.

(d) Trial jurors in the superior court, three dollars ($3) for each day's attendance. In addition, mileage fees shall be allowed trial jurors for attendance in court at the rate of fifteen cents ($0.15) for each mile traveled in going only, payable only once in any three days.

SEC. 71. Section 28121 of said code is amended to read:

28121. In a county of the twenty-first class the following shall receive as compensation for the services required of them by law or by virtue of their offices, the following sums: Santa Barbara County

(a) The auditor, six thousand nine hundred dollars ($6,900) a year. He shall devote his full working time to the duties of his office.

(b) The district attorney, eight thousand four hundred dollars ($8,400) a year for all services. He shall devote his entire time during office hours to the duties of his office and shall not engage in private law practice during his term of office.

(c) Each supervisor, for all services required of him as supervisor and ex officio road commissioner, four thousand two hundred dollars ($4,200) a year. If necessary official business requires any supervisor to travel beyond the boundaries of the county, he shall receive actual necessary traveling expenses incurred therefor. No other mileage or remuneration and no other traveling expenses shall be allowed.

(d) Grand jurors and trial jurors in the superior court, three dollars ($3), and trial jurors in courts of justices of the peace, two dollars ($2), for each day's attendance. In addition, mileage fees shall be allowed all jurors at the rate of fifteen

cents ($0.15) for each mile traveled in attending court or in attending sessions of the grand jury, in going only.

SEC. 72. Section 28123 of said code is amended to read:

Merced County

28123. In a county of the twenty-third class the following shall receive as compensation for their services required of them by law or by virtue of their offices the following sums:

(a) The auditor, four thousand dollars ($4,000) a year. When required by the board of supervisors to compile an annual statistical report, he shall receive one hundred fifty dollars ($150) from the general fund of the county as compensation for compiling the report.

(b) The district attorney, five thousand five hundred dollars ($5,500) a year. He shall not engage in private law practice and shall devote all his time and attention during business hours to the duties of his office.

(c) Each supervisor, three thousand dollars ($3,000) a year for all services performed by him as supervisor, as member of the board of equalization and as road commissioner. No mileage allowance is necessary as the county furnishes automobiles for the use of supervisors and road commissioners.

(d) For each day's attendance as a grand juror or a trial juror in the superior court, three dollars ($3) a day; for each mile traveled in attending court as such juror, twelve cents ($0.12), in going only.

A grand juror, when attending as a member of a regularly constituted committee or subcommittee of the grand jury, shall receive the same per diem and mileage as is allowed for attending court.

SEC. 73. Section 28124 of said code is amended to read:

Humboldt County

28124. In a county of the twenty-fourth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, six thousand dollars ($6,000) a year.

If the board of supervisors in any year orders or directs the auditor to prepare and file its annual statistical report, on performing such services he shall be allowed the further sum of three hundred dollars ($300), payable upon the completion and acceptance of the report, and if the report is mailed throughout the county by the auditor, he shall be allowed the further sum of one hundred dollars ($100).

(b) The district attorney, four thousand eight hundred dollars ($4,800) a year.

(c) Each supervisor, three thousand three hundred dollars ($3,300) a year, necessary traveling expenses incurred in the performance of his official duties, and mileage at eight cents ($0.08) a mile for all distances traveled by him as supervisor or as road commissioner, mileage not to exceed in any one year one thousand dollars ($1,000) for each supervisor.

(d) The fees of grand jurors are five dollars ($5) for each day's attendance, and mileage at the rate of fifteen cents ($0.15) for each mile necessarily traveled in attending court, in going only. The fees of trial jurors in the superior courts are five

dollars ($5) for each day's attendance and mileage at the rate of fifteen cents ($0.15) for each mile necessarily traveled in attending court, in going only. The fees of jurors in justices' courts are three dollars ($3) for each day's attendance and mileage at the rate of fifteen cents ($0.15) for each mile necessarily traveled in attending the court, in going only.

In criminal cases the fees and mileage of all trial jurors shall be paid by the treasurer of the county out of the general fund of the county upon warrants drawn by the county auditor upon the written order of the judge or justice of the court in which the jury was in attendance.

The fees of jurors on coroner's juries are two dollars ($2) for each day's attendance, to be paid out of the general fund of the county upon the presentation and filing with the board of supervisors of a duly verified claim, proper allowance of the claim by the board, and the approval of the coroner.

SEC. 74. Section 28125 of said code is amended to read:

28125. In a county of the twenty-fifth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Santa Cruz County

(a) The auditor, five thousand dollars ($5,000) a year.

(b) The district attorney, five thousand dollars ($5,000) a year.

(c) The chairman of the board of supervisors, two hundred dollars ($200) a month, and each other supervisor, one hundred fifty dollars ($150) a month. Each supervisor shall also be furnished with necessary transportation while engaged in the business of the county. Whenever it is necessary for any supervisor to leave the county for the purpose of performing any of his duties, he shall be allowed his actual expenses. While acting as road commissioners, supervisors shall give their personal attention to the repair, maintenance, construction, and improvement of all roads under their supervision.

(d) Grand jurors and trial jurors in the superior court shall receive three dollars ($3) for each day's attendance, and ten cents ($0.10) for each mile actually and necessarily traveled from their residence to the county seat, in going only, to be allowed but once during each session the jurors are required to attend.

Any officer entitled to receive mileage for distances traveled by him in the discharge of his official duties shall receive mileage at the rate of five cents ($0.05) in a mile traveled.

The salaries and fees provided in this section are in full compensation for all services of every kind and description rendered by the officers named, either as officers or ex officio officers, their deputies and assistants. All fees, commissions, per diem, and expenses provided for by law, and all other money coming into the hands of the officers mentioned, no matter from what source derived or received, shall be the property of the county, and shall be paid into the county treasury by such officers at the same time and in the same manner that other money is required

by law to be paid into the county treasury, except, that the district attorney is expressly exempted from this provision, and shall receive the salaries, fees, and commissions, provided by law.

SEC. 75. Section 28126 of said code is amended to read:

Butte County

28126. In a county of the twenty-sixth class the officers shall receive as compensation for the services required of them by law or by virtue of their offices the salaries and fees fixed pursuant to the charter of the county, except that the following shall receive as compensation for such services the following sums:

(a) The auditor, four thousand dollars ($4,000) a year.

(b) The district attorney, six thousand dollars ($6,000) a year.

(c) Each supervisor, two thousand four hundred dollars ($2,400) a year for all services performed by him as supervisor, member of the board of equalization, road commissioner, road inspector, or in any other capacity, and shall receive mileage at the rate of six cents ($0.06) for each mile actually traveled within the county in the performance of his official duties, or in going to or from any meeting of said board when traveling by automobile, not to exceed twenty-five dollars ($25) for any one month, and all actual and necessary traveling expenses when traveling on county business outside the county.

Grand jurors and trial jurors in the superior court shall receive three dollars ($3) for each day's attendance and fifteen cents ($0.15) for each mile traveled in attending court as such jurors, in going only.

SEC. 76. Section 28127 of said code is amended to read:

Imperial County

28127. In a county of the twenty-seventh class the following shall receive as compensation for the services required of them by law or by virtue of their offices, the following sums:

(a) The auditor, five thousand four hundred dollars ($5,400) a year.

(b) The district attorney eight thousand dollars ($8,000) a year, which is in full for all services performed by him as district attorney. He shall devote his entire time during office hours to the duties of his office, and shall not engage in private law practice during his term of office.

(c) Each supervisor, one thousand eight hundred dollars ($1,800) a year, which is in full for all services performed by him as supervisor and road commissioner. Each supervisor shall be allowed seventy-five dollars ($75) a month as an allowance for mileage traveled within the county in attending the meetings of the board of supervisors and in performing other duties as supervisor and road commissioner, which shall be paid on the first day of each month irrespective of the number of miles traveled within the county. If it is necessary for a supervisor to travel outside the county on official matters pertaining to his duties as supervisor and as road commissioner, he shall receive actual and necessary expenses and mileage, and shall file a demand in the same manner as other county officers, and submit signed receipts and vouchers for any expenses in excess of two dollars ($2). Each

supervisor may use an automobile provided and maintained by the county in connection with the performance of official duties within and without the county. If an automobile is furnished at county expense, it is in lieu of mileage, except if the automobile is not available at all times, through accident or otherwise, mileage at the rate of seven cents ($0.07) a mile shall be allowed during the period of nonavailability. If a supervisor is not furnished an automobile at county expense and it is necessary for him to travel outside the county on official business and transportation is not furnished by common carrier, mileage at the rate of seven cents ($0.07) a mile for all mileage actually traveled outside the county shall be paid.

(d) Trial jurors in criminal cases shall receive three dollars ($3) as compensation for each day's attendance for trial in the superior courts, and ten cents ($0.10) for each mile actually and necessarily traveled from their residences in attending the superior court, one way only.

Grand jurors shall receive three dollars ($3) as compensation for each day's attendance at sessions of the grand jury, and ten cents ($0.10) for each mile actually and necessarily traveled from their residences in attending the sessions of the grand jury, one way only, to be allowed but once during each meeting day the grand jurors are required to attend sessions thereof.

All jurors required to attend trials in justices' courts shall receive one dollar and fifty cents ($1.50) as compensation for each day's attendance, and ten cents ($0.10) for each mile actually and necessarily traveled in attending such trials, one way only, to be allowed but once during each meeting day the trial jurors are required to attend trial.

As additional compensation to the officers mentioned in this section, the county shall pay one-third of the insurance premium for group life, accident, and health insurance, if such officers are covered by group insurance.

SEC. 77. Section 28128 of said code is amended to read:

28128. In a county of the twenty-eighth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: San Luis Obispo County

(a) The auditor, four thousand eight hundred dollars ($4,800) a year.

(b) The district attorney, seven thousand two hundred dollars ($7,200) a year. He shall devote his entire time during office hours to the work of the county and State and is prohibited from engaging in private work within office hours. This does not preclude him from continuing or concluding any private matter in which he appeared of record prior to taking office.

(c) Each supervisor, for all services required of him as supervisor and as road commissioner, two thousand four hundred dollars ($2,400) a year and his actual expenses necessarily incurred in the performance of county business within the county, not to exceed six cents ($0.06) a mile, and actual expenses incurred doing county business outside of the county

on order of the board of supervisors. He shall also be allowed six cents ($0.06) a mile going to and from his residence to the courthouse to attend regular and special meetings of the board. In lieu of mileage allowed as a member of the board of supervisors, the chairman of the board shall be supplied by the county with an automobile for use in performance of official duties, and all expense for fuel, oil, supplies, upkeep, and maintenance of such automobile shall be paid from county funds.

(d) Grand jurors and trial jurors in the superior court shall receive three dollars ($3) for each day's attendance. In justices' courts in civil cases the jurors sworn to try the cases shall receive two dollars ($2) for each day's attendance. All jurors shall receive fifteen cents ($0.15) for each mile actually and necessarily traveled from their residences to the place of service. In the justices' courts mileage shall be allowed only to those sworn to try the case.

SEC. 78. Section 28129 of said code is amended to read:

Kings County

28129. In a county of the twenty-ninth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor five thousand one hundred dollars ($5,100) a year.

(b) The district attorney, seven thousand five hundred dollars ($7,500) a year. The district attorney shall devote his entire time during office hours to the work of the county and State and is prohibited from engaging in private work within such office hours; however, this shall not be construed to preclude the district attorney from continuing or concluding any matter in which he has appeared of record prior to October 1, 1949.

(c) Each supervisor, three thousand six hundred dollars ($3,600) a year in full for all services performed by him as supervisor, member of the board of equalization, road commissioner, and in any other capacity, and all actual and necessary traveling expenses when traveling on county business. The traveling expenses, exclusive of meals and hotel accommodations, shall not exceed six cents ($0.06) per mile. Each supervisor shall furnish his own transportation in the performance of all his duties within the county.

(d) Grand jurors and trial jurors in the superior court, for each day's attendance, three dollars ($3). In justices' courts, the jurors sworn to try the case shall receive for each day's attendance two dollars ($2). Each juror shall receive mileage at the rate of six cents ($0.06) each way for every mile actually and necessarily traveled in attending court. In justices' courts mileage shall be allowed only to those sworn to try the case.

SEC. 79. Section 28130 of said code is amended to read:

Napa County

28130. In a county of the thirtieth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, four thousand two hundred dollars ($4,200) a year.

(b) The district attorney, three thousand six hundred dollars ($3,600) a year.

(c) Each supervisor, one thousand eight hundred dollars ($1,800) a year which shall be in full for all services rendered as supervisor.

(d) Grand jurors and trial jurors in the superior court, three dollars ($3) for each day's attendance, and mileage at the rate of fifteen cents ($0.15) for each mile necessarily traveled in attending court or in attending sessions of the grand jury, in going only. In criminal actions the fees and mileage of trial jurors shall be paid by the treasurer out of the general funds of the county upon warrants drawn by the auditor, who shall draw the warrants upon the written order of the judge of the superior court in which the jurors were in attendance.

SEC. 80. Section 28131 of said code is amended to read:

28131. In a county of the thirty-first class the following shall receive as compensation for services required of them by law or by virtue of their offices the following sums: Placer County

(a) The auditor, four thousand two hundred dollars ($4,200) a year.

(b) The district attorney, three thousand nine hundred dollars ($3,900) a year.

(c) Each supervisor, three thousand dollars ($3,000) a year, for all services rendered as supervisor, as member of the board of equalization, and as road commissioner, and six cents ($0 06) for each mile traveled on county business, not to exceed fifty dollars ($50) in any one calendar month, and his actual and necessary traveling expenses when traveling by order of the board of supervisors on county business outside of the county.

(d) Trial jurors in the superior court shall receive six dollars ($6) for each day's attendance and thirty-five cents ($0.35) for each mile actually and necessarily traveled from their residence to the county seat, to be allowed but once during each session that jurors are required to attend.

Each member of the grand jury shall be allowed six dollars ($6) for each day in attendance upon the sessions of the grand jury or for each day's active and necessary service as a member of any committee of the grand jury. Each grand juror shall be allowed mileage at the rate of eight cents ($0.08) a mile for each mile actually and necessarily traveled in attendance upon and returning from meetings of the grand jury or any actual or necessary session of a grand jury committee duly called by the secretary or committee chairman, but no mileage shall be allowed outside of the county.

SEC. 81. Section 28132 of said code is amended to read:

28132. In a county of the thirty-second class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Mendocino County

(a) The auditor, six thousand dollars ($6,000) a year.

(b) The district attorney, six thousand dollars ($6,000) a year.

(c) Each supervisor, three thousand three hundred dollars ($3,300) a year and twelve cents ($0.12) a mile in traveling to and from his residence to the county seat. For services as road commissioner, he shall receive twenty cents ($0.20) a mile for all distances actually traveled by him in the performance of his duties within the county, but not to exceed nine hundred dollars ($900) in any one year.

(d) Grand jurors and trial jurors in the superior court shall receive three dollars ($3) for the first day's attendance, and six dollars ($6) thereafter, and twenty cents ($0.20) for each mile actually and necessarily traveled from their residences to the place of service, in going only, to be allowed but once during any one session of the court or grand jury. Jurors in justices' courts, recorders' courts, and coroner's inquests shall receive two dollars ($2) for each day's attendance, and ten cents ($0.10) for each mile actually and necessarily traveled from their residences to the place of service, in going only. The fees of trial jurors in civil cases shall be paid by the litigants, as other costs are paid, and jurors in criminal cases in recorders' courts shall be paid by the cities in which the court is established.

SEC. 82. Section 28133 of said code is amended to read:

Yolo County

28133. In counties of the thirty-third class the following shall receive as compensation for the services required of them by law or by virtue of their office, the following sums:

1. The auditor, four thousand eight hundred dollars ($4,800) a year.

2. The district attorney, six thousand dollars ($6,000) a year.

3. Each supervisor, two thousand one hundred dollars ($2,100) a year for all services performed by him as supervisor, member of the board of equalization, and road commissioner, and the use of county automobiles in connection with the performance of official duties.

4. Grand jurors and trial jurors in the superior court in civil and criminal cases, shall receive as compensation for each day's attendance, per day, three dollars ($3); and trial jurors for each mile actually and necessarily traveled in attendance as such in going only, per mile, twenty-five cents ($0.25); and grand jurors for each mile actually and necessarily traveled in attendance as such in going only, per mile, fifteen cents ($0.15).

SEC. 83. Section 28134 of said code is amended to read:

Madera County

28134. In a county of the thirty-fourth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, three thousand five hundred dollars ($3,500) a year.

(b) The district attorney, five thousand dollars ($5,000) a year.

(c) Each supervisor, for all services required of him as supervisor two thousand four hundred dollars ($2,400) a year. He shall also receive the following mileage and traveling expenses: when using a privately owned automobile, six cents

($0.06) for each mile actually traveled each way: (1) in going to and from his residence to the courthouse in attending each day's session of the regular and special meetings of the board of supervisors and in attending each day's session of the meetings of the board of supervisors when the board convenes as a board of equalization, and (2) in the county in the performance of his duties as supervisor and as a member of the county board of equalization. When traveling in a privately owned automobile each member of the board of supervisors shall also be allowed mileage at the rate of six cents ($0.06) a mile or railroad or bus fare, together with other traveling expenses incurred in traveling to and from places outside of the county when he is on county business authorized by the board of supervisors.

(d) For attending as a juror in the superior court, the justices' courts, and in city courts in cities of the sixth class, each juror shall be paid three dollars ($3) for each day's attendance upon the court and six cents ($0.06) a mile for each mile actually traveled each way in attending each day's session of the court.

For serving as a grand juror, each grand juror shall be paid three dollars ($3) for each day's attendance upon the duly called sessions of the grand jury and the meetings of committees appointed by the foreman of the grand jury and for each day's service when authorized in writing by the foreman to make individual investigations. When using a privately owned automobile, each grand juror shall also be allowed six cents ($0.06) a mile for each mile actually traveled by him each way in attending each day's sessions of the grand jury and meetings of committees appointed by the foreman of the grand jury and when making individual investigations upon being authorized in writing to make such investigations by the foreman.

The fees and traveling expenses shall be paid out of the general fund of the county upon warrants drawn by the county auditor upon the written order of the judge of the superior court in the case of grand jurors and jurors attending the superior court, and upon written order of the judge of the court in which the juror was in attendance in the case of jurors attending the justices' courts

The fees and mileage shall be paid to jurors attending city courts of cities of the sixth class by the treasurer of the city in which the jurors' services were rendered out of the general fund of the city upon warrants drawn by the city auditor upon the written order of the judge of the court in which the jurors were in attendance.

SEC. 84. Section 28135 of said code is amended to read:

28135. In a county of the thirty-fifth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Shasta County

(a) The auditor, three thousand six hundred dollars ($3,600) a year, which shall include compensation for the compilation of the annual financial report and classified annual pay roll of the county.

(b) The district attorney, three thousand six hundred dollars ($3,600) a year.

(c) Each supervisor, two thousand four hundred dollars ($2,400) a year and ten cents ($0.10) a mile, one way between his residence and the county seat, in attending upon all regular, special, or adjourned meetings of the board of supervisors. The chairman of the board of supervisors may receive twenty-five cents ($0.25) a mile, one way, between his residence and the county seat, when attending at the county seat for the single purpose of counting the money in the county treasury as required by law.

(d) Grand jurors in grand jury duty shall receive six dollars ($6), and trial jurors in the superior court shall receive five dollars ($5) for each day's attendance, and grand jurors and trial jurors shall receive ten cents ($0.10) for each mile necessarily traveled in attendance. In justices' courts the jurors shall receive five dollars ($5) for each day's attendance and ten cents ($0.10) for each mile necessarily traveled in attendance.

SEC. 85. Section 28136 of said code is amended to read:

Siskiyou County

28136. In a county of the thirty-sixth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, four thousand two hundred dollars ($4,200) a year.

(b) The district attorney, three thousand nine hundred dollars ($3,900) a year.

(c) Each supervisor, one thousand eight hundred dollars ($1,800) a year and mileage at the rate of twenty cents ($0.20) a mile for the distance usually traveled in going from his home to the county seat and returning.

(d) Grand jurors and trial jurors in the superior court shall receive five dollars ($5) for each day's attendance and twenty cents ($0.20) for each mile actually and necessarily traveled from their residences to the county seat, in going only. In justices' courts the jurors sworn to try the case shall receive two dollars ($2) for each day's attendance and fifteen cents ($0.15) for each mile actually and necessarily traveled from their residences. The per diem and mileage in the justices' courts shall be allowed only to the jurors sworn to try the case.

SEC. 86. Section 28137 of said code is amended to read:

Sutter County

28137. In a county of the thirty-seventh class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, four thousand two hundred fifty dollars ($4,250) a year.

(b) The district attorney, four thousand eight hundred dollars ($4,800) a year.

(c) Each supervisor shall receive two hundred dollars ($200) a month, and his actual expenses while attending to the business of the county by the order of the board of supervisors and mileage at the rate of fifteen cents ($0.15) a mile, one way; (1) for traveling from his residence to the county seat to attend

regular, special, and adjourned sessions of the board of supervisors, and (2) for all actual distances traveled by him in the performance of his duties as road commissioner.

(d) Grand jurors and jurors in the superior court shall receive three dollars ($3) for each day's attendance and fifteen cents ($0.15) for each mile actually traveled in attending court as a juror, and for attending regularly called grand jury meetings and grand jury committee meetings, one way. Mileage shall be paid for each time a regularly empaneled jury or grand jury is called in separate session

SEC. 87. Section 28138 of said code is amended to read:

28138. In a county of the thirty-eighth class the follow- Yuba County
ing shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, two thousand two hundred seventy dollars ($2,270) a year.

(b) The district attorney, six thousand dollars ($6,000) a year If the office of district attorney is consolidated with that of public administrator, the holder of the consolidated office shall receive a salary of six thousand dollars ($6,000) a year, and all fees received by the holder of the consolidated office in performing the duties of public administrator shall be paid into the county treasury.

(c) Each supervisor, two thousand four hundred dollars ($2,400) a year.

(d) Grand jurors and trial jurors in the superior court shall receive four dollars ($4) for each day's attendance, and mileage at the rate of fifteen cents ($0.15) for each mile actually and necessarily traveled from their residences to the county seat, in going only for each and every day a juror is required by law to attend upon the particular duty assigned to him. Fees and mileage shall be paid by the treasurer of the county out of the general fund of the county upon warrants drawn by the county auditor upon the written order of the judge of the superior court.

SEC. 88. Section 28139 of said code is amended to read:

28139. In a county of the thirty-ninth class the following Nevada County
shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, one thousand two hundred dollars ($1,200) a year.

(b) The district attorney, three thousand one hundred dollars ($3,100) a year.

(c) Each supervisor, two thousand two hundred dollars ($2,200) a year for all services rendered as supervisor, as member of the board of equalization, and as road commissioner. Each supervisor shall also receive six cents ($0.06) for each mile traveled on county business, but not to exceed forty dollars ($40) in any one calendar month, and his actual and necessary traveling expenses when traveling by order of the board of supervisors on county business outside of the county.

(d) Grand jurors and trial jurors in the superior court shall receive six dollars ($6) for each day's attendance and mileage at the rate of thirty-five cents ($0.35) for each mile actually and necessarily traveled from their residences to the county seat in going only, to be allowed but once during each session the jurors are required to attend. The fees and mileage shall be paid by the treasurer of the county out of the general fund of the county upon warrants drawn by the county auditor upon the written order of the judge of the superior court

SEC. 89. Section 28140 of said code is amended to read:

Tehama County

28140. In a county of the fortieth class the annual salary of each supervisor is one thousand two hundred dollars ($1,200). All other officers shall receive as compensation for the services required of them by law or by virtue of their offices the salaries and fees fixed pursuant to the charter of the county.

Grand jurors and trial jurors in the superior court shall receive three dollars ($3) a day for each day's attendance and mileage at the rate of fifteen cents ($0.15) a mile for each mile necessarily traveled in attending court, in going only. In criminal cases the fees and mileage of the trial jurors in the superior court shall be paid by the treasurer out of the general fund of the county upon warrants drawn by the auditor on the written order of the judge of the court in which the jurors were in attendance, and the treasurer shall pay the warrants.

SEC. 90. Section 28141 of said code is amended to read:

Lassen County

28141. In a county of the forty-first class the following shall receive as compensation for services required of them by law or by virtue of their offices the following sums:

(a) The auditor, eight hundred dollars ($800) a year.

(b) The district attorney, three thousand three hundred dollars ($3,300) a year.

(c) Each supervisor, one thousand five hundred dollars ($1,500) a year and mileage from his residence to the county seat at each sitting of the board, at twenty-five cents ($0.25) a mile. Each supervisor is, in addition, allowed three hundred dollars ($300) a year to cover mileage expense at twenty-five cents ($0.25) a mile in viewing the roads. These salaries and mileage are in full for all services.

(d) Grand jurors and trial jurors shall receive the following fees and mileage:

(1) Grand jurors and jurors in the superior court shall be paid three dollars ($3) a day for each day's attendance, and twenty-five cents ($0.25) for each mile actually traveled in going only, while acting as jurors. The judge of the court shall certify to the auditor the number of days' attendance of each juror and his mileage. The auditor shall draw his warrant on the treasurer in favor of each juror and the treasurer shall pay the warrant.

(2) Trial jurors in criminal cases only in any justice's court shall receive two dollars fifty cents ($2.50) for each day's attendance. The justice of the peace shall certify to the auditor

the number of days' attendance of each juror, and the auditor shall draw his warrant therefor, and the treasurer shall pay the warrant.

SEC. 91. Section 28144 of said code is amended to read:

28144. In a county of the forty-fourth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: San Benito County

(a) The auditor, eight hundred dollars ($800) a year.

(b) The district attorney, three thousand dollars ($3,000) a year.

(c) Each supervisor, one thousand two hundred dollars ($1,200) a year and twenty cents ($0.20) a mile for traveling expenses from his residence to the county seat, and also necessary expenses when on official business outside the county.

(d) Grand jurors and trial jurors in the superior court, three dollars ($3) for each day's attendance while engaged in the performance of the duties required of them, and fifteen cents ($0.15) for each mile actually traveled, in going only, while acting as such jurors. The judge of the superior court shall make an order directing the auditor to draw his warrant on the treasurer in favor of the juror for the per diem and mileage, and the treasurer shall pay the warrant.

SEC. 92. Section 28145 of said code is amended to read:

28145. In a county of the forty-fifth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Plumas County

(a) The auditor, one thousand four hundred dollars ($1,400) a year.

(b) The district attorney, three thousand dollars ($3,000) a year.

(c) Each supervisor, two thousand four hundred dollars ($2,400) a year and mileage from his residence to the county seat at each sitting of the board, twenty cents ($0.20) a mile, such compensation to be in full for services either as supervisor or for mileage as road commissioner.

(d) Grand and trial jurors, three dollars ($3) per day and such mileage fees as are allowed by law.

SEC. 93. Section 28147 of said code is amended to read:

28147. In a county of the forty-seventh class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Inyo County

(a) The auditor, four thousand five hundred dollars ($4,500) a year.

(b) The district attorney, six thousand dollars ($6,000) a year for his full time services. He shall not engage in the private practice of law.

(c) Each supervisor, one thousand eight hundred dollars ($1,800) a year and thirty cents ($0.30) a mile one way in attending the meetings of the board. He shall also receive three dollars ($3) a day when actually serving as road commissioner, not to exceed three hundred dollars ($300) a year.

(d) Jurors shall receive the following fees and mileage:

For attending as a grand juror or as a trial juror in the superior court, for each day's actual attendance three dollars ($3), and twenty cents ($0.20) for each mile actually traveled in going only; for attending as a trial juror in the justice's court, in civil cases only, for each day's actual attendance two dollars ($2), and twenty cents ($0.20) for each mile actually traveled, in going only. The fees of jurors shall be paid to them on each day during the period of their attendance, if demanded and the mileage shall be paid at the time the fee for the first day's attendance is paid.

SEC. 94. Section 28148 of said code is amended to read:

Colusa County

28148. In a county of the forty-eighth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, three thousand six hundred dollars ($3,600) a year.

(b) The district attorney, four thousand dollars ($4,000) a year.

(c) Each supervisor shall receive two hundred dollars ($200) a month. Each supervisor shall also receive his necessary expenses when the performance of his duty as supervisor or road commissioner takes him out of the county.

(d) Grand jurors and trial jurors in the superior court shall receive three dollars ($3) for each day's attendance, and twenty cents ($0.20) for each mile actually traveled in attending, one way only.

SEC. 95. Section 28149 of said code is amended to read:

Lake County

28149. In a county of the forty-ninth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, three thousand three hundred dollars ($3,300) a year in lieu of all fees and commissions.

(b) The district attorney, three thousand dollars ($3,000) a year.

(c) Each supervisor, three thousand dollars ($3,000) a year for his services as supervisor, and ten cents ($0.10) a mile when traveling while engaged in official business in the county. He shall not receive more than seven hundred dollars ($700) in any one year for mileage as supervisor.

(d) For attending as grand juror or as trial juror, each such juror shall receive such fees and mileage as are allowed by law.

SEC. 96. Section 28151 of said code is amended to read:

Modoc County

28151. In a county of the fifty-first class the following shall receive as compensation for services required of them by law or by virtue of their offices the following sums:

(a) The auditor, one thousand fifty dollars ($1,050) a year and such fees as are allowed by law.

(b) The district attorney, three thousand six hundred dollars ($3,600) a year.

(c) Each supervisor, one thousand eight hundred dollars ($1,800) a year, and mileage at the rate of fifteen cents ($0.15) a mile in traveling from his residence to attend regular meetings of the board and in returning.

Each supervisor shall also be allowed fifteen cents ($0.15) a mile for each mile actually traveled in inspecting county roads, not to exceed three hundred dollars ($300) annually.

(d) For attending as a grand juror or as a trial juror in the superior court in criminal cases, three dollars ($3) for each day's attendance. For each mile actually traveled in attending upon the superior court, in going only, twenty-five cents ($0.25). The grand jurors and trial jurors in criminal cases shall be paid by warrants drawn by the county auditor, issued upon the order of the court, or judge thereof. Jurors who serve in civil actions in the superior court shall receive two dollars ($2) a day to be paid by the party demanding the jury.

SEC. 97. Section 28152 of said code is amended to read:

28152. In a county of the fifty-second class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Amador County

(a) The auditor, one thousand five hundred dollars ($1,500) a year.

(b) The district attorney, two thousand four hundred dollars ($2,400) a year. He may charge and receive for his own use necessary expenses for traveling on county and public business, to be allowed as other county charges are allowed by law.

(c) Each supervisor, one thousand eight hundred dollars ($1,800) a year, for his services as supervisor and road commissioner and ten cents ($0.10) a mile for traveling from his residence to the county seat and return for each regular or special session of the board.

(d) Grand jurors and jurors in the superior court, six dollars ($6) for each day's attendance, and twenty-five cents ($0.25) for each mile actually traveled, in going only, while acting as such jurors. The court shall make an order directing the auditor to draw his warrant on the treasurer in favor of each juror for the per diem and mileage and the treasurer shall pay the warrant.

SEC. 98. Section 28153 of said code is amended to read:

28153. In a county of the fifty-third class the following shall receive as compensation for the services required of them by law or by virtue of their offices, the following sums: Del Norte County

(a) The auditor, two thousand five hundred twenty dollars ($2,520) a year and in addition two hundred dollars ($200) annually for preparing the county budget when prepared by him. If the office of recorder is consolidated with that of auditor, the auditor as such shall receive no compensation.

(b) The district attorney, two thousand seven hundred dollars ($2,700) a year and such fees as are paid to that officer.

(c) Each supervisor, one hundred dollars ($100) a month and seven cents ($0.07) a mile for mileage and expenses in

traveling from his residence to the county seat, but only one mileage shall be allowed for any regular or special session of the board. Actual expense outside the county shall be allowed and paid. Each supervisor is, in addition, allowed three hundred dollars ($300) a year to cover mileage expense at seven cents ($0.07) a mile as ex officio road overseer or commissioner.

(d) Grand jurors and trial jurors in the superior courts, three dollars and fifty cents ($3.50) for each day's attendance and seven cents ($0.07) for each mile necessarily traveled each way in attending court. In criminal cases the fees and mileage of the trial jurors in the superior court shall be paid by the treasurer out of the general fund of the county upon warrants drawn by the auditor upon the written order of the judge of the court in which the jurors were in attendance, and the treasurer of the county shall pay the warrants. The fees of jurors in justices' courts shall be two dollars and fifty cents ($2.50) for each day's attendance and mileage at the rate of seven cents ($0.07) a mile each way traveled in attending court.

SEC. 99. Section 28154 of said code is amended to read:

Mariposa County

28154. In a county of the fifty-fourth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, one thousand four hundred dollars ($1,400) a year.

(b) The district attorney, three thousand dollars ($3,000) a year.

(c) Each supervisor, two thousand four hundred dollars ($2,400) a year, for all services required of him by law in any capacity. Supervisors may use automobiles provided and maintained by the county in the performance of the duties required of them by law.

(d) Grand jurors shall be paid four dollars ($4) a day, and jurors in the superior court shall be paid three dollars ($3) for each day's attendance, and thirty cents ($0.30) for each mile actually traveled in going only, while acting as such jurors. The court shall make an order directing the auditor to draw his warrant on the treasurer in favor of the jurors for the per diem and mileage and the treasurer shall pay the warrant.

SEC. 100. Section 405 of the Education Code is amended to read:

Salary of county superintendent of schools: Contra Costa County

405. The annual salary of the county superintendent of schools of a county of the fifth class is seven thousand five hundred ninety-six dollars ($7,596), and he shall possess a valid general administrative credential issued by the State Board of Education.

SEC. 101. Section 407 of said code is amended to read:

San Bernardino County

407. The annual salary of the county superintendent of schools of a county of the seventh class is seven thousand eight hundred dollars ($7,800), and he shall possess a valid general administrative credential issued by the State Board of Education.

SEC. 102. Section 408 of said code is amended to read:

Sacramento County

408. The annual salary of the county superintendent of schools of a county of the eighth class is seven thousand two hundred dollars ($7,200), and he shall possess a valid general administrative credential issued by the State Board of Education.

SEC. 103. Section 409 of said code is amended to read:

Fresno County

409. The annual salary of the county superintendent of schools of a county of the ninth class is ten thousand dollars ($10,000), and he shall possess a valid general administrative credential issued by the State Board of Education.

SEC. 104. Section 410 of said code is amended to read:

San Mateo County

410. The annual salary of the county superintendent of schools of a county of the tenth class is eight thousand nine hundred dollars ($8,900), and he shall possess a valid general administrative credential issued by the State Board of Education.

SEC. 105. Section 411 of said code is amended to read:

Kern County

411. The annual salary of the county superintendent of schools of a county of the eleventh class is eight thousand two hundred dollars ($8,200), and he shall possess a valid general administrative credential issued by the State Board of Education.

SEC. 106. Section 412 of said code is amended to read:

Orange County

412. The annual salary of the county superintendent of schools of a county of the twelfth class is nine thousand dollars ($9,000), and he shall possess a valid general administrative credential issued by the State Board of Education.

SEC. 107. Section 413 of said code is amended to read:

San Joaquin County

413. The annual salary of the county superintendent of schools of a county of the thirteenth class is seven thousand four hundred sixteen dollars ($7,416), and he shall possess a valid general administrative credential issued by the State Board of Education.

SEC. 108. Section 415 of said code is amended to read:

Tulare County

415. The annual salary of the county superintendent of schools of a county of the fifteenth class is seven thousand eighty dollars ($7,080), and he shall possess a valid general administrative credential issued by the State Board of Education.

SEC. 109. Section 416 of said code is amended to read:

Monterey County

416. The annual salary of the county superintendent of schools of a county of the sixteenth class is seven thousand five hundred dollars ($7,500), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 110. Section 417 of said code is amended to read:

Stanislaus County

417. The annual salary of the county superintendent of schools of a county of the seventeenth class is six thousand eight hundred dollars ($6,800), and he shall possess a valid general administrative credential issued by the State Board of Education.

SEC. 111. Section 418 of said code is amended to read:

Ventura County

418. The annual salary of the county superintendent of schools of a county of the eighteenth class is seven thousand

seven hundred fifty-five dollars ($7,755), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 112. Section 419 of said code is amended to read:

Solano County

419. The annual salary of the county superintendent of schools of a county of the nineteenth class is seven thousand dollars ($7,000), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 113. Section 421 of said code is amended to read:

Santa Barbara County

421. The annual salary of the county superintendent of schools of a county of the twenty-first class is six thousand six hundred dollars ($6,600), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 114. Section 423 of said code is amended to read:

Merced County

423. The annual salary of the county superintendent of schools of a county of the twenty-third class is four thousand eight hundred dollars ($4,800), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 115. Section 424 of said code is amended to read:

Humboldt County

424. The annual salary of the county superintendent of schools of a county of the twenty-fourth class is six thousand dollars ($6,000), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 116. Section 425 of said code is amended to read:

Santa Cruz County

425. The annual salary of the county superintendent of schools of a county of the twenty-fifth class is four thousand eight hundred dollars ($4,800), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 117. Section 426 of said code is amended to read:

Butte County

426. The annual salary of the county superintendent of schools of a county of the twenty-sixth class is six thousand dollars ($6,000), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 118. Section 428 of said code is amended to read:

San Luis Obispo County

428. The annual salary of the county superintendent of schools of a county of the twenty-eighth class is seven thousand dollars ($7,000), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 119. Section 429 of said code is amended to read:

Kings County

429. The annual salary of the county superintendent of schools of a county of the twenty-ninth class is seven thousand two hundred dollars ($7,200), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 120. Section 430 of said code is amended to read:

430. The annual salary of the county superintendent of schools of a county of the thirtieth class is five thousand seven hundred dollars ($5,700), and he shall possess a valid general administrative credential issued by the State Board of Education. Napa County

SEC. 121. Section 431 of said code is amended to read:

431. The annual salary of the county superintendent of schools of a county of the thirty-first class is five thousand six hundred dollars ($5,600), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education. Placer County

SEC. 122. Section 432 of said code is amended to read:

432. The annual salary of the county superintendent of schools of a county of the thirty-second class is five thousand nine hundred fifty dollars ($5,950), and he shall possess a valid general administrative credential issued by the State Board of Education. Mendocino County

SEC. 123. Section 433 of said code is amended to read:

433. The annual salary of the county superintendent of schools of a county of the thirty-third class is five thousand four hundred dollars ($5,400), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education. Yolo County

SEC. 124. Section 434 of said code is amended to read:

434. The annual salary of the county superintendent of schools of a county of the thirty-fourth class is four thousand eight hundred dollars ($4,800), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education. Madera County

SEC. 125. Section 435 of said code is amended to read:

435 The annual salary of the county superintendent of schools of a county of the thirty-fifth class is five thousand one hundred dollars ($5,100), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education. Shasta County

SEC. 126. Section 436 of said code is amended to read:

436. The annual salary of the county superintendent of schools of a county of the thirty-sixth class is six thousand dollars ($6,000), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education. Siskiyou County

SEC. 127. Section 437 of said code is amended to read:

437. The annual salary of the county superintendent of schools of a county of the thirty-seventh class is four thousand eight hundred dollars ($4,800), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education. Sutter County

SEC. 128. Section 439 of said code is amended to read:

439. The annual salary of the county superintendent of schools of a county of the thirty-ninth class is five thousand dollars ($5,000), and he shall possess a valid elementary or Nevada County

secondary administrative credential issued by the State Board of Education.

SEC. 129. Section 440 of said code is amended to read:

Tehama County

440. The annual salary of the county superintendent of schools of a county of the fortieth class is five thousand four hundred dollars ($5,400), and he shall possess a valid elementary or secondary teaching credential issued by the State Board of Education.

SEC. 130. Section 441 of said code is amended to read:

Lassen County

441. The annual salary of the county superintendent of schools of a county of the forty-first class is four thousand five hundred dollars ($4,500), and he shall possess a valid elementary or secondary administrative credential issued by the State Board of Education.

SEC. 131. Section 444 of said code is amended to read:

San Benito County

444. The annual salary of the county superintendent of schools of a county of the forty-fourth class is five thousand four hundred dollars ($5,400), and he shall possess a valid elementary or secondary teaching credential issued by the State Board of Education.

SEC. 132. Section 445 of said code is amended to read:

Plumas County

445. The annual salary of the county superintendent of schools of a county of the forty-fifth class is four thousand two hundred dollars ($4,200), and he shall possess a valid elementary or secondary teaching credential issued by the State Board of Education.

SEC. 133. Section 447 of said code is amended to read:

Inyo County

447. The annual salary of the county superintendent of schools of a county of the forty-seventh class is five thousand one hundred dollars ($5,100), and if acting as superintendent of a coterminous county unified school district the salary shall be five thousand four hundred dollars ($5,400), and he shall possess a valid elementary administrative credential issued by the State Board of Education.

SEC. 134. Section 448 of said code is amended to read:

Colusa County

448. The annual salary of the county superintendent of schools of a county of the forty-eighth class is five thousand one hundred dollars ($5,100), and he shall possess a valid elementary or secondary teaching credential issued by the State Board of Education.

SEC. 135. Section 449 of said code is amended to read:

Lake County

449. The annual salary of the county superintendent of schools of a county of the forty-ninth class is four thousand nine hundred fifty dollars ($4,950), and he shall possess a valid elementary administrative credential issued by the State Board of Education.

SEC. 136. Section 451 of said code is amended to read:

Modoc County

451. The annual salary of the county superintendent of schools of a county of the fifty-first class is four thousand two hundred dollars ($4,200), and he shall possess a valid elementary or secondary teaching credential issued by the State Board of Education.

SEC. 137. Section 452 of said code is amended to read:

452. The annual salary of the county superintendent of schools of a county of the fifty-second class is four thousand eight hundred dollars ($4,800), and he shall possess a valid elementary or secondary teaching credential issued by the State Board of Education. Amador County

SEC. 138. Section 453 of said code is amended to read:

453. The annual salary of the county superintendent of schools of a county of the fifty-third class is four thousand eight hundred dollars ($4,800), and he shall possess a valid elementary or secondary teaching credential issued by the State Board of Education. Del Norte County

SEC. 139. Section 454 of said code is amended to read:

454. The annual salary of the county superintendent of schools of a county of the fifty-fourth class is five thousand one hundred dollars ($5,100), and if acting as superintendent of a coterminous county unified school district the salary shall be five thousand four hundred dollars ($5,400), and he shall possess a valid elementary administration credential issued by the State Board of Education. Mariposa County

SEC. 140. It is the intention of the Legislature in enacting this act to reclassify the counties of the State on the basis of the 1950 Federal Census. It is not the intention of the Legislature in enacting this act to change the compensation of any person whose compensation it is empowered to regulate, and such compensation shall remain the same as it was on January 1, 1951, except as the Legislature may by law otherwise expressly provide. Legislative intent

SEC. 141. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

The United States Bureau of the Census has released the final population figures for the counties of California as determined by the 1950 Federal Census, so that the Legislature may reclassify the counties on the basis of the new census figures On the basis of the 1950 Census most of the 58 counties have changed classification. Since the California statutes relating to counties, with few exceptions, designate the county to which the statute relates by number of class, rather than by name of the county, and since there are many bills pending in the Legislature which propose to amend these statutes, it is urgently necessary for the Legislature to establish a single basis of classification for passing on these bills during this session. If a single basis is not immediately provided for, bills relating to counties may be passed which are intended by the Legislature to apply to a particular county, but, because of the change in classification of such county on the basis of the 1950 Federal Census, the bill when it becomes law will not relate to that particular county but to another county. In order to avoid confusion in the laws relating to counties and to preserve an orderly county government it is necessary that this act take effect immediately.

CHAPTER 469

An act to amend Sections 2223 and 2223.5 of the Welfare and Institutions Code, relating to recovery of old age security aid received in violation of the law.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2223 of the Welfare and Institutions Code is amended to read:

Preferred claim

2223. If, on the death of a recipient of aid under this chapter, it is found that he was possessed of property or income in excess of the amount allowed under the provisions of this chapter and that he has not disclosed the same to the board of supervisors, it shall be presumed that he was possessed of such property or income since the date of his first application for aid, and double the amount of the aid paid him in excess of that to which he was legally entitled may be recovered by the Department of Social Welfare as a preferred claim from his estate and upon recovery shall be repaid to the county, to the State, and to the United States Government in accordance with the provisions of Section 2024.

Collections based solely on this presumption shall not exceed the market value of the excess property.

SEC. 2. Section 2223.5 of the Welfare and Institutions Code is amended to read:

Excess received in good faith

2223.5. Notwithstanding the provisions of Sections 2222 and 2223, a recipient who has received aid in good faith, honestly believing himself to be entitled thereto, but who is found to have possessed property in excess of the amount allowed under the provisions of this chapter, or the personal representative of such a deceased recipient, may by way of an affirmative defense, show when, and the circumstances under which, the recipient acquired such property in excess of the amount allowed under the provisions of this chapter. If it is established that the recipient received such aid in good faith, honestly believing himself entitled thereto, he shall be considered to have been ineligible for aid only during the period for which the excess property, if it had been applied to his support at the rate of the aid granted to him, would have supported him. In such case the recipient or his estate shall repay only the aid he received during such period of ineligibility.

CHAPTER 470

An act to amend Sections 5505 and 5508, and to repeal Section 5562 of the Elections Code, relating to the conduct of elections.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5505 of the Elections Code is amended to read:

5505. All officers upon whom is imposed, by law, the duty of designating polling places, shall furnish the polling places with: Polling place furnishings

(a) An American Flag of such size as may be determined upon by the county board of supervisors to be erected at or near each polling place within the county.

(b) A ballot box, to be marked on the outside "general ballots."

(c) When any city or town officers are to be elected, a second ballot box, to be marked on the outside "municipal ballots."

(d) A sufficient number of places, booths, or compartments, at or in which voters may conveniently mark their ballots, so that they may be screened from the observation of others.

(e) Several ink pads and several stamps, for each booth, so made that a cross (+) may be made with either end of the stamp. The stamp shall be one solid piece.

SEC. 2. Section 5508 of said code is amended to read:

5508. The polling places shall be arranged so that neither the ballot boxes nor the box-booths or compartments shall be hidden from the view of those present. Arrangement

SEC. 3. Section 5562 of said code is repealed. Repeal

CHAPTER 471

An act to amend Sections 1708 and 1709 of the Elections Code, relating to municipal initiative elections.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1708 of the Elections Code is amended to read:

1708. Each separate paper shall have attached an affidavit made by a voter of the city. The affidavit shall state that the affiant circulated that particular paper and saw written the signatures appended thereto; and that according to the best information and belief of the affiant: Affidavit of voter

(a) Each is the genuine signature of the person whose name it purports to be.

(b) The signer is a voter of the city and he resides at _____.

SEC. 2. Section 1709 of said code is amended to read:

Clerk's examination

1709. Within 10 days from the date of filing the petition, the clerk of the legislative body shall examine, and from the records of registration, ascertain whether or not the petition is signed by the requisite number of voters. He shall attach to the petition his certificate showing the result of his examination, and present it to the legislative body at the next meeting thereof. If the clerk's certificate shows the petition to be insufficient, a supplemental petition, in form a duplicate of the original petition, bearing additional signatures, may be filed within 10 days of the date of the certificate of insufficiency.

CHAPTER 472

An act to add Section 597g to the Penal Code, defining the crime of poling of horses and prescribing the penalty for such crime.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 597g is added to the Penal Code, to read:

Poling of horses

597g. Poling a horse is a method of training horses to jump which consists of (1) forcing, persuading, or enticing a horse to jump in such manner that one or more of its legs will come in contact with an obstruction consisting of a wire charged with electricity, or a pole, stick, wire, rope or other object with brads, nails, tacks or other sharp points imbedded therein or attached thereto or (2) raising, throwing or moving a pole, stick, wire, rope or other object, against one or more of the legs of a horse while it is jumping an obstruction so that the horse, in either case, is induced to raise such leg or legs higher in order to clear the obstruction. The poling of any horse is unlawful and any person violating the provisions of this section is guilty of a misdemeanor.

Penalty

CHAPTER 473

An act to add Section 176 to the Revenue and Taxation Code, relating to property taxation.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 176 is added to the Revenue and Taxation Code, to read:

176. (a) A proceeding based on an alleged invalidity or irregularity of any tax collector's deed issued by reason of a sale or purported sale of tax sold property which was sold to the State in the fifth preceding calendar year, or any year before that, under any former provisions of this code or of the Political Code (so called "addenda sale"), or a proceeding based on an alleged invalidity or irregularity of any proceedings leading up to such deed, can only be commenced within one year after the date of recording of such deed in the county recorder's office or within one year after June 1, 1952, whichever is later. Proceeding on alleged invalidity, etc., of tax collector's deed

(b) A defense based on an alleged invalidity or irregularity of any tax collector's deed issued by reason of a sale or purported sale of tax sold property which was sold to the State in the fifth preceding calendar year, or any year before that, under any former provisions of this code or of the Political Code (so called "addenda sale"), or a proceeding based on an alleged invalidity or irregularity of any proceedings leading up to such deed, can only be maintained in a proceeding commenced within one year after the date of recording of such deed in the county recorder's office or within one year after June 1, 1952, whichever is later. Defense

(c) Sections 351 to 358, inclusive, of the Code of Civil Procedure do not apply to the time within which a proceeding may be brought under the provisions of this section.

CHAPTER 474

An act to amend Section 3950 of the Revenue and Taxation Code, relating to actions to determine adverse claims to or clouds upon tax-sold or tax-deeded property purchased from the State.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3950 of the Revenue and Taxation Code is amended to read:

3950. Whenever tax-sold or tax-deeded property has been purchased from the State, including purchases made under Chapter 8 hereof, and all subsequent taxes levied and payable have been paid, the purchaser, or any person claiming through him, may bring an action to determine adverse claims to or clouds upon that property. The complaint shall be verified and shall aver the matters above enumerated. Adverse claims, etc., to tax-deeded property

CHAPTER 475

An act to amend Sections 950 and 951 of the Probate Code, relating to preferred labor claims for wages.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 950 of the Probate Code is amended to read:

Payment of decedent's debts, etc

950. The debts of the decedent, the expenses of administration and the charges against the estate must be paid in the following order:

(1) Expenses of administration;

(2) Funeral expenses;

(3) Expenses of last illness;

(4) Family allowance;

(5) Debts having preference by the laws of the United States;

(6) Wages, to the extent of six hundred dollars ($600), of each employee of the decedent, for work done or personal services rendered within 90 days prior to the death of the employer. If there is not sufficient money with which to pay all such labor claims in full the money available must be distributed among the claimants in accordance with the amount of their respective claims;

(7) Mortgages and other liens, in the order of their priority, so far as they may be paid out of the proceeds of the encumbered property. If such proceeds are insufficient for that purpose, the part of the debt remaining unsatisfied must be classed with general demands against the estate;

(8) Judgments rendered against the decedent in his lifetime, in the order of their date;

(9) All other demands against the estate.

SEC. 2. Section 951 of said code is amended to read:

Same

951. As soon as he has sufficient funds in his hands, after retaining sufficient to pay the expenses of administration, the executor or administrator must pay the funeral expenses, the expenses of the last illness, the family allowance, and wage claims to the extent of six hundred dollars ($600) of each employee of decedent for work done or personal services rendered within 90 days prior to the death of the employer; but he is not obliged to pay any other debt or any legacy until, as prescribed in this article, the payment has been ordered by the court.

CHAPTER 476

An act to amend Sections 1204 and 1206 of the Code of Civil Procedure, relating to claims and liens for labor.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1204 of the Code of Civil Procedure is amended to read:

1204. When any assignment, whether voluntary or involuntary, and whether formal or informal, is made for the benefit of creditors of the assignor, or results from any proceeding in insolvency or receivership commenced against him, or when any property is turned over to the creditors of a person, firm, association or corporation, or to a receiver or trustee for the benefit of creditors, the wages and salaries of minors, mechanics, salesmen, servants, clerks, laborers, and other persons, for personal services rendered such assignor, person, firm, association or corporation, within 90 days prior to such assignment, or the taking over of such property, or to the commencement of the proceeding when a court action is involved, and not exceeding six hundred dollars ($600) each, constitute preferred claims and liens as between creditors of the debtor, and must be paid by the trustee, assignee or receiver before the claim of any other creditor of the assignor, insolvent, or debtor whose property is so turned over, and must be paid as soon as the money with which to pay same becomes available. If there is insufficient money with which to pay all such labor claims in full the money available must be distributed among the claimants in proportion to the amount of their respective claims. The trustee, receiver or assignee for the benefit of creditors shall have the right to require sworn claims to be presented and shall have the right to refuse to pay any such preferred claim, either in whole or in part, if he has reasonable cause to believe that such claim is not valid but must pay any part thereof that is not disputed, without prejudice to the claimant's rights, as to the balance of his claim, and withhold sufficient money to cover the disputed portion until the claimant in question has a reasonable opportunity to establish the validity of his claim by court action, either in his own name or through an assignee.

Preferred claims and liens

This section is binding upon all the courts of this State and in all receivership actions the court must order the receiver to pay promptly out of the first receipts and earnings of the receivership, after paying the current operating expenses, such preferred labor claims and such liens.

Application

SEC. 2. Section 1206 of said code is amended to read:

1206. Upon the levy of any attachment, garnishment, or execution, not founded upon a claim for labor, any miner, mechanic, salesman, servant, clerk, laborer or other person who has performed work or rendered personal services for the

Verified statement of claim

defendant within 90 days prior to the levy, may file a verified statement of his claim therefor with the officer executing the writ, file a copy thereof with the court which issued the writ, and give copies thereof, containing his address, to the plaintiff and the defendant, or any attorney, clerk or agent representing them, or mail copies to them by registered mail at their last known address, return of which by the post office undelivered shall be deemed a sufficient service if no better address is available, and such claim, not exceeding six hundred dollars ($600), unless disputed, must be paid by such officer, immediately upon the expiration of the time for dispute of the claim as prescribed in Section 1207, from the proceeds of such levy remaining in his hands at the time of the filing of such statement or collectible by him on the basis of the writ.

Notation, etc

The court issuing the writ must make a notation on its docket of every preferred labor claim of which it receives a copy and must endorse on any execution or abstract of judgment issued subsequently in the case that it is issued subject to the rights of a preferred labor claimant or claimants thereunder and giving the names and amounts of all such preferred labor claims of which it has notice. In levying any execution the officer making the levy shall include in the amount due under the execution any and all preferred labor claims that have been filed in the action and of which he has notice, except any claims which may have been finally disallowed by the court under the procedure provided for herein and of which disallowance he has actual notice. The amount due on preferred labor claims that have not been finally disallowed by the court shall be considered a part of the sum due under any attachment, garnishment or execution in augmentation of the amount thereof and it shall be the duty of any person, firm, association or corporation on whom a writ of attachment, garnishment or execution is levied to immediately pay to the levying officer the amount of such preferred labor claims, out of any money belonging to the defendant in the action, before paying the principal sum called for in the writ.

Dispute

If any claim is disputed within the time, and in the manner prescribed in Section 1207, and a copy of the dispute is mailed by registered mail to the claimant or his attorney at the address given in his statement of claim and the registry receipt is attached to the original of the dispute when it is filed with the levying officer, or is handed to the claimant or his attorney, the claimant, or his assignee, must within 10 days after such copy is deposited in the mail or is handed to the claimant or his attorney petition the court having jurisdiction of the action on which the writ is based, for a hearing before it to determine his claim for priority, or the claim to priority is barred. If more than one attachment, garnishment or execution is involved the petition shall be filed in the court having jurisdiction over the senior attachment, garnishment or execution. The hearing shall be held within 20 days from the filing of the petition unless the court continues it for good cause. Ten days' notice of the

hearing shall be given by the petitioner to the plaintiff and the defendant, and to all parties claiming an interest in the property, or their attorneys. The notice may be informal and need specify merely the name of the court, names of the principal parties to the senior attachment, garnishment or execution and name of the wage claimant or claimants on whose behalf it is filed but shall specify that the hearing is for the purpose of determining the claim for priority. The plaintiff or the defendant, or any other party claiming an interest may contest the amount or validity of the claim in spite of any confession of judgment or failure to appear or to contest the claim on the part of any other person.

Cost

There shall be no cost for filing or hearing the petition and the hearing on same shall be informal but all parties testifying must be sworn. Any claimant may appear on his own behalf at the hearing and may call and examine witnesses to substantiate his claim. An appeal may be taken from a judgment in a proceeding under this section in the manner provided for appeals from judgments of the court where the proceeding is had.

Retention of proceeds

The officer must retain in his possession until the determination of the claim for priority so much of the proceeds of the writ as may be necessary to satisfy the claim, and if the claim for priority is allowed, the officer must pay the amount due, including the claimant's cost of suit, from such proceeds, immediately after the order allowing the claim becomes final.

CHAPTER 477

An act to amend Section 1501a of the Probate Code, relating to preference of wage claims.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1501a of the Probate Code is amended to read:

Payment by guardian of preferred wage claims

1501a. Every guardian must promptly pay wage claims of not exceeding six hundred dollars ($600) to each claimant, for work done or services rendered for the ward within 90 days prior to the date the petition for the appointment of the guardian was filed, before the claim of any general creditor is paid. If there is insufficient money with which to pay all such labor claims in full, the money available must be distributed among the claimants in proportion to the amount of their respective claims. If a guardian neglects or refuses to pay such preferred labor claims, as provided in this section the court shall order him to do so upon the informal application of any labor claimant or his assignee or representative. The guardian shall have the right to require sworn claims to be presented and shall have the

right to refuse to pay any such preferred claim, either in whole or in part, if he has reasonable cause to believe that such claim is not valid but must pay any part thereof that is not disputed, without prejudice to the claimant's rights as to the balance of his claim, and withhold sufficient money to cover the disputed portion until the claimant in question has a reasonable opportunity to establish the validity of his claim by court action against the said guardian, either in his own name or through an assignee.

Construction

Nothing in this section contained shall be construed to require the payment of such preferred labor claims if the assets available are insufficient, in the opinion of the court, to provide for the reasonable current needs of the ward and the wife and/or minor children of the ward; provided, however, that all wages earned within 30 days prior to the date of the filing of the petition for the appointment of the guardian shall be paid out of the first available assets.

CHAPTER 478

An act to amend Section 96 of the Labor Code, relating to assignment of claims.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 96 of the Labor Code is amended to read:

Assignments

96. The Labor Commissioner and his deputies and representatives authorized by him in writing may take assignments of:

(a) Wage claims and incidental expense accounts and advances.

(b) Mechanics' and other liens of employees.

(c) Claims based on "stop orders" for wages and on bonds for labor.

(d) Claims for damages for misrepresentation of conditions of employment.

(e) Claims against employment agencies or their bondsmen.

(f) Claims for unreturned bond money of employees.

(g) Claims for penalties for nonpayment of wages.

(h) Claims for the return of workmen's tools in the illegal possession of another person.

(i) Claims for vacation pay, severance pay, or other compensation supplemental to a wage agreement.

CHAPTER 479

An act to add Section 11374 to the Government Code, relating to regulations and the scope and validity of regulations adopted by state agencies.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 11374 is added to the Government Code, to read:

11374. Whenever by the express or implied terms of any statute a state agency has authority to adopt regulations to implement, interpret, make specific or otherwise carry out the provisions of the statute, no regulation adopted is valid or effective unless consistent and not in conflict with the statute and reasonably necessary to effectuate the purpose of the statute.

Validity, etc., of regulations of state agencies

CHAPTER 480

An act to amend Sections 1356, 1357, 1359, 1362, 1363, 1364, 1366, 1367, and 3396 of the Banking Code and Sections 1356, 1357, 1359, 1362, 1363, 1364, 1366, 1367, and 3396 of the Financial Code, to add Section 1371, to, and to amend and renumber Section 1371 of the Banking Code, and to add a new Section 1371 to, and to amend and renumber Section 1371 of the Financial Code, relating to investments by savings banks, securing of information pertinent to the qualification of bonds of political subdivisions by the superintendent from officials of such political subdivisions, and to the making of representations that securities are a legal investment for savings banks.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1356 of the Banking Code is amended to read:

1356. In the bonds of any other political subdivision, public corporation, or district of the State of California (herein referred to generally as public corporations) having the power, without limit as to rate or amount, to levy taxes to pay the principal and interest of such bonds upon all property within its boundaries subject to taxation by such public corporation, and in the bonds of any special district established by and within any municipal utility district, provided:

Public corporation bonds

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 2 percent of the

bank's savings deposits, whichever is greater, may not be invested in the bonds of any one such public corporation or special district;

(b) The net direct debt of such public corporation or of such special district together with its net overlapping debt does not exceed 20 percent of the assessed valuation of the taxable property within its boundaries according to the last official equalized county assessment roll.

SEC. 2. Section 1357 of said code is amended to read:

Other public bonds

1357. An amount not exceeding in all 20 percent of the bank's savings deposits in (a) the bonds or other evidences of indebtedness of, or which are unconditionally guaranteed by, the Dominion of Canada, the Territory of Hawaii, or any state of the United States other than California, for the payment of both principal and interest of which in United States' dollars the faith and credit of such dominion, territory, or state are pledged; (b) in limited obligations of any state of the United States, other than California, payable only from special taxes which are pledged to the payment of principal and interest of such limited obligations; and (c) in the bonds or other evidences of indebtedness of any city, county, political subdivision, public corporation, or district (herein referred to generally as public corporations) of any state of the United States other than California, having the power without limit as to rate or amount to levy taxes to pay the principal and interest of such bonds upon all property within its boundaries subject to taxation by such public corporation, provided:

Limitations

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in the bonds or other obligations of any one state other than California, or in the bonds of any one public corporation located in a state other than California;

(b) In the case of bonds constituting general obligations of any such state, such state has not within 10 years prior to such investment defaulted for a period of more than 90 days in the payment of any part of either principal or interest of any of its debts;

(c) In the case of such limited obligations of any such state, (1) that such state has not within 10 years prior to the date of such investment defaulted for a period of more than 90 days in the payment of either principal or interest of any of its debts; (2) the special taxes pledged for the payment of such limited obligations shall have been collected for five fiscal years next preceding any investment and during said five fiscal years shall have averaged at least one and one-half times the debt service requirements, including those for principal, interest, and sinking fund, on all such special obligations existing at the time; and (3) such special taxes for each of said five fiscal years shall have equaled at least the amount of all such debt service requirements on such special obligations; and

(d) In the case of bonds or other evidences of indebtedness of any such public corporation of any state other than California:

(1) Such public corporation has had a corporate existence or been otherwise established and functioning for at least 10 years prior to the time of such investment;

(2) Such public corporation has a population of at least 50,000 inhabitants according to the last federal or state census;

(3) Such public corporation for a period of at least 10 years prior to such investment has not defaulted in the payment of any part of the principal or interest of any of its debts for a period of more than 90 days; and

(4) The net direct debt together with the net overlapping debt of such public corporation does not exceed 10 percent of the assessed valuation of the property subject to taxation by such public corporation according to the last official equalized assessment roll or list upon the basis of which taxes for debt service are based.

SEC. 3. Section 1359 of said code is amended to read:

1359. An amount not exceeding in all 5 percent of the bank's savings deposits in bonds of any irrigation district, water storage district, water conservation district, county water district, reclamation district, drainage district, and any district the primary function of which is the irrigation, reclamation or drainage of land within its boundaries, located in California, other than bonds referred to in Section 1355.1, provided: District bonds

(a) Such bonds qualify under Section 1356; or

(b) Such bonds have been certified as legal securities for savings banks pursuant to Chapter 1 of Division 10 of the Water Code and such certification remains unrevoked; and

(c) The total outstanding bonded indebtedness of the district including bonds authorized but not issued, but excluding bonds payable solely from revenues and not directly or indirectly from assessments, does not exceed 50 percent of the aggregate of the assessed value of the lands, exclusive of improvements, subject to assessment by the district, and the value of the property owned by the district or to be acquired or constructed with the proceeds of the bonds under consideration.

(d) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in the bonds of any one such district.

SEC. 4. Section 1362 of said code is amended to read:

1362. An amount not exceeding in all 10 percent of the bank's savings deposits in revenue securities of any state of the United States and of any city, county, city and county, political subdivision, public corporation, or district (herein referred to generally as public corporations) of any such state and of any department, board, agency, or authority of any such state or of any such public corporation, provided: Revenue securities: States, etc.

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the

savings deposits of the bank, whichever is greater, may not be invested in revenue securities payable from the income from any one revenue producing property or project or issued by any one public corporation whether issued directly or through a department, board, agency, or authority thereof:

(b) Such revenue securities constitute obligations payable out of the revenues from a revenue producing property owned, controlled, or operated by such state, public corporation, or by a department, board, agency, or authority thereof and are secured by such revenues;

(c) The net income from such property available for the payment of such securities for the five fiscal years next preceding any such investment shall have averaged at least one and one-tenth times all debt service requirements for principal, interest, and sinking fund of all revenue securities payable only out of the revenues from such property during each of such fiscal years, and for each of such five fiscal years shall have equaled at least all debt service requirements for principal, interest, and sinking fund of such securities, and for the last fiscal year shall have amounted to at least the maximum annual debt service requirement for any fiscal year thereafter on all such securities which were outstanding during such last fiscal year and which will be outstanding in any fiscal year thereafter;

(d) The gross income from the property, the net income from which is pledged for the payment of such securities, in the last fiscal year prior to such investment was not less than one million dollars ($1,000,000) if located in California, and was not less than five million dollars ($5,000,000) if located elsewhere;

(e) The issuer of the securities is obligated to maintain rates at least sufficient to meet debt service requirements and such obligation is legally enforceable; and

(f) The public corporation which issues the securities or the public corporation, any department, board, agency, or authority of which issues the securities, if existing elsewhere than in California, has not within 10 years prior to such investment defaulted for a period of more than 90 days in the payment of principal or interest on any of its debts.

SEC. 5. Section 1363 is amended to read as follows:

Public housing agency bonds 42 U S C. § 1401

1363. An amount not exceeding in all 5 percent of the bank's savings deposits in bonds of any local public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured either, (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than 18 months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to

maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of Section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in such contract pursuant to said subsection 22 (b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations.

SEC. 6. Section 1364 of said code is amended to read:

Evidences of indebtedness Certain corporations

1364. An amount not exceeding in all 10 percent of the bank's savings deposits in evidences of indebtedness of companies incorporated in the United States and, directly or indirectly, engaged in manufacturing, extraction, merchandising or commercial financing, provided:

(a) An amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or exceeding 1 percent of the savings deposits of the bank, whichever is greater, may not be invested in such evidences of indebtedness of any one company;

(b) Any unsecured evidences of indebtedness must be issued by a company whose property is free of mortgage and shall carry a covenant by the obligor that they will be secured equally with any mortgage bond which may be later issued;

(c) The company is of such size as to attract at least statewide interest in its publicly held securities and its gross income shall have averaged not less than ten million dollars ($10,000,000) and its net income shall have averaged not less than one million dollars ($1,000,000) for the five fiscal years preceding the investment and its gross income was not less than ten million dollars ($10,000,000) and its net income not less than one million dollars ($1,000,000) for at least three of said five fiscal years;

(d) Consolidated current assets are not less than two and one-half times consolidated current liabilities, as shown by the latest published balance sheet; provided, that in any year for which combined federal income and excess profits taxes exceed 40 percent, consolidated current assets shall be not less than three times consolidated current liabilities after deducting from current assets cash and United States Government obligations in an amount not exceeding the amount of federal income and excess profits taxes included in current liabilities and deducting from current liabilities such federal income and excess profits taxes to an amount not exceeding the amount deducted from current assets;

(e) The total consolidated debt of the company including current liabilities and "minority interest" (i.e., any outstanding interest in a subsidiary having a prior claim on the earnings

of such subsidiary), as shown on the latest published balance sheet, does not exceed 33⅓ percent of its gross assets less valuation reserves; and

(f) The consolidated annual net income for the five fiscal years next preceding the investment, before deduction of state and federal taxes imposed on or measured by income or profits but after deducting all charges (including reserves, regularly recurring charges for amortization of discount, and expense allocable to funded debt); (1) shall have averaged not less than six times the annual consolidated interest charges existing at the time the investment is made; (2) in at least three of said five fiscal years shall have been at least four times the annual consolidated interest charges for the same year; and (3) for the fiscal year next preceding the investment shall have been not less than six times the consolidated interest charges for such year and not less than six times the annual consolidated charges on the funded debt outstanding at the time of the investment.

SEC. 7. Section 1366 of said code is amended to read:

Public utility bonds

1366. An amount not exceeding in all 10 percent of the bank's savings deposits in the bonds and debentures of gas and/or electric companies meeting the requirements of subparagraph (b), in the bonds and debentures of telephone companies meeting the requirements of subparagraph (c), and in the bonds and debentures of water companies meeting the requirements of subparagraph (d), provided:

(a) Of said 10 percent of the bank's savings deposits not more than three-fourths thereof may be invested in bonds and debentures of gas and/or electric companies, not more than one-half thereof in bonds and debentures of telephone companies, and not more than one-quarter thereof in bonds and debentures of water companies; and provided, that an amount exceeding 25 percent of the paid-up capital and surplus of the savings bank or 1 percent of its savings deposits, whichever is greater, may not be invested in any of such bonds or debentures issued by any one such public utility company;

(b) Bonds or debentures of a gas and/or electric companies must be of an issue which originally amounted to not less than one million dollars ($1,000,000) and, if bonds, be secured by a mortgage on substantially all of its physical property, and, if debentures, must be issued by a company substantially all of whose physical property is free of mortgage and must carry a covenant to be secured equally with any mortgage indebtedness subsequently issued, and both bonds and debentures must be issued by a public utility corporation, which

(1) Derives more than 50 percent of its gross operating revenue from the business of supplying electricity, artificial gas, or natural gas or all or any of them, and at least 80 percent of its gross operating revenue from all or any of the public utility businesses enumerated in this section;

(2) Shall have had a gross operating revenue of not less than seven million five hundred thousand dollars ($7,500,000) for its most recent fiscal year;

(3) Has a funded debt not exceeding two-thirds of the value of its physical property as shown by the books of the corporation or by a statement of a certified public accountant issued within one year, which statement may be based upon the books of the corporation, less the amount of any reserves for depreciation, retirement or amortization of such physical property. (Physical property of a corporation shall include the physical property of a subsidiary corporation if the corporation owns not less than 90 percent of the outstanding voting shares of the subsidiary corporation); and

(4) Shall have had earnings including earnings of subsidiaries mentioned in paragraph (3), available for interest payments, before deduction of state and federal taxes imposed on or measured by income or profits, during four of the five most recent fiscal years and during the most recent fiscal year equal to at least twice the existing annual interest charges on the corporation's total funded debt during such respective fiscal years.

(c) Bonds or debentures of telephone companies must be of an issue originally amounting to at least one million dollars ($1,000,000) and, if bonds, be secured by a mortgage on substantially all of the physical property of the company, and if debentures must be issued by a company substantially all of whose physical property is free of mortgage and must carry a covenant to be secured equally with any mortgage indebtedness subsequently issued, and both bonds and debentures must be issued by a company:

(1) Which during its last fiscal year had gross revenues of at least seven million five hundred thousand dollars ($7,500,000), more than 50 percent of which was derived from owned properties used in furnishing telephone and other communication services and at least 80 percent of its gross revenues from all or any of the public utility businesses enumerated in this section;

(2) Whose funded debt does not exceed two-thirds of the value of its physical property as shown by the books of the corporation or by a statement of a certified public accountant issued within one year, which statement may be based upon the books of the corporation, less the amount of any reserves shown on said statement for depreciation, retirement or amortization of such physical property. (Physical property of a corporation shall include the physical property of a subsidiary corporation if the corporation owns not less than 90 percent of the outstanding voting shares of the subsidiary corporation); and

(3) Which for four of the five most recent fiscal years and for the last fiscal year had earnings including earnings of subsidiaries mentioned in paragraph (2) available for the payment of interest charges, before deduction of state and federal taxes imposed on or measured by income or profits, at least equal to twice the interest charges on the company's total funded debt during such respective fiscal years.

(d) Water company bonds or debentures must be of an issue originally amounting to at least one million dollars

($1,000,000) and if bonds, be secured by a first mortgage on the company's property, and if debentures, must be issued by a company whose property is free of mortgage and must carry a covenant to be secured equally with any mortgage indebtedness subsequently issued, and both bonds and debentures must be issued by a company:

(1) Which is the supplier of substantially all water for domestic use in a community or communities having a population of not less than 25,000;

(2) Whose funded debt does not exceed two-thirds of the value of its physical property as shown by the published statement of the company for its next preceding fiscal period, less the amount of any reserves shown for depreciation, retirement or amortization of such physical property. (Physical property of a corporation shall include the physical property of a subsidiary corporation if the corporation owns not less than 90 percent of the outstanding voting shares of the subsidiary corporation); and

(3) Which for four out of the five most recent fiscal years and for the most recent fiscal year shall have had earnings including those of subsidiaries mentioned in paragraph (2) available for the payment of interest charges, before deduction of state and federal taxes imposed on or measured by income or profits, of at least one and one-half times the interest charges on the company's total funded debt during such respective fiscal years.

The term "funded debt" as used in this chapter means all interest bearing indebtedness of a corporation not maturing within one year of the date it was incurred.

SEC. 8. Section 1367 of said code is amended to read:

Other securities

1367. An amount not exceeding in all 25 percent of the paid-up capital and surplus of the savings bank or not exceeding 1 percent of the bank's savings deposits, whichever is lesser, may be invested in securities, other than corporation shares, whether or not such securities are herein expressly authorized and whether or not they qualify hereunder, in which in the informed opinion of the bank it is prudent to invest savings funds.

SEC. 9. Section 1371 is added to said code, to read:

Certification of investment

1371. The superintendent is authorized upon the written application of any person made upon such form and containing such information as he may prescribe and when in his opinion the purposes of this chapter will be served thereby, to issue his certificate certifying that in his opinion and upon the information furnished him, specifying the same, any particular security of a class in this chapter referred to constitutes a security in which savings banks are permitted to invest pursuant to the provisions of this chapter. The superintendent may request any public official in whose office information relative to the assessed valuation of taxable property of any political subdivision, public corporation, or district is kept, or in whose office information relative to the direct debt or the overlapping

debt of any political subdivision, public corporation or district, is kept, or in whose office any other information pertinent to a determination of whether or not any bonds issued by any political subdivision, public corporation, or district are qualified as investments for savings banks under this chapter is kept, to furnish him such information, and upon such request being made it shall be the duty of such public official to furnish to the superintendent such information.

SEC. 10. Section 1371 of said code is renumbered to read Section 1372 and is amended to read as follows:

Legal investments for savings banks

1372. The provisions of this chapter govern the investment of funds by savings banks but wherever by any law of this State it is now provided that the moneys of any pension fund, retirement plan, trust fund, or the moneys of any special fund the investment of which is governed by law, or the funds of any political subdivision or public corporation may or shall be invested in securities which are a legal investment for savings banks, then such law shall be deemed to authorize or require, as the case may be, that such moneys be invested in securities in which savings banks were authorized to invest their funds by the provisions of the Bank Act as it read prior to January 1, 1949, or by any other law of this State or in which savings banks are authorized to invest their funds by the provisions of Sections 1350 to 1366, inclusive, of this chapter; provided, that the provisions of said sections limiting the amount which a savings bank may invest in securities to a specified percent of its paid-up capital and surplus, or savings deposits, shall not apply to investments authorized by the terms of this section.

SEC. 11. Section 3396 of said code is amended to read:

Misrepresentation of investments prohibited

3396. No person shall represent by advertisement, circular, or otherwise, or in any manner mislead anyone to believe, that any securities are legal investments for savings banks in this State or conform to the requirements of law relating to such investments, unless such securities are in fact at such time legal investments for such banks or do in fact so conform to such requirements or, unless such person, in making such representation, has acted in good faith and in reliance upon a certificate issued by the superintendent pursuant to Section 1371 issued within one year, upon published reports of the public or private corporations issuing such securities, upon information furnished by a public official in his official capacity or upon information furnished by any established statistical agency approved for this purpose by the superintendent. Any person violating the provisions of this section shall be guilty of a misdemeanor and shall be punishable by a fine of not more than one thousand dollars ($1,000) or by imprisonment in a county jail not exceeding one year, or by both such fine and imprisonment.

Penalty

NOTE: The sections of the Financial Code affected by this chapter appear in their proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 23. Sections 12 to 22, inclusive, of this act become operative only if Division 1 of the Financial Code is enacted by

Effect Stats 1951, Ch 364

the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 1 takes effect, at which time Sections 1356, 1357, 1359, 1362, 1363, 1364, 1366, 1367, 1371, and 3396 of the Banking Code as amended by this act, and Section 1371 added to the Banking Code by this act are repealed.

Nothing in this act shall be deemed to repeal or otherwise affect the provisions of Chapters 107 and 108 of the Statutes of 1951.

CHAPTER 481

An act to amend Section 11792 of the Insurance Code, relating to the Revolving Fund of the State Compensation Insurance Fund.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11792 of the Insurance Code is amended to read:

Revolving fund

11792. The board of directors may, with the approval of the State Department of Finance, withdraw from the State Compensation Insurance Fund in the State Treasury, without at the time presenting vouchers and itemized statements, a sum not to exceed in the aggregate two million dollars ($2,000,000) to be used as a cash revolving fund. Such revolving fund shall be deposited in such banks and under such conditions as the board of directors determines, with the approval of the State Department of Finance. To be eligible to receive or retain a deposit, a bank shall deposit with the Treasurer as security for the deposit, securities specified in Government Code Section 16522, in an amount in value at least 10 percent in excess of the amount to be or deposited with the bank. The Controller shall draw his warrants in favor of the State Compensation Insurance Fund Revolving Fund for the amounts so withdrawn, and the Treasurer shall pay such warrants.

CHAPTER 482

An act to add Section 1190.1 to the Civil Code, relating to the acknowledgment of instruments.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1190.1 is added to the Civil Code, to read:

Certificate of acknowledgment

1190.1. The certificate of acknowledgment of an instrument executed by a corporation, foreign or domestic, by its president or vice president and secretary or assistant secretary other than an instrument conveying or otherwise transferring

all, or substantially all, the assets of the corporation, may contain, in addition to the matters set forth in Section 1190 of this code, a statement substantially in the following form: "and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors"; and such recital shall be prima facie evidence that such instrument is the act of the corporation, and that it was duly executed pursuant to authority duly given by its by-laws or the board of directors, and conclusive evidence of such matters in favor of any good faith purchaser, lessee or encumbrancer.

CHAPTER 483

An act to amend Section 103½ of the Code of Civil Procedure, relating to justice's clerks in cities and towns.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 103½ of the Code of Civil Procedure is amended to read:

Court clerks

103½. Every city justice's court in any city or town of the second and one-fourth, second and three-eighths, and second and three-fourths classes shall have a clerk. Every city justice's court in any city or town of the second and three-eighths class and the second and one-half class where there is a police court or other inferior court organized under the city charter shall have one clerk. Every city justice's court in any city or town of the second and three-eighths class where there is no police court or other inferior court organized under the city charter shall have one clerk and two deputy clerks. Every city justice's court in any city or town of the second and one-half class where there is no police court or other inferior court organized under the city charter shall have one clerk and nine deputy clerks and one file clerk. Every city justice's court in any city or town of the third class shall have one clerk, one assistant clerk, one deputy clerk, and such additional deputy clerks as the legislative body of such city shall provide. Said clerks shall be respectively appointed by the justice of the peace of said court and shall hold office during the pleasure of said justice. Said clerks and deputy clerks shall each give a bond in the sum of five thousand dollars ($5,000) with at least two sureties to be approved by the mayor or, if the clerk's salary is paid by the county, to be approved as provided for county officers, conditioned for the faithful discharge of the duties of their office. They shall keep a record of the proceedings of said court and issue all process ordered by the justice of said court. The clerk of said court or a deputy clerk in the discretion of the justice of the peace, shall receive and pay into the city treasury, or into the county treasury if the salary of the clerk is paid by

Same

the county, all fines, forfeitures and fees paid into said court, and shall render each month to the city council or county board of supervisors where the salary of the clerk is paid by the county an exact account under oath of all fines, forfeitures and fees paid and collected. Said clerks and deputy clerks shall prepare bonds, justify bail when the amount has been fixed by the court or justice and may administer and certify oaths, and shall remain in the courtrooms of said court during court hours and during such reasonable times thereafter as may be necessary for the proper performance of their duty. The clerk of the court shall have custody of all records and papers of said justice's court. Every clerk of the justice's court in any city or town of the second and one-fourth class shall receive a salary of one thousand six hundred dollars ($1,600) per annum. Every clerk of the justice's court in any city or town of the second and one-half class, where there is a police court or other inferior court organized under the city charter, shall receive an annual salary of two thousand one hundred dollars ($2,100). Every clerk of the justice's court in any city or town of the second and three-eighths class, where there is a police court or other inferior court organized under the city charter, shall receive an annual salary of two thousand two hundred five dollars ($2,205). Every clerk of the justice's court in any city or town of the second and three-eighths class where there is no police court or other inferior court organized under the city charter, shall receive an annual salary of two thousand seven hundred dollars ($2,700), and every clerk of the justice's court in any city or town of the second and one-half class where there is no police court or other inferior court organized under the charter, shall receive an annual salary of six thousand dollars ($6,000), and the deputy clerks of said city or town shall each receive an annual salary of three thousand three hundred dollars ($3,300) and the file clerk shall receive an annual salary of two thousand four hundred dollars ($2,400). Every clerk of the justice's court in any city or town of the second and three-fourths class shall receive an annual salary of two thousand seven hundred dollars ($2,700). Every clerk of the justice's court of any city or town of the third class shall receive an annual salary of four thousand two hundred dollars ($4,200), every assistant clerk shall receive an annual salary of three thousand six hundred sixty dollars ($3,660), the deputy clerk shall receive an annual salary of three thousand dollars ($3,000), and every additional deputy clerk provided by the city and appointed by the justice of the peace shall receive such salary as may be authorized by the legislative body of such city; said salaries shall respectively be payable in equal monthly installments by warrants drawn each month upon the salary fund, or if there be no salary fund, then upon the general fund, of such city or county as the case may be, such warrants to be audited and paid as salaries of any other city or county officials respectively, and said salaries shall be the full compensation for all services rendered by the clerks of said courts.

CHAPTER 484

An act to amend Sections 3720, 3721, 3724, 3793.5, and 3808 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3720 of the Revenue and Taxation Code is amended to read:

3720. On receipt of the duplicate report of sale, the auditor shall mail a copy of it to the secretary or clerk of the governing board of each taxing agency, not also a revenue district, and other than the State and the county, entitled to levy taxes or assessments on the property sold. He shall also enclose a notice for claims, specifying:

Report to other taxing agencies

Notice for claims

(a) A description of the property.

(b) That claims on the amount received from the sale shall be made within 60 days after the mailing of the notice for claims.

Such duplicate copies of report of sale shall be mailed for only those properties on which the taxing agency has consented to sale and thus is entitled to its proper share of the proceeds deposited in the delinquent tax sale trust fund.

SEC. 2. Section 3721 of the Revenue and Taxation Code is amended to read:

3721. On receipt of the notice for claims, the governing board of each such taxing agency, not also a revenue district, having taxes or assessments levied on the property for the fiscal year preceding that in which the property was sold by the State, shall forward a share claim to the county auditor, stating, in detail, the amounts due on the property still unpaid to the taxing agency, claiming their share of the proceeds from the sale as is determined by the distribution made under this division. Such claim shall set out all the municipal and special district tax rates applicable to the deeded property for the fiscal year preceding that in which the property was sold by the State.

Share claims

SEC. 3. Section 3724 of the Revenue and Taxation Code is amended to read:

3724. If the share claims are correct or if settlement is made of all disputed claims relating to any parcel, the board of supervisors shall order the money in the delinquent tax sale trust fund received from the sale of the parcel to be distributed under this division among the taxing agencies having filed share claims. There shall also be distributed to the State of California its share of the money received from the sale of the parcel. The auditor shall draw and mail warrants on the delinquent tax sale trust fund in accordance with the order, and the State's share shall be included in the next semiannual settlement between the county and the State.

Distribution

Where the county assesses and collects taxes for a taxing agency which is also a revenue district, such taxing agency shall receive its share of the proceeds from any sale as distributed under Chapter 1.3, Part 8, Division 1, of this code, without the necessity of their receiving a copy of the report of sale or of submitting a share claim.

SEC. 4. Section 3793.5 of the Revenue and Taxation Code is amended to read:

Terms of agreement

3793 5. The terms of any agreement under this chapter may include but are not limited to provisions for the pro rata division to all the taxing agencies entitled thereto, after deduction of the taxing agency's expenses of purchase and sale, of the proceeds of a sale of the property by the taxing agency. If provisions for the pro rata division of the proceeds of a sale of the property by the taxing agency are included in an agreement under this chapter, the agreement shall require the taxing agency to sell the property to a private purchaser within two years after the execution of the deed to the taxing agency, which period may be extended by resolution for a reasonable length of time by the board of supervisors. Upon the granting of an extension, notice thereof shall be given by the clerk of the board to the tax collector and the Controller.

In instances where the contracting taxing agency is one which collects its own taxes it shall be permitted to deduct its pro rata portion of the net proceeds of sale prior to the payment of such proceeds to the county for division among the other taxing agencies.

If such deduction of its pro rata share of the net proceeds is not so made, then the contracting taxing agency shall submit with the payment of proceeds to the county, all its tax rates adopted and applicable to the property sold for the fiscal year preceding the date of sale to the private purchaser. The tax rates so submitted shall be used in conjunction with tax rates of other funds applicable to the property for the corresponding year, in making the pro rata division of the proceeds by the county.

"Pro rata division"

. By "pro rata division" is meant the division of the net proceeds in the manner provided by Chapter 1.3, Part 8, Division 1, of this code.

SEC. 5. Section 3808 of the Revenue and Taxation Code is amended to read:

Payment

3808. Any payment required by an agreement under this article shall be made to the county tax collector and shall be distributed under this division among the county and the revenue districts, which have levied tax rates applicable to the deeded property for the fiscal year preceding that in which the property was sold by the State, including any revenue district purchasing the property unless the agreement with such revenue district provides otherwise.

CHAPTER 485

An act to amend Sections 2921.5 and 2922 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2921.5 of the Revenue and Taxation Code is amended to read:

2921.5. Taxes on unsecured property as defined in Section 134, subparagraph (b) of this code shall be transferred from the "secured roll" to the "unsecured roll" of the corresponding year by the county auditor at the same time the taxes are canceled on the real estate, and shall be collected in the same manner as other delinquent taxes on the "unsecured roll"; provided, that no delinquent penalty shall attach to such taxes so transferred, except to those taxes which carried delinquent penalty on the secured roll at time the real estate involved was acquired by a political subdivision.

Transfer of taxes on unsecured property

SEC. 2. Section 2922 of the Revenue and Taxation Code is amended to read:

2922. Taxes on the unsecured roll if unpaid are delinquent August 31st at 5 p.m., regardless of when the property is discovered and assessed, and thereafter a delinquent penalty of 8 percent attaches to them; provided, that taxes transferred to the unsecured roll under Section 2921.5 of this code shall not be subject to such 8 percent penalty, except where such taxes carried delinquent penalty on the "secured roll" at time the real estate involved was acquired by a political subdivision. If August 31st falls on Saturday, the hour of delinquency is 12 m.

Taxes on unsecured roll Delinquent date

CHAPTER 486

An act to repeal Section 263 and to amend Sections 256, 257, 258 of, and to add Section 258.5 to, the Health and Safety Code, and to provide for the reversion to the General Fund of the unexpended balance of the Physically Defectives' Revolving Fund, relating to physically handicapped children.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 263 of the Health and Safety Code is hereby repealed.

SEC. 2. Section 256 of the Health and Safety Code is amended to read:

256. The authorization, together with duplicate original written diagnoses, shall be presented to the state department. Upon receipt of the authorization the department shall furnish such services for the child as in its judgment are necessary and proper. All expenses for services shall be advanced by the state

Authorization

department out of any appropriation available by law for expenditure for services to physically handicapped children, in accordance with the provisions of Article 2 of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code.

SEC. 3. Section 257 of the Health and Safety Code is amended to read:

Audit, etc., of claim

257. The board of supervisors shall audit and approve an itemized claim for the expenses of the services furnished under the authority of the authorization. The county auditor shall then issue a warrant for the amount of the claim payable to the state department, and the county treasurer shall pay it. The state department shall credit the amount received to the appropriation from which it was advanced.

SEC. 4. Section 258 of the Health and Safety Code is amended to read:

Payment without authorization

258. The state department may, without the possession of an authorization, pay the expenses for services required by any physically handicapped child out of any funds received by it through gift, devise, or bequest or from private, state, federal or other grant or source.

SEC. 5. Section 258.5 is added to the Health and Safety Code, to read:

Payments for nonresident children

258.5. Upon the request of another state or of a federal agency, it may pay the expenses of services required by any physically handicapped child, who is not a resident of this State; provided, that the cost of such services is fully covered by special grants or allotments received from such state or federal agency for that purpose.

This section shall remain in effect until the ninety-first day after final adjournment of the 1953 Regular Session of the Legislature.

Transfer of balance

SEC. 6. On order of the State Controller, the unexpended balance of the Physically Defectives' Revolving Fund on the effective date of this act shall be transferred to the General Fund.

CHAPTER 487

An act to amend Section 5061 of, and to add Sections 5062, 5063, 5064, 5065, and 5066 to, the Penal Code; to amend Sections 166 and 1015 of, and to add Sections 166.1, 166.2, 166.3, 166.4, 166.5, 1016, 1017, 1018, 1019, and 1020 to, the Welfare and Institutions Code, relating to the disposition of unclaimed property of deceased, discharged, escaped or paroled prisoners and inmates of state institutions subject to the jurisdiction of the Director of Corrections, Department of Mental Hygiene, and Youth Authority.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5061 of the Penal Code is amended to read:

5061. Whenever any person confined in any state institution subject to the jurisdiction of the Director of Corrections dies, and any personal funds or property of such person remains in the hands of the Director of Corrections, and no demand is made upon said director by the owner of the funds or property or his legally appointed representative, the director shall hold and dispose of such funds or property as follows: Disposition of personal fund, etc., upon death

If such decedent leaves a will, the director shall, within 30 days after the date of death of the decedent, deliver such will to the clerk of the superior court having jurisdiction of the estate; and if an executor is named in the will, the director shall furnish him written notice of the delivery of the will as herein provided.

All money or other personal property of the decedent remaining in the custody or possession of the director shall be held by him for a period of three years from the date of death of the decedent, for the benefit of the heirs, legatees, or successors in interest of such decedent.

Upon the expiration of said three-year period, any money remaining unclaimed in the custody or possession of the director shall be delivered by him to the State Treasurer for deposit in the Estates of Deceased Persons Fund, subject to the provisions of Title 8 of Part 3 of the Code of Civil Procedure.

Upon the expiration of said three-year period, all personal property and documents of the decedent, other than cash, remaining unclaimed in the custody or possession of the director, shall be disposed of as follows:

(a) All deeds, contracts, or assignments shall be filed by the director with the public administrator of the county of commitment of the decedent;

(b) All other personal property shall be sold by the director at public auction and the proceeds of the sale delivered by him to the State Treasurer in the same manner as is herein provided with respect to other unclaimed money of the decedent;

(c) If any personal property of the decedent is not salable at public auction, or if it has no intrinsic value, or if its value is not sufficient to justify the deposit of such property in the State Treasury, the director may order it destroyed;

(d) All other unclaimed personal property of the decedent not disposed of as provided in paragraphs (a), (b), or (c) hereof, shall be delivered by the director to the State Controller for deposit in the State Treasury to the credit of the Estates of Deceased Persons Fund, subject to the provisions of Title 8 of Part 3 of the Code of Civil Procedure.

SEC. 2. Section 5062 is added to the Penal Code, to read:

5062. Whenever any person confined in any state institution subject to the jurisdiction of the Director of Corrections *escapes, or is discharged* or paroled from such institution, and any personal funds or property of such person remains in the hands of the Director of Corrections, and no demand is made upon said director by the owner of the funds or property or his legally appointed representative, all money or other personal property of such person remaining in the custody or possession Property unclaimed after discharge, etc

Same

of the director shall be held by him for a period of three years from the date of such escape, discharge, or parole, for the benefit of such person or his successors in interest.

Upon the expiration of said three-year period, any money remaining unclaimed in the custody or possession of the director shall be delivered by him to the State Treasurer; and upon order of the State Controller, such money shall be deposited in the Special Deposit Fund to the credit of the account in such fund covering unclaimed trust money of the institution from which such person escaped or was discharged or paroled, for the benefit of such person or his successors in interest.

All money deposited in the State Treasury under the provisions of this section shall be subject to the provisions of Article 2 of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code.

Upon the expiration of said three-year period, all personal property and documents of such person, other than cash, remaining unclaimed in the custody or possession of the director, shall be disposed of as follows:

(a) All deeds, contracts or assignments shall be filed by the director with the public administrator of the county of commitment of such person;

(b) All securities shall be delivered by the director to the State Controller for deposit in the State Treasury; and when so deposited, shall be held in the name of the account in the Special Deposit Fund covering unclaimed trust money of such institution, for the benefit of the owner or his successors in interest. For the purposes of this section, "securities" means stocks, bonds, notes, debentures, and any other written evidence of ownership or indebtedness. When any such securities have been deposited in the State Treasury as herein provided, the State Controller shall have all of the powers, with respect to such securities, that are necessary in order to safeguard and conserve the interests of all parties, including the State, having any vested or expectant interest in such securities; and he shall, with respect to such securities, have all of the powers which are vested in him by the provisions of Title 8 of Part 3 of the Code of Civil Procedure with respect to the classes of unclaimed property covered by said Title 8; provided, however, that all money derived from the sale or conversion into cash of such securities shall, on order of the State Controller, be deposited in the Special Deposit Fund to the credit of the same account as is herein provided with respect to unclaimed money in the possession of the Director of the Department of Corrections. All such securities, and the proceeds thereof, shall be subject to the provisions of Article 2 of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, and if unclaimed, shall revert to the General Fund as therein provided;

(c) All personal property other than the classes covered by paragraphs (a) and (b) hereof shall be sold by the director at public auction and the proceeds of the sale delivered by the director to the State Treasurer in the same manner as is herein

provided with respect to other unclaimed money of escaped, discharged or paroled persons;

(d) If any personal property covered by paragraph (c) of this section is not salable at public auction, or if it has no intrinsic value, or if its value is not sufficient to justify its retention by the director to be offered for sale at public auction at a later date, the director may order it destroyed.

SEC. 3. Section 5063 is added to the Penal Code, to read:

Notice of delivery, etc

5063. Before any money or other personal property or documents are delivered to the State Treasurer, State Controller, or public administrator, or sold at auction, or destroyed, under the provisions of Section 5061 or 5062, notice of said intended disposition shall be posted at least 30 days prior to the disposition, in a public place at the institution where the disposition is to be made, and a copy of such notice shall be mailed to the last known address of the owner or deceased owner, at least 30 days prior to such disposition.

SEC. 4. Section 5064 is added to the Penal Code, to read:

Schedule of property delivered

5064. At the time of delivering any money or other personal property to the State Treasurer or State Controller under the provisions of Section 5061 or 5062, the director shall deliver to the State Controller a schedule setting forth a statement and description of all money and other personal property delivered, the name of the owner or deceased owner, his last known address, the date of his death, escape, discharge, or parole, and the name of the county from which he was committed.

SEC. 5. Section 5065 is added to the Penal Code, to read:

Suit prohibited

5065. When any personal property has been destroyed as provided in Section 5061 or 5062, no suit shall thereafter be maintained by any person against the State or any officer thereof for or on account of such property.

SEC. 6. Section 5066 is added to the Penal Code, to read:

Application

5066. Notwithstanding any other provision of law, the provisions of Sections 5061 and 5062 shall apply to all money and other personal property delivered to the State Treasurer or State Controller prior to the effective date of said sections, which would have been subject to the provisions of said sections if they had been in effect on the date of such delivery.

SEC. 7. Section 166 of the Welfare and Institutions Code is amended to read:

Unclaimed personal property of decedent

166. Whenever any person confined in any state institution subject to the jurisdiction of the Department of Mental Hygiene dies, and any personal funds or property of such person remains in the hands of the superintendent thereof, and no demand is made upon said superintendent by the owner of the funds or property or his legally appointed representative, all money or other personal property of such decedent remaining in the custody or possession of the superintendent thereof shall be held by him for a period of three years from the date of death of the decedent, for the benefit of the heirs, legatees, or successors in interest of such decedent.

Upon the expiration of said three-year period, any money remaining unclaimed in the custody or possession of the superintendent shall be delivered by him to the State Treasurer for deposit in the Estates of Deceased Persons Fund, subject to the provisions of Title 8 of Part 3 of the Code of Civil Procedure.

Upon the expiration of said three-year period, all personal property and documents of the decedent, other than cash, remaining unclaimed in the custody or possession of the superintendent, shall be disposed of as follows:

(a) All deeds, contracts or assignments shall be filed by the superintendent with the public administrator of the county of commitment of the decedent;

(b) All other personal property shall be sold by the superintendent at public auction and the proceeds of the sale delivered by him to the State Treasurer in the same manner as is herein provided with respect to other unclaimed money of the decedent;

(c) If any personal property of the decedent is not salable at public auction, or if it has no intrinsic value, or if its value is not sufficient to justify the deposit of such property in the State Treasury, the superintendent may order it destroyed;

(d) All other unclaimed personal property of the decedent not disposed of as provided in paragraphs (a), (b), or (c) hereof, shall be delivered by the superintendent to the State Controller for deposit in the State Treasury to the credit of the Estates of Deceased Persons Fund, subject to the provisions of Title 8 of Part 3 of the Code of Civil Procedure.

SEC. 8. Section 166.1 is added to the Welfare and Institutions Code, to read:

Property unclaimed after discharge, etc

166.1. Whenever any person confined in any state institution subject to the jurisdiction of the Department of Mental Hygiene escapes, or is discharged or paroled from such institution, and any personal funds or property of such person remains in the hands of the superintendent thereof, and no demand is made upon said superintendent by the owner of the funds or property or his legally appointed representative, all money or other personal property of such person remaining in the custody or possession of the superintendent thereof shall be held by him for a period of three years from the date of such escape, discharge, or parole, for the benefit of such person or his successors in interest; provided, however, that unclaimed personal funds or property of paroled minors may be exempted from the provisions of this section during the period of their minority and for a period of one year thereafter, at the discretion of the Director of Mental Hygiene.

Upon the expiration of said three-year period, any money remaining unclaimed in the custody or possession of the superintendent shall be delivered by him to the State Treasurer; and upon order of the State Controller, such money shall be deposited in the Special Deposit Fund to the credit of the account in such fund covering unclaimed trust money of the institution from which such person escaped or was discharged

or paroled, for the benefit of such person or his successors in interest. Same

All money deposited in the State Treasury under the provisions of this section shall be subject to the provisions of Article 2 of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code.

Upon the expiration of said three-year period, all personal property and documents of such person, other than cash, remaining unclaimed in the custody or possession of the superintendent, shall be disposed of as follows:

(a) All deeds, contracts or assignments, shall be filed by the superintendent with the public administrator of the county of commitment of such person;

(b) All securities shall be delivered by the superintendent to the State Controller for deposit in the State Treasury; and when so deposited, shall be held in the name of the account in the Special Deposit Fund covering unclaimed trust money of such institution, for the benefit of the owner or his successors in interest. For the purposes of this section, "securities" means stocks, bonds, notes, debentures, and any other written evidence of ownership or indebtedness. When any such securities have been deposited in the State Treasury as herein provided, the State Controller shall have all of the powers, with respect to such securities, that are necessary in order to safeguard and conserve the interests of all parties, including the State, having any vested or expectant interest in such securities; and he shall, with respect to such securities, have all of the powers which are vested in him by the provisions of Title 8 of Part 3 of the Code of Civil Procedure with respect to the classes of unclaimed property covered by said Title 8; provided, however, that all money derived from the sale or conversion into cash of such securities shall, on order of the State Controller, be deposited in the Special Deposit Fund to the credit of the same account as is herein provided with respect to unclaimed money in the possession of the superintendent. All such securities, and the proceeds thereof, shall be subject to the provisions of Article 2 of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, and if unclaimed, shall revert to the General Fund as therein provided;

(c) All personal property other than the classes covered by paragraphs (a) and (b) hereof shall be sold by the superintendent at public auction and the proceeds of the sale delivered by the superintendent to the State Treasurer in the same manner as is herein provided with respect to other unclaimed money of escaped, discharged or paroled persons;

(d) If any personal property covered by paragraph (c) of this section is not salable at public auction, or if it has no intrinsic value, or if its value is not sufficient to justify its retention by the superintendent to be offered for sale at public auction at a later date, the superintendent may order it destroyed.

SEC. 9. Section 166.2 is added to the Welfare and Institutions Code, to read:

Notice of delivery, etc.

166.2. Before any money or other personal property or documents are delivered to the State Treasurer, State Controller, or public administrator, or sold at auction, or destroyed, under the provisions of Section 166 or 166.1, notice of said intended disposition shall be posted at least 30 days prior to the disposition, in a public place at the institution where the disposition is to be made, and a copy of such notice shall be mailed to the last known address of the owner or deceased owner, at least 30 days prior to such disposition.

SEC. 10. Section 166.3 is added to the Welfare and Institutions Code, to read:

Schedule of delivery

166.3. At the time of delivering any money or other personal property to the State Treasurer or State Controller under the provisions of Section 166 or 166.1, the superintendent shall deliver to the State Controller a schedule setting forth a statement and description of all money and other personal property delivered, the name of the owner or deceased owner, his last known address, the date of his death, escape, discharge, or parole, and the name of the county from which he was committed.

SEC. 11. Section 166.4 is added to the Welfare and Institutions Code, to read:

Suit prohibited

166.4. When any personal property has been destroyed as provided in Section 166 or 166.1, no suit shall thereafter be maintained by any person against the State or any officer thereof for or on account of such property.

SEC. 12. Section 166.5 is added to the Welfare and Institutions Code, to read:

Application

166.5. Notwithstanding any other provision of law, the provisions of Sections 166 and 166.1 shall apply to all money and other personal property delivered to the State Treasurer or State Controller prior to the effective date of said sections, which would have been subject to the provisions of said sections if they had been in effect on the date of such delivery.

SEC. 13. Section 1015 of the Welfare and Institutions Code is amended to read:

Disposition of unclaimed funds

1015. Whenever any person confined in any state institution subject to the jurisdiction of the Youth Authority dies, and any personal funds or property of such person remains in the hands of the Director of the Youth Authority, and no demand is made upon said director by the owner of the funds or property or his legally appointed representative, all money or other personal property of such decedent remaining in the custody or possession of the Director of the Youth Authority shall be held by him for a period of three years from the date of death of the decedent, for the benefit of the heirs, legatees, or successors in interest of such decedent.

Upon the expiration of said three-year period, any money remaining unclaimed in the custody or possession of the director shall be delivered by him to the State Treasurer for deposit

in the Estates of Deceased Persons Fund, subject to the provisions of Title 8 of Part 3 of the Code of Civil Procedure.

Upon the expiration of said three-year period, all personal property and documents of the decedent, other than cash, remaining unclaimed in the custody or possession of the director shall be disposed of as follows:

(a) All deeds, contracts or assignments shall be filed by the director with the public administrator of the county of commitment of the decedent;

(b) All other personal property shall be sold by the director at public auction and the proceeds of the sale delivered by him to the State Treasurer in the same manner as is herein provided with respect to other unclaimed money of the decedent;

(c) If any personal property of the decedent is not salable at public auction, or if it has no intrinsic value, or if its value is not sufficient to justify the deposit of such property in the State Treasury, the director may order it destroyed;

(d) All other unclaimed personal property of the decedent not disposed of as provided in paragraphs (a), (b), or (c) hereof, shall be delivered by the director to the State Controller for deposit in the State Treasury to the credit of the Estates of Deceased Persons Fund, subject to the provisions of Title 8 of Part 3 of the Code of Civil Procedure.

SEC. 14. Section 1016 is added to the Welfare and Institutions Code, to read:

Property unclaimed after discharge, etc

1016. Whenever any person confined in any state institution subject to the jurisdiction of the Youth Authority escapes, or is discharged or paroled from such institution, and any personal funds or property of such person remains in the hands of the Director of the Youth Authority, and no demand is made upon said director by the owner of the funds or property or his legally appointed representative, all money or other personal property of such person remaining in the custody or possession of the Director of the Youth Authority shall be held by him for a period of three years from the date of such escape, discharge, or parole, for the benefit of such person or his successors in interest; provided, however, that unclaimed personal funds or property of paroled minors may be exempted from the provisions of this section during the period of their minority and for a period of one year thereafter, at the discretion of the director.

Upon the expiration of said three-year period, any money remaining unclaimed in the custody or possession of the director shall be delivered by him to the State Treasurer; and upon order of the State Controller, such money shall be deposited in the Special Deposit Fund to the credit of the account in such fund covering unclaimed trust money of the institution from which such person escaped or was discharged or paroled, for the benefit of such person or his successors in interest.

All money deposited in the State Treasury under the provisions of this section shall be subject to the provisions of Article 2 of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code.

Same

Upon the expiration of said three-year period, all personal property and documents of such person, other than cash, remaining unclaimed in the custody or possession of the director shall be disposed of as follows:

(a) All deeds, contracts or assignments shall be filed by the director with the public administrator of the county of commitment of such person;

(b) All securities shall be delivered by the director to the State Controller for deposit in the State Treasury; and when so deposited, shall be held in the name of the account in the Special Deposit Fund covering unclaimed trust money of such institution, for the benefit of the owner or his successors in interest. For the purposes of this section, "securities" means stocks, bonds, notes, debentures, and any other written evidence of ownership or indebtedness. When any such securities have been deposited in the State Treasury as herein provided, the State Controller shall have all of the powers, with respect to such securities, that are necessary in order to safeguard and conserve the interests of all parties, including the State, having any vested or expectant interest in such securities; and he shall, with respect to such securities, have all of the powers which are vested in him by the provisions of Title 8 of Part 3 of the Code of Civil Procedure with respect to the classes of unclaimed property covered by said Title 8; provided, however, that all money derived from the sale or conversion into cash of such securities shall, on order of the State Controller, be deposited in the Special Deposit Fund to the credit of the same account as is herein provided with respect to unclaimed money in the possession of the Director of the Youth Authority. All such securities and the proceeds thereof, shall be subject to the provisions of Article 2 of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, and if unclaimed, shall revert to the General Fund as therein provided;

(c) All personal property other than the classes covered by paragraphs (a) and (b) hereof shall be sold by the director at public auction and the proceeds of the sale delivered by the director to the State Treasurer in the same manner as is herein provided, with respect to unclaimed money of escaped, discharged or paroled persons;

(d) If any personal property covered by paragraph (c) of this section is not salable at public auction, or if it has no intrinsic value, or if its value is not sufficient to justify its retention by the director to be offered for sale at public auction at a later date, the director may order it destroyed.

SEC. 15. Section 1017 is added to the Welfare and Institutions Code, to read:

Notice of delivery, etc

1017. Before any money or other personal property or documents are delivered to the State Treasurer, State Controller, or public administrator, or sold at auction, or destroyed, under the provisions of Section 1015 or 1016, notice of said intended disposition shall be posted at least 30 days prior to the disposition, in a public place at the institution where the disposition is

to be made, and a copy of such notice shall be mailed to the last known address of the owner or deceased owner, at least 30 days prior to such disposition.

SEC. 16. Section 1018 is added to the Welfare and Institutions Code, to read:

1018. At the time of delivering any money or other personal property to the State Treasurer or State Controller under the provisions of Section 1015 or 1016, the director shall deliver to the State Controller a schedule setting forth a statement and description of all money and other personal property delivered, the name of the owner or deceased owner, his last known address, the date of his death, escape, discharge, or parole, and the name of the county from which he was committed. Schedule of delivery

SEC. 17. Section 1019 is added to the Welfare and Institutions Code, to read:

1019. When any personal property has been destroyed as provided in Section 1015 or 1016, no suit shall thereafter be maintained by any person against the State or any officer thereof for or on account of such property. Suit prohibited

SEC. 18. Section 1020 is added to the Welfare and Institutions Code, to read:

1020. Notwithstanding any other provision of law, the provisions of Sections 1015 and 1016 shall apply to all money or other personal property delivered to the State Treasurer or State Controller prior to the effective date of said sections, which would have been subject to the provisions of said sections if they had been in effect on the date of such delivery. Application

SEC. 19. This act shall not become operative if a new Title 10 of Part 3 of the Code of Civil Procedure is enacted by the Legislature at its 1951 Regular Session; and in such case, Sections 1 to 18, inclusive, of this act are repealed at the same time as said new Title 10 of Part 3 of said code takes effect. Effect Stats. 1951, Ch. 1708

CHAPTER 488

An act to amend Section 18 of the County Waterworks District Act, relating to the government of the district. Stats. 1913, p. 785, amended

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18 of the County Waterworks District Act is amended to read:

Sec. 18. A petition signed by a majority of the water users of any waterworks district may be presented to the board of supervisors of the county having jurisdiction over said waterworks district requesting that a board of directors be appointed for the district and who shall operate and manage the district in lieu of the board of supervisors. Upon receiving such petition, the board of supervisors shall set the same for hearing at a regular meeting of the board and give notice of the time and place of Petition for appointment of board of directors

said hearing by causing notices thereof to be posted in three public places in the district at least 30 days before the date of hearing and a copy thereof published, in a newspaper of general circulation printed and published in said district, for at least two weeks prior to the date set for hearing, if there is a newspaper of general circulation printed and published in said district.

At the time fixed for the hearing, the board of supervisors shall hear all persons appearing for and against the matter and at the conclusion thereof the board of supervisors shall determine whether or not it is for the best interests of the district to appoint a board of directors, and in the event the board determines in favor of the petition, it shall appoint five directors for the district and shall designate two of them to hold office for two years and three of them to hold office for four years. Each director so appointed shall be a registered voter and the owner of real property in the district.

Any vacancies occurring shall be filled by the appointment of the board of supervisors for the unexpired term. When any such board of directors is appointed and they have qualified by filing an oath of office with the clerk of the board of supervisors, then the board of directors shall succeed to and have all the powers heretofore conferred upon the board of supervisors in reference to said waterworks district. The board of supervisors shall have no further jurisdiction thereof excepting the appointment of the board of directors. Except for the first board of directors appointed, the term of each member of the board of directors shall be for four years. At the expiration of a term, the board of supervisors shall make an appointment for the new term.

The board of directors shall appoint a clerk who shall perform all of the duties pertaining to the district theretofore required to be performed by the clerk of the board of supervisors and such other duties as may be imposed upon him by the board of directors. The clerk shall receive such compensation as the board of directors shall determine and shall serve at the pleasure of the board. No director shall be eligible to the position of clerk.

CHAPTER 489

An act to amend Section 271 of the Banking Code and Section 271 of the Financial Code, relating to assessments upon national banks by the Superintendent of Banks.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 271 of the Banking Code is amended to read:

Assessment

271. The superintendent shall annually collect from national banking associations operating trust departments in

this State an annual assessment to meet expenses of the department not exceeding one one-hundredth of 1 percent of the amount required by law to be deposited with the State Treasurer as surety for the faithful performance and execution of all court and private trusts accepted by them.

NOTE: The section of the Financial Code affected by this chapter appears in its proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 3. Section 2 of this act becomes operative only if Division 1 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case, at the same time as said division takes effect, at which time Section 1 of this act is hereby repealed. Effect Stats 1951, Ch 364

CHAPTER 490

An act to add Article 3 to Chapter 1 of Part 1 of Division 4 of the Fish and Game Code, relating to reciprocal licenses.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Article 3 is added to Chapter 1 of Part 1 of Division 4 of the Fish and Game Code, to read:

Article 3. Reciprocal Licenses

440. The commission may issue special hunting and sporting fishing licenses in accordance with this article. Special hunting licenses may be issued to any person holding a hunting license issued by the State of Arizona. Such special hunting license shall entitle the holder thereof to take only migratory waterfowl and only in, on, or along the Colorado River in accordance with the applicable state and federal laws and regulations or orders made pursuant thereto. The fee for such license shall be two dollars ($2) and each such license shall be valid until the end of the calendar year in which issued. Special hunting, etc., licenses

441. Special sporting fishing licenses may be issued under this article to any person holding a similar license issued by the State of Arizona. Such special sporting fishing license shall entitle the holder thereof to take fish for other than commercial purposes in those portions of the Colorado River which are within the territorial limits of the State of California in accordance with the applicable state laws and regulations or orders made pursuant thereto. The fee for such license shall be two dollars ($2) and each such license shall be valid until the end of the calendar year in which issued. Same Rights, etc

442. The commission shall prescribe the form and content of all special licenses issued pursuant to this article. The commission may provide by regulation for the issuance of such licenses and the collection and handling of the fees therefor. Same Form, etc

The commission may enter into and perform agreements with any state or local officers of the State of Arizona which it deems necessary or desirable to carry out the purposes of this article.

Operative date

443. The provisions of this article shall become operative when the commission finds and determines that under the laws of the State of Arizona substantially similar licenses are authorized to be issued to licensees of the State of California upon substantially the same terms and conditions as are provided for in this article as to the issuance of licenses to licensees of the State of Arizona.

CHAPTER 491

Stats 1913, p 421, amended

An act to amend Sections 1c and 2b of, to add Sections 2d and 5b to, and to repeal Section 1e of, the Municipal Improvement Act of 1913, relating to special assessment proceedings, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1c of the Municipal Improvement Act of 1913 is amended to read:

Alternative procedure S & H C, § 5000, ff

Sec. 1c. As an alternative procedure for constructing any improvement authorized under said Improvement Act of 1911, the city council may pass a resolution of intention to do such work, such resolution containing a provision that the work shall be instituted when any local, state or national agency or authority accepts the proposed work as a project for which a contribution of labor, or labor and any portion of materials, supplies or equipment will be made by such agency or authority. Under such alternative procedure the work to be done by the contractor shall consist of furnishing all or any part of the labor, materials, supplies and equipment necessary for the construction of the improvements; provided, however, that under such alternative the work may be performed or the labor, material, supplies and equipment furnished in the same manner as provided in Section 14 hereof. Whenever such alternative procedure is adopted, the resolution shall recite that fact and shall state the name of the agency or authority which is to make the contribution and the contribution which is to be made. The resolution shall also state the work to be done by the contractor or by the city. In all other particulars the resolution shall conform to the provisions of Section 2 of this act. However, nothing in this section shall prevent the acceptance of contributions not mentioned in the resolution of intention for any improvements mentioned in this section, and for that purpose Section 5125 of the Streets and Highways Code is incorporated herein by reference thereto.

Repeal

SEC. 2. Section 1e of said act is repealed.

SEC. 3. Section 2b of said act is amended to read:

Sec. 2b. The provisions of the Improvement Act of 1911, as now or hereafter provided, relating to assessments on publicly owned property and railroad property, are incorporated herein by reference thereto. Assessments

SEC. 4. Section 2d is added to said act, to read:

Sec. 2d. The exterior boundaries of the assessment district may be specified and described as provided in the Improvement Act of 1911. Exterior boundaries

SEC. 5. Section 5b is added to said act, to read:

Sec. 5b. The legislative body may make changes in the proceedings upon giving notice and holding a hearing in the manner provided in Section 5a. Changes

SEC. 6. This act is an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

The rapid growth of the population of the State during and since World War II has resulted in increased congestion of people in unincorporated areas which are wholly without adequate sewerage and other local improvements. The State Legislature has found it necessary to require the treatment of sewage before it is deposited in the streams and waters and in the Pacific Ocean. This has resulted in the requirement for greatly increased numbers of sanitary and other local improvement proceedings. In order to adequately provide and administer sanitation and other local improvement affairs in such areas, and to cooperate with the State Board of Public Health and the State Water Pollution Control Board in carrying out their functions, it is necessary that the laws of local improvements be more complete, comprehensive and adequate for such purposes. The provisions of this bill have as their purpose making such laws more comprehensive and it is necessary and urgent that the provisions thereof become law at once.

CHAPTER 492

An act to amend Section 12a of the Code of Civil Procedure, relating to computation of time as to holidays.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 12a of the Code of Civil Procedure is amended to read:

12a. If the last day for the performance of any act provided or required by law to be performed within a specified period of time shall be a holiday, then such period is hereby extended to and including the next day which is not a holiday. "Holiday"

The term "holiday" as used herein shall mean all holidays, other than special or limited holidays, specified in Section 10 of the Political Code, and, to the extent provided in Section 10.2 of the Political Code, all days which by terms of said Section 10.2 are required to be considered as holidays; provided, however, that for a period of time expiring prior to January 1, 1952, time shall be computed and extended in accordance with the provisions of this section as they existed on January 1, 1951.

SEC. 2. Section 12a of said code is amended to read:

Same

12a. If the last day for the performance of any act provided or required by law to be performed within a specified period of time shall be a holiday, then such period is hereby extended to and including the next day which is not a holiday. The term "holiday" as used herein shall mean all holidays specified in Sections 6700 and 6701 of the Government Code and, to the extent provided in Section 12b of this code, all days which by terms of said Section 12b are required to be considered as holidays; provided, however, that for a period of time expiring prior to January 1, 1952, time shall be computed and extended in accordance with the provisions of this section as they existed on January 1, 1951.

Effect Stats 1951, Ch 655

SEC. 3. Section 2 of this act shall become operative only if Sections 10 and 10.2 of the Political Code are repealed by the Legislature at its 1951 General Session, and in such case at the same time as said repeal takes effect, at which time Section 1 of this act is repealed.

CHAPTER 493

An act to amend Sections 3803 and 3807 of the Revenue and Taxation Code, relating to the termination of the right of redemption of tax-deeded property sold to taxing agencies.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 3803 of the Revenue and Taxation Code is amended to read:

Redemption

3803. If all or any portion of the property is redeemed or an installment plan of redemption is initiated within 21 days after the first publication and the mailing of the notice of agreement whichever is later, the agreement is null as to the property redeemed or under the installment plan of redemption.

SEC. 2. Section 3807 of the Revenue and Taxation Code is amended to read:

Same Termination of right

3807. If not previously terminated, all rights to redeem the property from sale to the State are terminated on the date upon which the application for the deed is received or on the date upon which the payment of the purchase price is received in compliance with the terms of the agreement. The deed conveys to the purchaser all the State's interest in the property.

CHAPTER 494

An act to validate certain acts of taxing agencies and revenue districts and of their officers, relating to the taxation of property.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. As used in this act "taxing agency" includes the State, county, and city. "Taxing agency" also includes every district that assesses property for taxation purposes and levies taxes or assessments on the property so assessed. "Taxing agency"

SEC. 2. As used in this act "revenue district" includes every city and district for which the county officers assess property and collect taxes or assessments. "Revenue district"

SEC. 3. Every act and proceeding heretofore taken by any taxing agency or revenue district or the officers thereof relative to the preparation, transmitting, computing, determining or fixing the budget or the tax rate or rates of any taxing agency or revenue district, or to the assessment or equalization of property or to the levy of taxes thereon or to tax sales or certificates of tax sales, tax deeds or other conveyances, are hereby confirmed, validated and declared legally effective. Confirmation, etc., of budget, etc

SEC. 4. (a) This act is limited to the correction of defects, irregularities and ministerial errors which the Legislature originally could have omitted from the statutory requirements of law under which the acts hereby confirmed, validated and declared legally effective were taken. Limitation

(b) This act is limited to the validation of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

SEC. 5. If any provision of this act or its application to any person or circumstances is held invalid, the remainder of the act and the application of its provisions to other persons or circumstances is not affected. Severability clause

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CHAPTER 495

An act to add Section 31030 Article 7, comprising Section 31120, to the Water Code, relating to powers of county water districts.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 31030 is added to the Water Code, to read:

Gov. C., §54300 et seq. Application

31030. The Sanitation, Sewer and Water Revenue Bond Law of 1941 is applicable to districts for the purpose of financing the production, transmission and distribution of water for public or private purposes. The provisions of subdivision (c) of Section 54310 of the Government Code do not apply.

SEC. 2 Article 7 is added to Chapter 1, Part 5, Division 12 of the Water Code, to read:

Article 7. Fire Protection Facilities

Fire protection facilities

31120. A district may acquire, construct, and operate facilities for providing fire protection to the district and its inhabitants, including buildings, engines, hose, hose carts, or carriages, and other appliances and supplies for the full equipment of a fire company or department.

CHAPTER 496

Stats 1913, p 785, amended

An act to add Section 12a to the County Water Works District Act, relating to the powers of the governing boards of county water works districts.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 12a is added to the County Water Works District Act, to read:

Financing production, etc., of water

Sec. 12a. The Sanitation, Sewer and Water Revenue Bond Law of 1941 is applicable to districts for the purpose of financing the production, transmission and distribution of water for public or private purposes. The provisions of subdivision (c) of Section 54310 of the Government Code do not apply.

CHAPTER 497

Stats 1927, p 51 amended

An act to amend Sections 14804 and 14805 of, and to add Section 15104 to, the Financial Code, and to amend Sections 1 and 3 of, and to add Section 23.6 to "An act defining credit unions, providing for their incorporation, powers, management and supervision," approved March 31, 1927, relating to credit unions.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1 of the act cited in the title hereof is amended to read:

Credit union

Section 1. A credit union is a cooperative corporation, organized for the two-fold purpose of promoting thrift among

its members and creating a source of credit for them at legal rates of interest for provident purposes.

Corporations may be incorporated under and by virtue of this act in the same manner as corporations under and by virtue of the General Corporation Law of this State except as otherwise herein provided. The articles of incorporation shall set forth the following: Articles of incorporation

1. The name of the corporation, which shall include the words "credit union." Contents

2. If the corporation be formed without authorized shares of stock the authorized number of members or memberships or that the number thereof is unlimited.

SEC. 2. Section 3 of the act cited in the title is amended to read:

Sec 3. Every credit union shall have the power: Powers

1. To admit to membership, those persons qualified for membership, upon payment of an entrance fee

2. To issue shares to any qualified member and to issue such shares in joint tenancy with any person designated by such member.

3 To charge a reasonable fee for the transfer of its shares.

4. To receive money and accumulate funds to be loaned and to loan the same to members and to execute certificates for the money received, which shall specify the date, amount, rate of interest, and when the principal and interest are payable.

5. To make loans to its members upon such terms and conditions as the by-laws provide and as the credit committee shall approve The rate of interest which may be charged for any loan shall not exceed 1 per centum per month, inclusive of all charges incident to the making of such loan; provided, however, that the cost of any insurance and any cost of acknowledgment, certification, registration, or recordation actually paid by the credit union used in connection with such loan shall not be deemed to be a charge incident to the making of such loan; and, provided further, that a service charge not to exceed twenty-five cents ($0.25) may be made for any loan of fifty dollars ($50) or less which is repaid before the end of the first full month

6. To deposit and invest any money received by it and not loaned to its members as provided in Section 6 and Section 6a of this act.

7. To borrow money from any source in an aggregate amount not to exceed 50 per centum of the paid-in and unimpaired capital and surplus of such corporation.

8. To fine members for failure to meet punctually obligations to such credit union.

9. To expel members, as provided in Section 12 of this act.

10. To impress a lien upon the shares and dividends of any member to the extent of any loans made to him and for any dues or fines payable by him.

11. To cancel the shares of any member who withdraws or is expelled, and apply value thereof to the liquidation of such member's indebtedness to the corporation.

12. To purchase, hold, or sell a lot and building such as shall be necessary for the transaction of the business of the credit union, furniture and fixtures, vaults and other personal property such as may be necessary or proper to carry on its business and no credit union shall hereafter invest more than one-fifth of its paid-in unimpaired capital and surplus in such lot and building and equipment. Any credit union may purchase a lot and building and necessary equipment individually or jointly with other credit unions or affiliated organizations.

13. In addition to the powers herein enumerated, every credit union shall have the general powers conferred upon corporations by the General Corporation Law of this State except as herein otherwise provided.

SEC. 3. Section 23.6 is added to the act cited in the title hereof, to read:

Reduction of liability

Sec. 23.6. Whenever the losses of any such credit union resulting from a depreciation in the value of its securities or otherwise exceed its undivided earnings and reserve fund so that the estimated value of its assets is less than the total amount due its shareholders, the credit union may, by a three-fourths vote of the entire membership at a meeting called to consider the matter order a reduction of the liability to each of its shareholders, so as to divide the loss equitably among such shareholders. If thereafter the credit union shall realize from such assets a greater amount than was fixed in the order of reduction, such excess shall be divided among the shareholders whose assets were reduced, but to the extent of such reduction only.

NOTE: The sections of the Financial Code affected by this chapter appear in their proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch 364

SEC. 7. Sections 4, 5 and 6 of this act become operative only if Division 5 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 5 takes effect, at which time Sections 1, and 3 of the act cited in the title hereof, as amended by this act, and Section 23.6 of the act cited in the title hereof, as added by this act are repealed.

CHAPTER 498

An act to amend Section 6103.5 of the Government Code, relating to filing fees.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6103.5 of the Government Code is amended to read:

6103 5. Whenever a judgment is recovered by the plaintiff or petitioner in any action or proceeding to begin which under the provisions of Section 6103 no filing fee has been paid, other than in a condemnation proceeding, quiet title action, action for the forfeiture of a fish net or nets or action for the forfeiture of an automobile or automobiles, the clerk entering the judgment shall include as a part of such judgment the amount of the filing fee which would have been paid but for Section 6103, designating it as such. When an amount equal to such filing fee is collected upon that judgment, that amount shall be due and payable to the clerk and remittances of the amounts so due shall be made at least quarterly during the year by the fiscal officer of the plaintiff or petitioner in the action or proceeding. No interest shall be computed or charged on the amount of such fee. Filing fees

CHAPTER 499

An act to repeal Section 26907 of the Government Code, relating to the destruction of public records.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 26907 of the Government Code is repealed. Repeal

CHAPTER 500

An act to amend Section 4951 of the Health and Safety Code, relating to revenue bonds.

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4951 of the Health and Safety Code is amended to read:

4951. "District," as used in this chapter, includes city, county, city and county, or any municipal or public corporation or district which is authorized to acquire, construct, own, or operate a sewer system. "District"

CHAPTER 501

An act to amend Sections 2095 and 3011 of, and to add Sections 3013, 3014, and 3015 to, the Banking Code, and to amend Sections 2095 and 3011 of, and to add Sections 3013, 3014, and 3015 to, the Financial Code, relating to conversion of state banks into national banking associations, to the transfer of trust assets upon purchase by a national banking

association, and to continuance of corporate existence upon conversion, merger or consolidation of state banks and national banking associations.

In effect September 22, 1951

[Approved by Governor May 15, 1951. Filed with Secretary of State May 15, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2095 of the Banking Code is amended to read:

Succession to fiduciary relationships

2095. Whenever: (a) a national banking association authorized and qualified to conduct a trust business in this State has been heretofore or is hereafter created by the conversion of a state bank likewise authorized and qualified; or (b) a state bank likewise authorized and qualified has been heretofore or is hereafter created by the conversion of a national banking association likewise authorized and qualified; or (c) one or more national banks likewise authorized and qualified has been heretofore or is hereafter consolidated with one or more other national banking associations likewise authorized and qualified; or (d) one or more state banks likewise authorized and qualified consolidate with or merge into one or more national banking associations likewise authorized and qualified; or (e) one or more national banking associations likewise authorized and qualified consolidate with or merge into one or more state banks likewise authorized and qualified; or (f) a national banking association authorized and qualified to conduct a trust business in this State purchases or has purchased the trust business and assets of another national banking association or of a bank organized under the laws of this State, the resulting state bank or national banking association, or the purchasing national banking association, as the case may be, ipso facto and by operation of law and without further transfer, substitution, act, or deed succeeds to the rights, obligations, properties, assets, investments, deposits, demands, agreements, and trusts of the former or selling state bank or national banking association under all trusts, executorships, administrations, guardianships, agencies, and under all other fiduciary or representative capacities to the same extent as though it had originally assumed the same and succeeds to and is entitled to take and execute the appointment to all executorships, trusteeships, guardianships, and other fiduciary or representative capacities to which the former or selling state bank or national banking association, as the case may be, is or may be named in wills, whenever probated, or to which the former or selling state bank or national banking association is or may be named or appointed by any other instrument.

SEC. 2. Section 3011 of the Banking Code is amended to read:

Certificate

3011. Whenever (a) a national banking association authorized and qualified to conduct a trust business in this State is created by the conversion of a state bank likewise authorized

and qualified; or (b) a state bank, likewise authorized and qualified, is created by the conversion of a national banking association, likewise authorized and qualified; or (c) one or more national banks, likewise authorized and qualified, are merged with or consolidated into one or more other national banking associations likewise authorized and qualified; or (d) one or more state banks, likewise authorized and qualified, are merged with or consolidated into one or more national banking associations likewise authorized and qualified; or (e) a national banking association authorized and qualified to conduct a trust business in this State purchases or has purchased the trust business and assets of another national banking association or of a bank organized under the laws of this State, there may be executed by the president and secretary or the cashier of the resulting state bank or national banking association or purchasing national banking association, as the case may be, its certificate in substantially the following form: Same

"State of California, }
County of_____} ss.

The undersigned, _____, president, and _____ (secretary or cashier) of _____ (name of bank), being duly sworn, each for himself, certifies as follows:

WHEREAS, The _____ (name of bank) is a (national bank organized under the laws of the United States, or a bank organized under the laws of the State of California, as the case may be); and

WHEREAS, Said _____ (name of bank) was created in the following manner: (by consolidation, merger or conversion, as the case may be) or said _____ (name of bank) purchased the trust business and assets of _____ (name of bank); and

WHEREAS, The _____ (name of bank) is authorized and qualified under the laws of the State of California to conduct a trust business in this State; and

WHEREAS, Said _____ (name of bank) has received from (the comptroller of the currency or the Superintendent of Banks, or both, as the case may be) authorization or approval for the conduct of said business under the name of _____, of which authorization the following is a full, true and correct copy:

(Insert copy of authorization or approvals)

Now, Therefore, It Is Hereby Certified, That the business formerly conducted by _____ has been succeeded to and is now being conducted by _____, with its principal place of business in the (City of _____, County of _____, or city and county, as the case may be)."

Such certificate shall be sworn to and duly acknowledged before a notary public by the persons executing the same.

The recordation of such certificate in the office of the recorder of any county shall be to all persons constructive notice that all of the rights, benefits, privileges, duties, and obligations

of whatsoever kind or nature held or possessed by or imposed upon the bank so converted, merged, consolidated, or whose trust business and assets have been sold, are retained by and imposed upon the successor bank or national banking association. Any such certificate shall be prima facie evidence in all courts and places of the regularity of the proceedings taken and of the fact of such conversion.

SEC. 3. Section 3013 is added to the Banking Code, to read:

Same entity after conversion

3013. Whenever a national banking association has converted into a state bank and whenever a state bank has converted into a national banking association, the resulting state bank or national banking association, as the case may be, shall be deemed the same corporate entity as the bank from which it was converted and any reference to the converting bank in any writing, whether executed or taking effect before or after the conversion, shall be deemed a reference to the converted bank if not inconsistent with the other provisions of such writing.

SEC. 4. Section 3014 is added to the Banking Code, to read:

Same entity after merger

3014. Whenever a state bank or a national banking association has merged into a state bank and whenever a national banking association or state bank has merged into a national banking association the resulting state bank or national banking association, as the case may be, shall be deemed the same corporate entity as the merged bank and any reference to the merged bank in any writing, whether executed or taking effect before or after the merger, shall be deemed a reference to the resulting bank if not inconsistent with the other provisions of such writing.

SEC. 5. Section 3015 is added to the Banking Code, to read:

Same entity after consolidation

3015. Whenever one or more state banks or national banking associations have consolidated into a new state bank or into a new national banking association, the resulting state bank or national banking association, as the case may be, shall be deemed the same corporate entity as the constituent state bank or banks or national banking association or associations, as the case may be, and any reference to the constituent state bank or banks or to the national banking association or associations in any writing, whether executed or taking effect before or after the consolidation, shall be deemed a reference to the resulting bank or national banking association if not inconsistent with the other provisions of such writing.

NOTE: The sections of the Financial Code affected by this chapter appear in their proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch 364

SEC. 11. Sections 6, 7, 8, 9, and 10 of this act become operative only if Division 1 of the Financial Code is enacted by the Legislature at the 1951 Regular Session, and in such case at the same time as said Division 1 takes effect, at which time Sections 1, 2, 3, 4, and 5 of this act are hereby repealed.

CHAPTER 502

An act to amend Section 1203 (b) of the Penal Code, relating to probation and misdemeanor cases.

[Approved by Governor May 16, 1951. Filed with Secretary of State May 16, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1203 (b) of the Penal Code is amended to read:

1203 (b). All courts shall have power to grant probation summarily in misdemeanor cases without referring such cases to the probation officer; provided, however, that unless otherwise ordered by the court persons granted probation summarily shall report only to the court and the probation officer shall not be responsible in any way for supervising or accounting for such persons.

Summary probation

CHAPTER 503

An act to amend Section 6861 of the Harbors and Navigation Code, relating to grants of franchises and leases by river port districts.

[Approved by Governor May 16, 1951. Filed with Secretary of State May 16, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6861 of the Harbors and Navigation Code is amended as follows:

6861. Any grant of a franchise or lease of property of the district shall not be for a longer period than 50 years, and every grant shall provide for a readjustment of the compensation or rentals every 10 years during its term, in accordance with the procedure provided in the ordinances authorizing the grant. Notwithstanding anything herein contained, a district may grant to any common carrier by rail a franchise to operate equipment over any belt railroad, or part thereof, of the district for so long as the district shall own such railroad, and such franchise need not provide for readjustment of compensation therefor during its term.

Term, readjustment provisions

CHAPTER 504

An act to amend Section 6862 of the Harbors and Navigation Code, relating to contracts of river port districts.

[Approved by Governor May 16, 1951. Filed with Secretary of State May 16, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6862 of the Harbors and Navigation Code is amended to read:

6862. Contracts for the doing of any work or the purchase of any supplies, the cost of which exceeds three thousand dollars ($3,000), shall be let by the board, to the lowest responsible bidder.

Contracts exceeding $3,000

Notice of the proposed letting of a contract shall be given by publication at least once in a paper published in the counties in which the district is located, at least five days before the time fixed for opening bids. Bidding shall be by sealed proposals filed with the district, under such rules and regulations as the board prescribes. All bids shall be publicly opened and declared and the award of the contracts shall be made in open session of the board to the lowest and best responsible bidder. The board may reject any and all bids and readvertise in its discretion.

CHAPTER 505

An act to amend Sections 17702 and 17702.5 of the Health and Safety Code, relating to health and safety in housing.

In effect September 22, 1951

[Approved by Governor May 16, 1951. Filed with Secretary of State May 16, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 17702 of the Health and Safety Code is amended to read:

Unlawful sleeping quarters

17702. It is unlawful for any person to use, or to permit another person to use, any of the following portions of a building for sleeping purposes:

(a) Any kitchen, cellar, hallway, water-closet, bath, shower compartment, or slop-sink room.

(b) Any other room or place which does not comply with the provisions of this part, or in which, in the judgment of the enforcement agency, sleeping is dangerous or prejudicial to life or health by reason of an overcrowded condition; a want of light, windows, ventilation, or drainage; dampness; or offensive, obnoxious, or poisonous odors in the room or place.

SEC. 2. Section 17702.5 of the Health and Safety Code is amended to read:

Partitions

17702.5. Every partition in a building separating a kitchen from a room used for sleeping purposes shall extend to the ceiling or, if there is no ceiling, to the roof. Any opening in the partition shall be provided with a standard door; provided, however, that a wall or partition opening not exceeding three feet in width and seven feet in height shall be construed as sufficient separation between any portion of a sleeping room and any other portion thereof that is used for kitchen purposes.

CHAPTER 506

An act to amend Section 19598 of the Business and Professions Code, relating to disposition of unclaimed wager tickets.

In effect September 22, 1951

[Approved by Governor May 16, 1951. Filed with Secretary of State May 16, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 19598 of the Business and Professions Code is amended to read:

19598. From and after the effective date of this section, any person claiming to be entitled to any part of a redistribution from a pari-mutuel pool operated by a licensee under this chapter, who fails to claim the money due him prior to the completion of the racing meet at which such pool was formed, may, within 60 days after the close of such meet file with the board a verified claim in such form as the board shall prescribe setting forth in detail the claim of such person and such other information as may be necessary to identify the particular pool and the amount claimed therefrom. The board shall hear such claim and proof offered in support thereof. Unless the claimant satisfactorily establishes his right to participate in such pool, such claim shall be rejected. If the claim be allowed, the licensee shall upon order of the board pay the same to the claimant. Ninety days after the close of any racing meet hereafter conducted any moneys subjected to this section not theretofore successfully claimed, shall be paid to the board and the board shall immediately pay such money into the State Treasury to the credit of the General Fund.

Presentation of claim after racing meet

CHAPTER 507

An act to amend Sections 16307 and 16308 of the Business and Professions Code, relating to the administration of licensing provisions relating to itinerant merchants.

[Approved by Governor May 16, 1951. Filed with Secretary of State May 16, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 16307 of the Business and Professions Code is amended to read:

16307. "Commission" means the Board of Equalization of the State of California.

"Commission"

The provisions of this chapter shall be administered by the Motor Transportation License Tax Division of the Board of Equalization.

SEC. 2. Section 16308 of said code is amended to read:

16308. "Secretary" means secretary of the Board of Equalization of the State of California.

"Secretary"

SEC. 3. On the operative date of this act, the Board of Equalization shall succeed to and be entitled to the immediate possession and control of all of the records, books, papers, and equipment, used by the Public Utilities Commission in the administration of Chapter 4 of Division 7 of the Business and Professions Code.

Succession by Board of Equalization

SEC. 4. All money available, including money which becomes available after the operative date of this act, for expenditure by the Public Utilities Commission to be used in the administration of Chapter 4 of Division 7 of the Business and Professions Code, shall be available for expenditure by the Board of Equalization.

Available money

Transfer of employees

SEC. 5. All persons, including persons on military leave, other than temporary appointees heretofore serving in the state civil service and engaged in the performance of a function transferred from the Public Utilities Commission to the Board of Equalization, shall remain in the state civil service and are hereby transferred to the Board of Equalization on the operative date of this section, and their status, positions and rights shall not be effected by their transfer and shall continue to be retained by them pursuant to the State Civil Service Act.

Operative date

SEC. 6. This act shall become operative on the first day of the calendar month next succeeding the day on which it takes effect, except that if it takes effect on the first day of a calendar month it shall become operative on that day.

CHAPTER 508

An act to add Section 2208.5 to the Education Code, relating to the powers and duties of the governing boards of city school districts.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2208.5 is added to the Education Code, to read:

Publicity

2208.5. The governing board of any city school district may inform and make known to the citizens of the district, the educational programs and activities of the schools therein.

Nothing in this section shall authorize the preparation or dissemination of information for the purpose of influencing the electors in the district in voting at any school district election or in voting upon any proposition affecting the public schools of the district.

CHAPTER 509

Stats. 1950, p. 255

An act making an appropriation in augmentation of the appropriation in Item 11 of the Budget Act of 1950 for legislative printing, binding, mailing, etc., to take effect immediately.

In effect immediately

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

Appropriation, legislative printing

SECTION 1. The sum of five hundred fifty thousand dollars ($550,000) is hereby appropriated out of the General Fund in the State Treasury in augmentation of Item 11 of the Budget Act of 1950, for legislative printing, binding, mailing, etc., and shall be available without regard to fiscal years.

SEC. 2. This act makes an appropriation for the usual current expenses of the State within the meaning of Article IV of the Constitution and shall go into immediate effect. Current expense

CHAPTER 510

An act to add Section 16271.1 to the Education Code, relating to the use of school busses.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 16271.1 is added to the Education Code, to read:

16271.1. The governing board of any school district may use school busses within the county or counties in which the school district is located to provide transportation for teachers and other school personnel in connection with activities of an educational nature. Transportation of teachers, other personnel

CHAPTER 511

An act to amend Section 27285 of the Government Code, relating to the recording of documents.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 27285 of the Government Code is amended to read:

27285. The following documents may be recorded without acknowledgment or further proof: Acknowledgment unnecessary

(a) Letters patent from the United States or from the State, executed and authenticated pursuant to existing law.

(b) Leases for the development and extraction of minerals, including oil and gas, in which the United States is the lessor, executed on behalf of the United States by the Secretary of the Interior or by any other properly authorized officer or officers.

(c) Copies of interdepartmental letters or decisions of the Department of the Interior or of any duly authorized officer or employee thereof approving assignments or surrenders of such leases or incumbrances thereon or canceling any such leases, certified by the Director of the Bureau of Land Management of the Department of the Interior, or by any duly authorized officer or employee having the custody of such letters of decisions.

(d) Copies of documents filed with the General Land Office of the Department of the Interior or in any district land office executed and acknowledged in a manner which would entitle them to be recorded and by which any interest in such leases or

in the production thereunder is conveyed, assigned, encumbered or quitclaimed, certified by the officer or employee of the Department of the Interior having the custody of such documents.

When a copy of any document so certified is recorded, the record has the same force and effect as though it were the record of the original document.

CHAPTER 512

An act to amend Section 27287 of the Government Code, relating to the recordation of instruments.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 27287 of the Government Code is amended to read:

Acknowledgment required

27287. Unless it belongs to the class provided for in either Sections 27282 to 27286, inclusive, or Sections 1202 or 1203, of the Civil Code, or is a fictitious mortgage or deed of trust as provided in Section 2952 of the Civil Code, before an instrument can be recorded its execution shall be acknowledged by the person executing it, or if executed by a corporation, by its president or secretary or other person executing it on behalf of the corporation, or proved by a subscribing witness or as provided in Sections 1198 and 1199 of the Civil Code, and the acknowledgment or proof certified as prescribed by law.

CHAPTER 513

Amendment

An act to amend Section 11 of an act entitled "An act to restrict the running of dogs at large; to protect livestock from depredation of dogs; to provide for the issuance of dog license tags by counties, and the disposition of funds received as fees therefor; making the violation of the provisions of this act a misdemeanor and providing penalties therefor, and providing for the collection of damages by owners of livestock injured by dogs," (Chapter 757, Statutes of 1921), approved June 3, 1921, relating to the protection of livestock, including rabbits.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11 of the act cited in the title hereof is amended to read:

"Livestock indemnity fund"

Sec. 11. All fees for the issuance of dog license tags and all fines collected under the provisions of this act, shall be paid into the county treasury and shall constitute a fund to be

known as the "livestock indemnity fund," which shall be used: first, to pay fees for the issuance of dog license tags; second, notwithstanding any other provision of this act or of any other law, to pay fees, salaries, costs, expenses, or any or all of them (which the board of supervisors is hereby authorized to do) for the enforcement of this act and all ordinances made pursuant to this act; third, to pay damages to owners of livestock killed by dogs; provided, that each such claim shall be verified by the affidavits of two disinterested witnesses who shall fix the value of such livestock, such affidavits to be executed within four days after the finding of the carcasses of each animal and to establish the fact beyond reasonable doubt that such animal was killed by a dog or dogs. Such claims shall be paid from the fund herein provided in the same manner as other claims against the county are paid. The word "livestock" as used in this section shall include domestic fowls and rabbits.

CHAPTER 514

An act to amend and renumber Section 1714.5 of the Civil Code, relating to negligence as a matter of law, and defenses for acts or omissions in complying with orders or proclamations of military and civil authorities.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1714.5 of the Civil Code, as added by Chapter 895 of the Statutes of 1943, is amended and renumbered to read as follows:

1714.6. The violation of any statute or ordinance shall not establish negligence as a matter of law where the act or omission involved was required in order to comply with an order or proclamation of any military commander who is authorized to issue such orders or proclamations; nor when the act or omission involved is required in order to comply with any regulation, directive, or order of the Governor promulgated under the Civil Defense Act of 1950, or the California Disaster Act. No person shall be prosecuted for a violation of any statute or ordinance when violation of such statute or ordinance is required in order to comply with an order or proclamation of any military commander who is authorized to issue such orders or proclamations; nor shall any person be prosecuted for a violation of any statute or ordinance when violation of such statute or ordinance is required in order to comply with any regulation, directive, or order of the Governor promulgated under the Civil Defense Act of 1950, or the California Disaster Act. The provisions of this section shall apply to such acts or omissions whether occurring prior to or after the effective date of this section.

Civil, criminal liability suspended

Stats 1950 (3d Extra) Sess., Ch 3, M & V C §1500, ff

CHAPTER 515

Stats 1913, p 785, amended

An act to amend Sections 14½ and 11¾ of the County Waterworks District Act, relating to the annexation of territory to county waterworks districts.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 14½ of the County Waterworks District Act is amended to read:

Authorization

Sec. 14½. Any portion or portions of a county containing unincorporated territory, or containing the whole or any portion of one or more incorporated cities and contiguous unincorporated territory, and not included in a county irrigation district or a county waterworks district, may be added to any county waterworks district organized under the provisions of this act, at any time, in the manner herein prescribed.

Petition by landholders

The holder or holders of title, or evidence of title, to one-half or more of the lands sought to be added may file with the board of supervisors a petition in writing praying that said lands be added to the district. The county assessment roll of the county in which the lands sought to be added are situated, which assessment roll has been last equalized at the time the petition is filed, shall be conclusive evidence as to the holders of title, or evidence of title, to said lands.

Description, prayer

The petition, which may consist of any number of separate instruments, shall set forth and describe the boundaries of the proposed addition, or additions, and pray that the lands within such boundaries be added to the district. A certificate of acknowledgment taken before a notary public or justice of the peace of any state, or an affidavit by any person in the presence of whom the petition was signed, shall be sufficient evidence of the genuineness of the signature, or signatures, and the fact of place of residence of each petitioner.

Filing, notice

Upon the filing of said petition, the board of supervisors shall set a time for the hearing thereof, which shall be not less than 15 and not more than 30 days from the date the petition is filed. Notice of the filing of said petition shall be given by the clerk of said board by publishing at least once a week for at least two weeks, in a newspaper printed, published and circulated in the county in which the district is situated, a notice that the petition has been filed, giving the time set for the hearing thereof, and that the petition, together with all written protests filed with said clerk prior to the time set for said hearing, will be heard and passed upon at that time, and that all persons interested therein may then appear and be heard. Said notice shall also contain the text of the petition, but not more than five of the names attached thereto need be published; provided, the number of the total of said names is stated.

At the time fixed for the hearing the board of supervisors shall hear the petition, together with such written protests as shall have been filed as herein provided, by or on behalf of the owners of taxable property situated within the district, or within the proposed addition thereto, and may adjourn such hearing from time to time, not exceeding four weeks in all. Hearing

No defect in the contents of the petition or in the notice, or publication of the notice, shall vitiate any proceedings thereon; provided, such petition, or petitions, have a sufficient number of qualified signatures attached thereto Effect of defect

At said hearing said board may make such changes in the proposed boundaries of the territory sought to be added as may be deemed advisable, but said board shall not modify said boundaries so as to exclude any territory which in its opinion will be benefited by being added to the district. Upon such hearing of said petition, said board shall find as to the sufficiency of said petition and as to whether the addition to the district of the lands as described in the petition, or as the boundaries thereof shall have been modified, will be for the best interests of the district, and its decision thereon shall be final and conclusive. If the board shall find that the addition to the district of the lands as described in the petition, or as the boundaries thereof shall have been modified, will not be for the best interest of the district, it shall reject the petition. Changes in boundaries

At the expiration of the time at which protests may be filed, if none be filed, or if protests be filed and after hearing be denied, then said board shall be deemed to have acquired jurisdiction to further proceed, and the board may grant the petition, in whole or in part, and shall fix the boundaries of the territory sought to be added, and shall, by resolution or ordinance, after having acquired jurisdiction to proceed, provide for and order the holding of a special election in said district and in said proposed addition, to determine whether or not the territory in said proposed addition shall be added to the district. At such election the proposition to be submitted shall be: "Shall the territory described in the resolution of the board of supervisors, adopted on the _____ day of _____, 19___, be added to _____ County Waterworks District No.____?" For the purposes of said election, said board shall in said resolution or ordinance establish one or more precincts within the boundaries of said county waterworks district, and one or more precincts within the boundaries of the territory sought to be added thereto, designate a polling place, and appoint one inspector, one judge and one clerk for each such precinct. In all particulars not recited in such resolution or ordinance, such election shall be held as provided by law for holding general elections in such county. Such resolution or ordinance ordering the holding of said election shall, prior to the date set for said election, be published five times in a daily, or twice in a weekly or semiweekly newspaper of general circulation, printed and published in such county and designated by said board for said purpose. No other notice of said election need be given. Election

If at such election a majority of the votes cast in the district then existing and a majority of the votes cast in the territory sought to be added thereto are in favor of such addition, the board shall enter an order to that effect upon its minutes, declaring said territory added to the district, and from and after the date of such order, such territory shall be deemed added to and shall form a part of said district, subject to all the rights, privileges, powers and responsibilities set forth in this act and necessarily incident thereto.

Bonds

If, in the judgment of the board of supervisors, it is deemed necessary, because of the lack of sufficient moneys in the funds of the district to provide adequate water, construct necessary plants and distributing systems, or properly serve the territory sought to be added, or for any other reason, to make the addition of the new territory conditional upon the voting and issuance of additional bonds, said board may, in its resolution or ordinance granting the petition, or a part thereof, and calling an election upon the proposition of adding new territory to the district, order that said election shall be upon the joint proposition of adding new territory and of incurring an indebtedness by the issuance of bonds of the district as the same will exist if the new territory sought to be added is added thereto. Said ordinance or resolution shall state the purpose for which the proposed debt is to be incurred, the amount of the debt to be incurred, the maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 40 years and the maximum rate of interest to be paid, which shall not exceed 8 percent per annum, payable semiannually. The proposition to be voted upon in such event shall be: "Shall the territory described in the resolution of the board of supervisors adopted on the _____ day of _____, 19___, be added to _____ County Waterworks District No. _____, and shall said district, as the same will exist after the addition of said territory, incur a bonded indebtedness in the sum of _____ dollars ($_____) for the purpose of (stating the purposes for which the amount so raised is to be used)?" Notice of said election and all matters in connection with said election shall be given and conducted in the manner hereinbefore provided, where the proposition is to be upon the sole question of the adding of new territory. If at such election a majority of the votes cast in the district then existing and a majority of the votes cast in the territory sought to be added thereto are in favor of said proposition of adding new territory and of incurring such bonded indebtedness, then the board of supervisors shall enter an order to that effect upon its minutes, declaring said new territory added to the district, and from and after the date of such order such territory shall be deemed added to and shall form a part of said district subject to all the rights, privileges, powers and responsibilities set forth in this act and necessarily incident thereto and said board shall thereupon be authorized and empowered to issue bonds of said district (as the same will exist after the addition of such

new territory), for the amount voted upon at said election. The provisions elsewhere in this act made for the form of bonds, issuance and sale of bonds, the levying and collecting of taxes for the payment thereof and of other matters relating to bonds of the district shall govern in the case of such bonds.

SEC. 2. Section 14¾ of said act is amended to read:

Sec. 14¾. If the land sought to be added is uninhabited, or being inhabited no qualified electors reside within the boundaries thereof, the holder or holders of title, or evidence of title, to all of the lands sought to be added, may file with the clerk of the board of supervisors a petition in writing, praying that said lands be added to the district. The county assessment roll of the county in which the lands sought to be added are situated, which assessment roll has been last equalized at the time the petition was filed, shall be conclusive evidence as to the holders of title, or evidence of title, to said lands. Uninhabited land

The petition, which may consist of any number of separate instruments, shall set forth and describe the boundaries of the proposed addition, or additions, and pray that the lands within such boundaries be added to the district. A certificate of acknowledgment taken before a notary public or justice of the peace of any state, or an affidavit by any person in the presence of whom the petition was signed, shall be sufficient evidence of the genuineness of the signature, or signatures of the person or persons signing said petition. Petition

No defect in the contents of the petition shall vitiate any proceeding thereon; providing, such petition or petitions, have been signed by the holder or holders of title, or evidence of title to all of the lands sought to be added to the district. Effect of defect

Upon the filing of such petition, the clerk of the board of supervisors shall present the same to the county assessor, who shall within ten (10) days issue and file a certificate with the clerk of the board of supervisors as to whether the petition has been signed by the holder or holders of title or evidence of title to all of the lands within the boundaries described and set forth in said petition. Certificate

At its first regular meeting following the filing of such certificate by the county assessor, the board of supervisors shall ascertain whether the petition in all respects complies with the requirements therefor, except that the certificates, acknowledgments and affidavits mentioned in this section shall be conclusive evidence of the sufficiency of the signatures to the petition, and as to whether the owner or owners of title, or evidence of title, to all of the lands in the district have signed the petition. The board of supervisors shall also determine whether the addition to the district of the lands sought to be annexed will be for the best interests of the district. If the board finds that the addition to the district of the lands sought to be annexed will not be for the best interests of the district, it shall reject the petition. Determination by supervisors

Election

If the petition complies with the requirements, the board of supervisors at such meeting, or at its next succeeding regular meeting shall call a special election within the boundaries of the existing waterworks district, to vote upon the question of whether the lands described in the petition shall be added to the district.

The special election shall be held upon a date not later than the sixtieth (60) day after the meeting of the board at which the petition was presented. At the special election, the proposition submitted to the qualified electors residing within the waterworks district shall be "Shall the lands described in the petition filed with the board of supervisors on the _____ day of _____, 19___, be annexed to and become a part of _____ County Waterworks District No._____."

If at such election a majority of the votes cast in the district then existing are in favor of said proposition of adding the new territory and incurring such bonded indebtedness, then the board of supervisors shall enter an order to that effect upon its minutes, declaring said new territory added to the district, and from and after the date of such order such territory shall be deemed added to and shall form a part of said district subject to all the rights, privileges, powers and responsibilities set forth in this act and necessarily incident thereto and said board shall thereupon be authorized and empowered to issue bonds of the district as provided by this act.

Application

In every respect not in conflict with this section, the provisions of Section 14½, relating to the calling and conducting of said election, the voting and issuance of bonds, and the entry of orders or resolutions respecting the same, shall govern the conduct of said annexation proceedings.

CHAPTER 516

An act to amend Section 8205 of the Government Code, relating to notary public.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 8205 of the Government Code is amended to read:

8205. It is the duty of a notary public:

Duties

(a) When requested, to demand acceptance and payment of foreign and inland bills of exchange, or promissory notes, to protest them for nonacceptance and nonpayment, and to exercise such other powers and duties as by the law of nations and according to commercial usages, or by the laws of any other state, government, or country, may be performed by notaries.

(b) To take the acknowledgment or proof of powers of attorney, mortgages, deeds, grants, transfers, and other instruments of writing executed by any person, and to give a certificate of such proof or acknowledgment, endorsed on or attached to the instrument Such certificate shall be signed by him in his own handwriting.

(c) To take depositions and affidavits, and administer oaths and affirmations, in all matters incident to the duties of the office, or to be used before any court, judge, officer, or board in this State. Any deposition, affidavit, oath or affirmation shall be signed by him in his own handwriting.

CHAPTER 517

An act to add Section 14122.1 to the Education Code, relating to school district merit systems for noncertificated employees, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 14122.1 is added to the Education Code, to read:

14122.1. Successive provisional appointments of 90 working days or less each may be made in any class in the absence of an appropriate eligibility list; provided, that continuous examination procedures for the class have been authorized by the commission. Such successive provisional appointments may be made and persons employed in temporary capacities under a given governing board for a total of more than six months in any one year. Such appointments may continue for the length of time for which they were made, but may not be extended if a certification can be made from an appropriate eligibility list. Successive provisional appointments

This section shall remain in effect until six months after the expiration of the National Emergency. While this section is in effect, it shall supersede any existing provisions of law which are in conflict with this section; but such provisions are not repealed by this section and after this section is no longer effective shall have the same force as though this section had not been enacted.

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV, Section 1, of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

The present manpower shortages with further immediate shortages in prospect and the high rate of turnover make it imperative that temporary employees be retained longer than the present restricted limits.

CHAPTER 518

An act to add Section 14122.6 and to amend Sections 14112, 14122, 14122.5, 14127, 14131, and 14135.1 of the Education Code, relating to school district merit systems for noncertificated employees.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 14112 of the Education Code is amended to read:

Classification of employees and positions

14112. The commission shall classify all employees and positions within the jurisdiction of the governing board or of the commission. The employees and positions shall be known as the classified service. Positions required to have certification qualifications, part-time playground positions, full-time day students employed part time, and professional experts employed on a temporary basis for a specific project by the governing board or by the commission when so designated by the commission, shall not be included therein.

However, nothing in this section shall prevent an employee, who has attained regular status in a full-time position, from taking a voluntary reduction in time and retaining his regular status under the provisions of this law.

No person whose contribution consists solely in the rendition of individual personal services and whose employment does not come within the scope of the exceptions listed above shall be employed outside of the classified service.

A part-time position is one for which the assigned time, when computed on an hourly, daily, weekly, or monthly basis, is less than 87½ percent of the normally assigned time of the majority of employees in the classified service.

SEC. 2. Section 14122 of said code is amended to read:

Provisional appointments

14122. When no eligibility list exists for a position in the classified service, a new employee may receive provisional appointments which may accumulate to a total of 90 working days. A 90-calendar day interval shall then elapse during which the person will be ineligible to serve in any full-time provisional capacity. No person shall be employed in provisional capacities under a given governing board for a total of more than 126 working days in any one fiscal year, except that when no one is available on an appropriate eligibility list for a part-time position, as defined in Section 14112, successive 90 working days provisional appointments may be made to the part-time position for a total of more than 126 working days in any one fiscal year.

SEC. 3. Section 14122.5 of said code is amended to read:

Combination of eligibility lists

14122.5. Combinations of successive eligibility lists may be made during their first year. Eligibles on lists established within the first year of the life of another list may be placed in the order of their relative excellence in the examination on the

like list, if lists so merged have been promulgated under conditions and techniques which are sufficiently similar to preserve their competitive character.

SEC. 4. Section 14127 of said code is amended to read:

Re-employment

14127. Persons laid off or suspended because of lack of work or lack of funds are eligible to re-employment for a period of 39 months and shall be re-employed in preference to new applicants.

SEC. 5. Section 14131 of said code is amended to read:

Disciplinary action

14131. For reasonable causes an employee may be suspended without pay for not more than 30 days or may be demoted or dismissed. In such case the personnel director shall within seven days of the suspension, demotion, or dismissal file written charges with the commission and give a copy of the charges to the employee.

SEC. 6. Section 14135.1 of said code is amended to read:

Reinstatement

14135.1. Whenever any noncertificated employee of any school district who, at the time of his resignation, was classified as permanent, is reinstated without further competitive examination within 39 months after his last day of paid service, the governing board of the district shall disregard the break in service of said employee and classify him as, and restore to him all of the rights, benefits and burdens of, a permanent employee.

SEC. 7. Section 14122.6 is added to said code, to read:

Continuous examination

14122.6. The commission may by rule provide for the continuous examination of eligibles for classes of positions which the commission determines cannot be practicably filled by promotional examination only.

CHAPTER 519

An act to amend Sections 180.7 and 198 of the Vehicle Code, relating to chattel mortgages on vehicles.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 180.7 of the Vehicle Code is amended to read:

Substitute mortgage

180.7. When Transferee Need Not Apply for Transfer. When a chattel mortgage describing a registered vehicle is satisfied, canceled or released by the parties thereto duly registered as owner and legal owner respectively and a new chattel mortgage encumbering such vehicle is immediately executed between the same parties no application or applications for transfer of registration by reason thereof shall be made and no new certificate or certificates of ownership or registration card or cards shall be issued, but respecting such transaction all provisions of this code relating to transfers of title to vehicles or of interests therein and the registration of such transfers shall be deemed to have been fully complied with.

SEC. 2. Section 198 of the Vehicle Code is amended to read:

Exclusive method

198. The method provided in this chapter for giving constructive notice of a chattel mortgage on a vehicle registered hereunder is exclusive, the execution of such chattel mortgage need not be acknowledged or proved and certified, and any such chattel mortgage is excepted from the provisions of Sections 2957, 2959a, 2965 and 2966 of the Civil Code.

CHAPTER 520

An act to amend Section 13275 of the Education Code, relating to annual reports of high school principals.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 13275 of the Education Code is amended to read:

Report of books, courses, requirements

13275. The principal of every high school shall annually, on or before the date fixed by the Superintendent of Public Instruction, make out under oath and deliver to the Superintendent of Public Instruction and to the county superintendent of schools, a full and complete report of textbooks then in use in the high school, the courses of study offered, the requirements for graduation, and such other information as may be required by the Superintendent of Public Instruction.

If the report is not filed with the Superintendent of Public Instruction on or before the date fixed, the Superintendent of Public Instruction shall notify the county superintendent of schools having jurisdiction of the high school failing to report, and the county superintendent of schools shall withhold the salary of the principal of the high school until he has been notified by the Superintendent of Public Instruction that the report has been filed.

CHAPTER 521

An act to amend Sections 801.3, 801.9 and 801.11 of the Code of Civil Procedure, relating to the determination of interests in and liens on real property.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 801.3 of the Code of Civil Procedure is amended to read:

Necessary parties

801.3. The complaint shall include as defendants to the action (a) all persons known to the plaintiff owning or claiming an interest under such public improvement assessment, bond or

certificate of sale; (b) the payee, as shown by the bond representing the assessment, if any; (c) the owner of the special assessment or certificate of sale, if any, and any person claiming an interest therein, as shown by the records of the treasurer, street superintendent or other public official who is the custodian of the funds to be collected thereon or who issued such certificate of sale, and (d) such treasurer, street superintendent or other public official. If any person owning or claiming an interest under such assessment, bond or certificate of sale is known to be dead, the heirs and devisees of such person may be sued as: "the heirs and devisees of" said person, naming him, or if such person is believed to be dead and such belief is alleged in the complaint on information and belief then the heirs and devisees of such person may also be sued as "the heirs and devisees" of said person, naming him, provided that such person is also named as a defendant.

SEC. 2. Section 801.9 of the Code of Civil Procedure is amended to read:

Due diligence to ascertain identity of unknown defendants

801.9. In addition to the matters required to be set forth in the affidavit by the plaintiff pursuant to Sections 412 and 413 of the Code of Civil Procedure, it must appear by the affidavit that the plaintiff used due diligence to ascertain the identity and residence of the unknown defendants and of any persons sued as heirs and devisees.

SEC. 3. Section 801.11 of the Code of Civil Procedure is amended to read:

Conduct of trial, presumption of redemption

801.11. On the trial of the action, the court shall determine the rights of all the parties thereto and shall require proof of the facts alleged. Any certificate issued on sale made to satisfy any public improvement assessment or any bond issued to represent such assessment shall be presumed to have been paid and redeemed where no deed pursuant thereto has been issued and such sale was made more than four years prior to the commencement of the action.

The presumption herein mentioned shall become and be conclusive if no deed pursuant to such sale is issued within four years after the date of sale or prior to January 1, 1953, whichever is the later; and no public official shall thereafter execute or issue any deed pursuant to such sale.

CHAPTER 522

An act to add Article 4 to Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, relating to contracts for special services.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Article 4 is added to Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

Article 4. Miscellaneous

Employment of specialists

53060. The legislative body of any public or municipal corporation or district may contract with and employ any persons for the furnishing to the corporation or district special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required.

The legislative body of the corporation or district may pay from any available funds such compensation to such persons as it deems proper for the services rendered.

CHAPTER 523

An act to amend Section 204a of the Code of Civil Procedure, relating to jury commissioners in counties or cities and counties having a population of 60,000 or more.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 204a of the Code of Civil Procedure is amended to read:

Selection, salary, tenure, duties

204a. In any county or city and county having a population of 60,000 or over, a majority of the judges of the superior court of the State of California in and for such county, to assist the judges thereof in making selections of trial jurors, and grand jurors, and whenever in their opinion the business of the court requires it, may, in their discretion, appoint a jury commissioner for such county or city and county. In any county or city and county having a population of 60,000 or over, but less than 289,000, the jury commissioner shall receive a salary of three hundred dollars ($300) per month, not exceeding, however, one thousand five hundred dollars ($1,500) in any one fiscal year. In any county, or city and county having a population of 289,000 or over the jury commissioner shall receive a salary of three hundred dollars ($300) per month. The jury commissioner shall hold office at the pleasure of the majority of the judges of the superior court in and for their respective counties, and their salaries shall be audited, allowed and paid out of the general fund of such county or city and county. The jury commissioner, in the discretion of the board of supervisors, shall also assist in the selection of juries in justices' courts and municipal courts, and for performing this duty, shall receive additional compensation and help, the amount of which and the number thereof shall be determined by the board of supervisors.

CHAPTER 524

An act to amend Section 2206 of the Health and Safety Code, relating to mosquito abatement districts.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2206 of the Health and Safety Code is amended to read:

2206. No district formed or proposed to be formed under this chapter shall be subject to any of the provisions of the District Investigation Act of 1933. This section shall remain in effect until the ninety-first day after final adjournment of the 1953 Regular Session of the Legislature and thereafter shall be of no force or effect. Exemption Stats. 1951, Ch. 331

CHAPTER 525

An act to amend Sections 154 and 6500 of the Welfare and Institutions Code, relating to state hospitals for the care and treatment of the insane, the mentally ill, and the mentally disordered.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 154 of the Welfare and Institutions Code is amended to read:

154. The department has jurisdiction over the following institutions: Jurisdiction over institutions

Agnews State Hospital.
Camarillo State Hospital.
Mendocino State Hospital.
Napa State Hospital.
Norwalk State Hospital.
Pacific Colony.
Patton State Hospital.
Sonoma State Home.
Stockton State Hospital.
The Langley Porter Clinic.
DeWitt State Hospital.
Modesto State Hospital.

SEC. 2. Section 6500 of the Welfare and Institutions Code is amended to read:

6500. There are in the State the following state hospitals for the care and treatment of the insane, the mentally ill, and the mentally disordered: Mental hospitals

(a) Stockton State Hospital at the City of Stockton.
(b) Napa State Hospital near the City of Napa.

(c) Agnews State Hospital near the City of San Jose.

(d) Mendocino State Hospital near the City of Ukiah.

(e) Patton State Hospital near the City of San Bernardino.

(f) Norwalk State Hospital near the City of Norwalk, Los Angeles County.

(g) Camarillo State Hospital near Camarillo, Ventura County.

(h) The Langley Porter Clinic, in the City and County of San Francisco.

(i) DeWitt State Hospital near the City of Auburn.

(j) Modesto State Hospital near the City of Modesto.

CHAPTER 526

Stats 1941, p 1312, repealed
Stats 1941, p 2802, repealed

An act to repeal the Automobile Parking District Act of 1941 and to repeal an act entitled "An act to provide for the formation of, government of, issuance of bonds by and assessment in motor vehicle parking districts," approved July 12, 1941, relating to automobile and vehicle parking districts.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. The acts cited in the title hereof are repealed.

CHAPTER 527

An act to add Section 482.5 to the Fish and Game Code, relating to obstructions in streams.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 482.5 is added to the Fish and Game Code, to read:

Forbidden barriers

482.5. No person shall cause or permit to exist any log jam or debris accumulation or any other artificial barrier, except a dam for the storage or diversion of water, public bridges and approaches thereto, groins, jetties, seawalls, breakwaters, bulkheads, wharves and piers permitted by law, and debris from mining operations, in any stream in any district or part of a district in Del Norte, Siskiyou, Trinity, Humboldt, Mendocino, Sonoma, and Marin Counties, which will prevent the passing of fish up and down stream or which is deleterious to fish as determined by the commission, subject to review by the courts.

CHAPTER 528

An act to amend Sections 5750.5 and 5708 of the Welfare and Institutions Code, relating to records of patients in private mental institutions.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5750.5 of the Welfare and Institutions Code is amended to read:

Voluntary patients

5750.5. The person in charge of any private institution, hospital, or sanitarium which is conducted for, or includes a department or ward conducted for, the care and treatment of persons who are mentally ill or deranged may receive and detain therein as a voluntary patient any person suffering from mental illness or derangement who is a suitable person for care and treatment in the institution, hospital, or sanitarium, who voluntarily makes a written application to the person in charge for admission into the institution, hospital or sanitarium, and who is at the time of making the application mentally competent to make the application.

Records

After the admission of a voluntary patient to a private institution, hospital, or sanitarium the person in charge shall forward to the office of the State Department of Mental Hygiene a record of the voluntary patient showing such information as may be required by rule by the department.

Detention forbidden

No voluntary patient in a private institution, hospital, or sanitarium shall be detained therein for more than seven days after having given notice, in writing, to the person in charge of the institution, hospital, or sanitarium of his desire to leave the institution, hospital, or sanitarium.

SEC. 2. Section 5708 of said code is amended to read:

Recommendation file

5708. The authorities of each establishment for mentally ill persons or other incompetents shall place on file in the office of the establishment the recommendations made by the department as a result of such visits, for the purpose of consultation by such authorities, and for reference by the departmental representatives upon their visits.

Records required

Every private institution, hospital, sanitarium, or establishment licensed by the department for the care and treatment of mentally ill or other incompetent persons referred to in this division shall keep records of every person admitted thereto, in the manner and form prescribed by rule and regulation of the department, and shall furnish all or any portion of such records to the department when required.

CHAPTER 529

An act to amend Sections 296.2 and 296.4 of, and to add Sections 296.41 and 296.42 to, the Probate Code, relating to the estates of deceased persons and the determination of simultaneous death.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 296.2 of the Probate Code is amended to read:

Simultaneous death. Joint tenants

296.2. Where there is no sufficient evidence that two joint tenants have died otherwise than simultaneously the property so held shall be administered upon, distributed, or otherwise dealt with, one-half as if one had survived and one-half as if the other had survived. If there are more than two joint tenants and all of them have so died the property thus administered upon, distributed, or otherwise dealt with, shall be in the proportion that one bears to the whole number of joint tenants.

SEC. 2. Section 296.4 of the Probate Code is amended to read:

Simultaneous death. Husband and wife

296.4. Where a husband and wife have died, leaving community property and there is no sufficient evidence that they have died otherwise than simultaneously, one-half of all the community property shall be administered upon, distributed, or otherwise dealt with, as if the husband had survived and as if said one-half were his separate property and the other one-half thereof shall be administered upon, distributed, or otherwise dealt with, as if the wife had survived and as if said other one-half were her separate property, except as provided in Section 296.3.

SEC. 3. Section 296.41 is added to the Probate Code, to read:

Petition to determine time of death

296.41. When it is claimed that, in accordance with the provisions of this chapter, any persons have died under circumstances where there is no sufficient evidence that they have died otherwise than simultaneously, the executor or administrator of any such person may file a petition, in the proceeding where he received his appointment, seeking to have it determined that such persons died under circumstances where there is no sufficient evidence that they died otherwise than simultaneously. The clerk shall set the petition for hearing by the court and give notice thereof for the period and in the manner required by Sections 1200 and 1201 of this code, and, in addition, such notice shall be personally served at least 10 days before the date of the hearing upon the executor or administrator of each other person claimed to have so died. If the representative of any such other person is also the petitioner then, in lieu of personal service upon him, such notice shall be mailed to the heirs and devisees of such other person, so far as they are known to the petitioner, at least 10 days before the date of hearing.

SEC. 4. Section 296.42 is added to the Probate Code, to read:

296.42. At the time appointed, the court, upon proof that due notice of the hearing has been given, shall proceed to hear the petition and any objections thereto that may have been filed or presented; and if, after a full hearing, the court is satisfied that the named persons are dead and that there is no sufficient evidence that they died other than simultaneously, it shall make an order to that effect. Such order when it becomes final shall be a binding determination of the facts therein set forth and conclusive as against the personal representatives of the deceased persons determined to have died simultaneously and against all persons claiming by, through or under any such deceased persons. The probate court which first acquires jurisdiction under Section 296.41 shall have exclusive jurisdiction to determine, by its order, that there is no sufficient evidence that the named persons died otherwise than simultaneously. Hearing, order, jurisdiction

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CHAPTER 530

An act to amend Sections 420, 421, 422, 422.3, and 422.5 of the Vehicle Code, relating to financial responsibility.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 420 of the Vehicle Code is amended to read:

420. Security. (a) Unless the driver involved in an accident described in Section 419 complies with one of the conditions for exemption specified in Section 422, the driver shall deposit security in a sum which shall be sufficient in the judgment of the department to satisfy any final judgment or judgments in any amount for bodily injury or in excess of one hundred dollars ($100) for property damage resulting from such accident as may be recovered against such driver or owner subject to the maximum limits set forth hereinbelow. The department shall determine the amount of security deposit upon the basis of the reports or other evidence submitted to it but shall not require a deposit of security for the benefit of any person when evidence has not been submitted by such person or on his behalf as to the extent of his injuries or the damage to his property within fifty (50) days following the date of accident. For purposes of this chapter a driver shall not be required to deposit security on behalf of his spouse or his minor child. Deposit of security

In the event the driver at the time of an accident was driving a motor vehicle owned, operated or leased by the employer of such driver and with the permission of the employer then the security provisions of this chapter shall apply to the

employer and the suspension provisions of this chapter shall apply to the registration of all vehicles not covered by insurance, bond or self-insurance certificate at the time of the accident which vehicles were owned, operated or leased by the employer and shall not apply to such driver.

(b) The security shall be in the form of money or its equivalent as determined by the department and shall be in amounts of not more than five thousand dollars ($5,000) because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not more than ten thousand dollars ($10,000) because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not more than one thousand dollars ($1,000) because of injury to or destruction of property of others in any one accident.

(c) The department may reduce the amount of security ordered in any case if, in its judgment, the amount ordered is excessive. In case the security originally ordered has been deposited, the excess on deposit over the reduced amount shall be returned to the depositor or his personal representative forthwith, notwithstanding the provisions of Section 423.1. The State Controller shall draw his warrant on the State Treasurer for the refund of any portion of a security deposit as ordered by the department under this subsection.

SEC. 2. Section 421 of the Vehicle Code is amended to read:

Suspension

421. Suspensions. (a) Whenever the driver has failed within 50 days after an accident to establish his exemption from security, as provided in Section 422, and has failed to deposit security, as required by Section 420 within 10 days after notice by the department specifying the amount of security, the department shall suspend the privilege of such driver to drive a motor vehicle in the State of California including his driving privilege as a nonresident and also any operators or chauffeurs licenses evidencing the privilege of driving a motor vehicle. The suspension shall become effective not later than the seventy-sixth day after receipt of the accident report by the department.

The privilege of a person to drive as a chauffeur in the course of his employment shall not be suspended under this chapter even though his privilege to drive is otherwise suspended under this chapter.

(b) The privilege of driving a motor vehicle and all licenses evidencing such privilege suspended as hereinabove provided shall remain so suspended and shall not be renewed nor shall any such license be issued to such person until:

(1) Such person has complied with the requirements of Section 422 or

(2) Such person shall deposit or there shall be deposited on his behalf the security required under Section 420 or

(3) One year shall have elapsed following the date of such accident and evidence satisfactory to the department has been filed with it that during such period no action at law for damages arising out of such accident has been instituted, and is pending.

(c) Whenever the department has taken any action or has failed to take any action under this chapter by reason of having received erroneous information, or by reason of having received no information, then upon receiving correct information the department shall take appropriate action to carry out the purposes and effect of this chapter. The provisions of this subsection shall not, however, be deemed to require the department to increase the amount of any deposit after it has been ordered under this chapter.

SEC. 3. Section 422 of the Vehicle Code is amended to read:

422. Exemptions from Security Requirements. In order to be exempt from the requirements of security every driver or employer involved in an accident and required to report such accident by Section 419 shall establish to the satisfaction of the department that the provisions of Sections 422.1, 422.2, 422.3, 422.4, or 422.5 are applicable to his responsibilities arising out of the accident. Exemptions from security requirements

SEC. 4. Section 422.3 of the Vehicle Code is amended to read:

422.3. Releases, Judgments and Settlement Agreements. Exemption may be established under Section 422 by filing evidence satisfactory to the department: Same Establishment

(a) That the driver has been released from liability by all other persons injured or damaged in the accident. A covenant not to sue shall relieve the parties thereto as to each other from the security requirements of this chapter. The department may accept, for the purposes of this chapter only, evidence of a release from liability executed by a natural guardian or a legal guardian on behalf of a minor without the approval of any court or judge.

(b) That all judgments that may arise out of damages or injuries sustained in the accident have been rendered in favor of the driver or have been satisfied by him.

(c) That a duly acknowledged settlement agreement with respect to all damages or injuries arising out of the accident has been executed by the driver. In the event of a default in any payment under such an agreement, and upon notice of such default, the department shall forthwith suspend the driving privilege of the person defaulting, including all licenses evidencing such privilege, and the privilege or licenses shall not be restored unless and until:

(1) Such driver deposits and thereafter maintains security as required under Section 420 in such amount as the department may then determine, or

(2) One year shall have elapsed following the date when such security was required and during such period no action at law upon such agreement has been instituted and is pending.

(d) The department may accept evidence of a payment to a driver or to the owner of a vehicle involved in an accident by the insurance carrier of any other person involved in such accident on account of damage to property as effective to relieve such driver or owner from the security and suspension provisions of this chapter in respect to any claim for property damage by the person on whose behalf such payment has been made. A payment to the insurance carrier of a driver or owner under its right of subrogation shall be the equivalent of a payment to such driver or owner.

The department may accept evidence of a payment to a person involved in an accident by the insurance carrier of any other person involved in such accident on account of bodily injury as effective to relieve the person to whom such payment is made from the security and suspension provisions of this chapter in respect to any claim for bodily injury by the person on whose behalf such payment has been made.

SEC. 5. Section 422.5 of the Vehicle Code is amended to read:

Same: Insurance

422.5. Insurance Policy or Bond. (a) Exemption may be established under Section 422 by filing with the department satisfactory evidence:

(1) That the owner had an automobile liability policy or bond in effect at the time of the accident with respect to the driver or the motor vehicle involved in the accident, unless it is established that at the time of the accident the motor vehicle was being operated without the owner's permission, express or implied, or was parked by a driver who had been operating such vehicle without such permission. Any such policy or bond shall meet the requirements of Section 422.6.

(2) That the driver of the motor vehicle involved in the accident, if he was not the owner of such motor vehicle, had in effect at the time of such accident an automobile liability policy or bond with respect to his operation of motor vehicles not owned by him which policy or bond shall comply with the requirements set forth under Section 422.6.

(3) That such liability as may arise from the driver's operation of the motor vehicle involved in the accident is, in the judgment of the department covered by some form of liability insurance or bond which complies with the requirements set forth under Section 422.6.

(b) Such evidence shall be submitted in conformance with the requirements of subdivision (c) of Section 422.6. In the event of notice to the department by the company which issued one of the above stated policies or bonds that coverage was not in effect or that liability was denied for a specific accident due to violation of exclusions, endorsements, or conditions of said policy or bond, then said policy or bond shall not operate to establish an exemption as provided for by Section 422.

CHAPTER 531

An act to amend Section 423 of the Vehicle Code, relating to financial responsibility.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 423 of the Vehicle Code is amended to read:

423. Custody and Disposition of Security.

(a) Security deposited in compliance with the requirements of this chapter shall be deposited by the department in the special deposit fund with the State Treasurer for the purpose of this section.

Security. Custody, disposition

(b) Such security shall be available for the payment of a final judgment or judgments in any amount for bodily injury or in excess of one hundred dollars ($100) for property damage, rendered against the driver or drivers on whose behalf the deposit was made, for damages arising out of the accident in an action at law, begun not later than one year after the date of such accident, or within one year after the date of deposit of any security under Section 422.3, subdivision (c), and to the payment of any settlement agreement covering any claim arising out of the accident.

(c) Every distribution of funds from the security deposit shall be subject to the limits of the department's evaluation on behalf of a claimant but not in excess of the maximum amounts provided in this chapter for bodily injury and for property damage.

CHAPTER 532

An act to amend Sections 1, 1.5, and 4 of, and to add Sections 1.1, 1.2, 1.3, and 1.4 to, the Judges' Retirement Act, and to amend Section 2 of, and to add Sections 4.7 and 7.5 to, the Judges' Retirement Fund Act, relating to the state system for the retirement of judges and justices.

Stats. 1937, p. 2204, amended

Stats. 1937, p. 2206, amended

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1 of the Judges' Retirement Act is amended to read:

Section 1. Every judge within the meaning of this act who has the age and service qualifications specified in one of the following subdivisions (and who is not ineligible for retirement under Section 1.2 of this act) shall be retired for service upon

Time of retirement

filing notice of retirement with the Secretary of State, specifying the date upon which his retirement is to become effective:

(a) Age 70, with an aggregate of 10 years of service as a judge within the 15 years immediately preceding the effective date of retirement.

(b) Age 65, with an aggregate of 20 years of service as a judge within the 24 years immediately preceding the effective date of retirement.

(c) Age 70, with an aggregate of 20 years of service as a judge, the last five years of which has been served immediately preceding the effective date of retirement.

Upon the effective date of the retirement of any such judge, the judicial office from which he has retired shall become vacant, and a successor shall thereupon be appointed to fill the vacancy.

SEC. 2. Section 1.1 is added to the Judges' Retirement Act, to read:

Sec. 1.1. Unless the context otherwise requires, as used in this act:

"Judge" (a) "Judge" means a justice of the Supreme Court or of a district court of appeal, or a judge of a superior court or a municipal court. A judge or justice of any other court does not acquire status as a judge for the purposes of this act by reason of designation as a judge pro tempore of, or assignment by the Judicial Council or the chairman thereof to, any of the said courts.

"Salary" (b) "Salary" means the compensation received by a judge as the emolument of the office of judge, but does not include any additional compensation received by reason of designation as a judge pro tempore or assignment by the Judicial Council or the chairman thereof.

"Service" (c) "Service" means the period of time a person has held office as a judge of any one or more of the courts of this State specified in subdivision (a) of this section, computed in years and fractions of years.

SEC. 3. Section 1.2 is added to the Judges' Retirement Act, to read:

Contributions Sec. 1.2. No judge shall be eligible to retire under Section 1 of this act if he has not received a salary from which contributions for the Judges' Retirement Fund have been deducted for a period or periods aggregating at least 10 years unless, prior to the effective date of his retirement, he has paid into the Judges' Retirement Fund a sum equal to the contributions which would have been deducted from his salary during the period of 10 years immediately preceding the effective date of his retirement if he had received a salary subject to deduction of contributions for the Judges' Retirement Fund during all of the said period, excluding any time within the said 10-year period during which contributions for the Judges' Retirement Fund were actually deducted from his salary, any time therein in respect to which he has made payment under Section 1.5, and any time therein

which is included in the computation of his service under Section 1.7. The sum payable shall be computed by applying the rate or rates of deduction applicable to judges' salaries during such time to the salary which the judge last received as the incumbent of a judicial office to which he was elected by the people.

SEC. 4. Section 1.3 is added to the Judges' Retirement Act, to read:

Sec. 1.3. Any judge whose term of office expires within 30 days before he has rendered the minimum service required for retirement at his age shall be deemed to have rendered such minimum service. Expiration of term prior to rendering minimum required service

Any judge whose term of office expires within 30 days before he attains the age required for his retirement, shall be deemed to have attained such age at any time during the 30-day period immediately preceding his actual attainment of such age.

SEC. 5. Section 1.4 is added to the Judges' Retirement Act, to read:

Sec. 1.4. Except as provided in Sections 5 and 6, any designation as a judge pro tempore or any assignment by the Judicial Council or chairman thereof shall be disregarded for purposes of this act. For the purposes of this act no person shall acquire status as a judge, nor shall any person's status as a judge be affected, by any such designation or assignment. Pro tempore judges

SEC. 6. Section 1.5 of the Judges' Retirement Act is amended to read:

Sec. 1.5. In computing the number of years of service as a judge a person has for the purposes of this act, there shall be included such number of years as the person shall have presided as a justice of a court which was superseded by a municipal court, if such person became a judge of such municipal court upon its creation, and if, prior to the effective date of his retirement, he has paid into the Judges' Retirement Fund a sum equal to the amount which would have been deducted from his salary and paid into that fund had he been a judge of the municipal court during the time he was a justice of the superseded court, computed by applying the rate or rates of deduction applicable to judges' salaries during such time to the rate of salary which he actually received during his first year of service as judge of such municipal court. Additional service

If a person was serving as a justice of the peace at the time of his election or appointment as a justice of the Supreme Court or of a district court of appeal or judge of a superior court, the time so served as such justice of the peace shall be included in computing the number of years such person has been a judge for purposes of retirement under Section 1 of this act, if the person has served at least 10 years as a justice of the Supreme Court or of a district court of appeal or judge of a superior court immediately preceding his retirement, and if he has paid into the Judges' Retirement Fund a sum equal to the amount which would have been deducted from his salary and paid into that fund had he been a judge during the time he was a justice

of the peace, computed by applying the rate or rates of deduction applicable to judges' salaries during such time to the rate of salary he actually received during his first year of service as a judge within the meaning of this act.

SEC. 7. Section 4 of the Judges' Retirement Act is amended to read:

Disability retirement

Sec. 4. Every judge retired for disability shall receive a retirement allowance payable in the same manner as the allowance above provided, which shall be computed as follows:

(a) If eligible to retire under the provisions of Section 1, he shall receive the allowance provided in Section 2.

(b) Except as provided in Section 5, if he is not eligible to retire under the provisions of Section 1, he shall receive an allowance equal to one-half of the salary which he last received as the incumbent of a judicial office, which allowance shall be paid to him for five years from the date of his retirement, and thereafter for a period of time equal to the period, if any, by which his aggregate service as a judge exceeds five years.

SEC. 8. Section 2 of the Judges' Retirement Fund Act is amended to read:

State contribution

Sec. 2. From and after the effective date of this act the State Controller shall at the end of each month ascertain the aggregate amount of the annual salaries of all positions established by law as justices of the Supreme Court and of the district courts of appeal and judges of the superior courts and municipal courts, and out of the moneys in the State Treasury not otherwise appropriated there shall be paid monthly into the said Judges' Retirement Fund a sum equal to 2½ per centum of one-twelfth of said aggregate amount of salaries, and the State Controller shall thereupon transfer said required sum from the General Fund of the State to the said Judges' Retirement Fund.

SEC. 9. Section 4.7 is added to the Judges' Retirement Fund Act, to read:

"Judge," "salary"

Sec. 4.7. Unless the context otherwise requires, as used in this act "judge" and "salary" have the meanings set forth in Section 1.1 of the Judges' Retirement Act.

SEC. 10. Section 7.5 is added to the Judges' Retirement Fund Act, to read:

Fund insufficient

Sec. 7.5. Whenever it appears to the State Controller that the moneys in the Judges' Retirement Fund are insufficient, or are likely to become insufficient, to pay all retirement allowances payable by law to retired justices and judges and all other obligations of the fund which will become payable during the ensuing fiscal year, the State Controller shall report such condition of the fund to the Legislature at its next regular session, and upon receipt of such report it shall be the duty and obligation of the Legislature to appropriate, in the State Budget Act, or otherwise, such sums as may be necessary to make the Judges' Retirement Fund fully sufficient to pay all of the obligations of the fund which will become payable during the ensuing fiscal year.

CHAPTER 533

An act to add Section 28322 to the Health and Safety Code, relating to misbranding food in package form.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 28322 is added to the Health and Safety Code, to read:

Carbonated nonalcoholic beverages Misbranding

28322. A carbonated nonalcoholic beverage shall be deemed to be misbranded if in a bottle or other closed container unless the name and address of the bottler or distributor thereof appears on such container by being molded, printed, or otherwise labeled thereon, or said name and address is shown on the crown or cap of such container if such container is a permanently and distinctively branded bottle. A carbonated nonalcoholic beverage shall not be deemed to be misbranded under this section if in a bottle or other closed container on which is molded, printed or otherwise labeled the product name, trade-mark or brand of the distributor or bottler thereof and if a sworn affidavit has been filed in the Bureau of Food and Drug Inspections of the Department of Public Health stating the name, trade-mark, or brand of such carbonated beverage, a full and complete description of each territory or area of the State in which such beverage is to be distributed, and the names and addresses of such persons as are responsible for compliance with this division in the bottling and distribution of such beverage in each territory or area of the State in which such beverage is distributed. Nothing in this section shall be deemed to exempt any bottler or distributor of a carbonated beverage or beverages from any provision of Chapter 3 of this division.

CHAPTER 534

An act to amend Sections 275, 350, 601, 640, 641, 643, 644, 661, 1223, 1224, 1780, and 3150 of, and to add a new section numbered 954 to the Banking Code, and to amend Sections 275, 350, 601, 640, 641, 643, 644, 661, 1223, 1224, 1780, and 3150 of, and to add Section 954 to, the Financial Code, relating to deposit of moneys in the State Banking Fund, contents of articles of incorporation of banks, approval of by-laws of banks, assessment of bank shares, payment of dividends by banks, giving of notice of dormant accounts, definition of secured obligation, loan limits of banks, licensing of bank representatives, recognition of rights of depositors located in occupied countries, and payment of deposits on liquidation.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 275 of the Banking Code is amended to read as follows:

Deposit of collections, revolving fund

275. The superintendent shall deliver all money collected by him pursuant to Sections 270, 271 and 272 or pursuant to any other provision of this code to the State Treasurer who shall deposit the money to the credit of the State Banking Fund. The superintendent may withdraw from the fund and retain and maintain in his possession and under his control the sum of fifteen thousand dollars ($15,000), to be used by him as a revolving fund in the operation of the department.

SEC. 2. Section 350 of said code is amended to read:

Authority to form banking corporation

350. When authorized by the superintendent as provided in this chapter a corporation may be formed by three or more persons in accordance with the laws of this State for the purpose of conducting a commercial banking business, a savings banking business, a trust business, or any two or all of them. The articles of incorporation shall provide that the common shares of the corporation shall be subject to assessment by the board of directors upon order of the superintendent for the purpose of restoring an impairment or reduction of capital in the manner and to the extent provided in this code They may also provide that such shares are subject to assessment by the board of directors in its discretion, but if such discretionary power is granted the articles shall provide that it may be exercised only with the approval of the superintendent and may provide other limitations thereon. The Corporate Securities Act shall not apply to securities issued by and representing an interest in or a direct obligation of a bank or trust company incorporated under the laws of this State.

Corp C, §25000, ff

SEC. 3. Section 601 of said code is amended to read:

Approval of by-laws

601. The by-laws of a bank or trust company and any amendment thereto shall become effective only when approved by the superintendent, for which approval no fee shall be charged, and when a copy thereof certified by the secretary or assistant secretary of the bank or trust company has been filed with the superintendent.

SEC. 4. Section 640 of said code is amended to read:

Dividends

640. A bank or trust company may declare dividends subject to the limitations of this article, but only out of net profits.

SEC. 5. Section 641 of said code is amended to read:

Same: Limitation

641. Until the amount of the surplus of a commercial or savings bank is at least equal to the amount of its capital, the bank shall not declare any dividend unless it has previously transferred to surplus at least one-tenth of its net profits earned since the enactment of this code.

SEC. 6. Section 643 of said code is amended to read:

Transfer of capital to surplus

643. A bank or trust company may transfer surplus to capital at any time but if the transfer would reduce the surplus to less than 25 percent of its capital, it shall first obtain the written approval of the superintendent. Thereafter, until the amount of its surplus equals its capital, a commercial or savings bank

shall transfer to surplus one-tenth of its net profits pursuant to Section 641 of this chapter before declaring dividends.

SEC. 7. Section 644 of said code is amended to read:

644. A bank or trust company may charge losses sustained by it in excess of its undivided profits to its surplus, except that if the charge would reduce its surplus to an amount less than 25 percent of its capital, the consent of the superintendent shall be first obtained. Thereafter, until the amount of its surplus equals its capital, a commercial or savings bank shall transfer to surplus one-tenth of its net profits pursuant to Section 641 of this code before declaring dividends. Charge of losses to surplus

SEC. 8. Section 661 of said code is amended to read:

661. Whenever it appears that the capital of a bank or trust company is impaired or reduced below the amount required by law, the superintendent shall order the bank to restore its capital within 60 days of the date of his order. The directors of the bank or trust company to which the order is issued, unless the capital is otherwise restored, shall levy and collect an assessment upon its common shares pursuant to Title 1, Division 1, Part 5, Chapter 3 of the Corporations Code. The common shares of every corporation doing a banking business in this State are subject to such assessment, whether or not the fact that the shares are subject to such assessment is noted on the face of the certificates representing such shares, and if the shares are subject to assessment only upon order of the superintendent as provided in this section no statement of that fact need be noted on the certificates. Capital impairment

SEC. 9. Section 1223 of said code is amended to read:

1223. An obligation shall not be deemed secured by personal property or collateral unless the personal property or collateral held as security is of a kind which has not been declared ineligible by the superintendent and unless it has a market value at least 15 percent greater than the amount of the obligations secured thereby. The superintendent may by general regulation declare any particular kinds or classes of personal property ineligible as security. An obligation shall not be deemed secured by real property unless the obligation and the lien securing the same conform to the provisions of Section 1227 or Section 1228. Secured and unsecured loans shall be represented by separate notes and shall not be combined in any way within one note or notes The guaranty or other secondary liability for the performance of another obligation shall be deemed a secured obligation if such other obligation is secured as herein defined. Secured obligation

SEC. 10. Section 1224 of said code is amended to read:

1224. In addition to the limitations contained in Sections 1221 and 1222 a commercial bank may issue letters of credit and may accept drafts or bills of exchange drawn upon it having not more than six months' sight to run, exclusive of days of grace, which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving the domestic shipment of goods; provided, shipping Accepting drafts, etc

documents conveying or securing title are attached at the time of acceptance; or which are secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering readily marketable staples. A commercial bank shall not issue such letters of credit or accept such drafts or bills in the aggregate to an amount exceeding 50 percent of its paid-up capital and surplus or, when authorized by the superintendent, to an amount exceeding 100 percent of its paid-up capital and surplus nor issue such letters of credit or accept such drafts or bills for any one person to an amount exceeding 10 percent of its paid-up capital and surplus, unless the bank is and remains secured by either attached documents or some other actual security growing out of the same transaction as the acceptance.

SEC. 11. Section 1780 of said code is amended to read:

Foreign bank representatives

1780. An individual may establish and maintain an office or offices in this State as representative of one or more foreign banking corporations but only upon first obtaining a license from the superintendent. The application for such license shall be in such form and shall set forth such information as the superintendent may require. The superintendent may grant or refuse the application in his discretion and may at any time in his discretion revoke any such license. Such representative shall pay an annual license fee of two hundred fifty dollars ($250) for each such office. If more than one individual representative of the same foreign banking corporation uses the same office the annual license fee for such office shall be two hundred fifty dollars ($250) plus twenty-five dollars ($25) for each individual representative over one using the same office.

SEC. 12. Section 3150 of said code is amended to read:

Liquidation

3150. Any bank which voluntarily has ceased to do a banking business shall immediately notify the superintendent thereof and shall then proceed to liquidate its affairs. Any deposit or other sum which has not been paid to the person entitled thereto within six months after the bank ceased to conduct a banking business except when such bank has sold all or substantially all of its assets to another bank and the purchasing bank has assumed the liability for such deposits, shall be paid into the State Treasury in the manner and for the purposes provided in Section 3121. If the superintendent has reason to conclude that the liquidation of such bank is not being safely or expeditiously conducted he may take possession of the business and property of such bank in the same manner and with the same effect and subject to the same rights accorded the bank as if he had taken possession pursuant to the provisions of Article 1 of this chapter and proceed to liquidate its affairs in the same manner as provided in Article 1 of this chapter. When such bank has been completely liquidated its corporate existence shall be dissolved in the manner provided by law.

SEC. 13. Section 954 is added to the Banking Code, to read:

954. A bank need not recognize or give any effect to (1) any claim to a deposit of cash or securities standing on its books to the credit of, or held by it for the account of, any corporation, firm or association in occupied territory or (2) any advice, statute, rule or regulation purporting to cancel or to give notice of the cancellation of the authority of any person at the time appearing on the books of such bank as authorized to withdraw or otherwise dispose of cash or securities of such corporation, firm or association, unless such bank is required so to do by appropriate process procured against it in a court of competent jurisdiction in the United States in a cause therein instituted by or in the name of such corporation, firm or association, or unless the person making such claim or giving such advice or invoking such statute, rule or regulation, as the case may be, shall execute to such bank, in form and with sureties acceptable to it, a bond indemnifying it from any and all liability, loss, damage, costs and expenses for and on account of recognizing or giving any effect to such claim, advice, statute, rule or regulation. Claims by firms in occupied territory, etc

For the purposes of this section (1) the term "occupied territory" shall mean territory occupied by a dominant authority asserting governmental, military or police powers of any kind in such territory, but not recognized by the United States as the de jure government of such territory, and (2) the term "corporation, firm or association in occupied territory" shall mean a corporation, firm or association which has, or at any time has had, a place of business in territory which has at any time been occupied territory. "Occupied territory"

The provisions of this section shall be effective only in cases where (1) such claim or advice purports or appears to have been sent from or is reasonably believed to have been sent pursuant to orders originating in, such occupied territory during the period of occupation, or (2) such statute, rule or regulation appears to have emanated from such dominant authority and purports to be or to have been in force in such occupied territory during the period of occupation.

This section applies to claims, advices, statutes, rules or regulations given or invoked either before or after the effective date of this section.

NOTE: The sections of the Financial Code affected by this chapter appear in their proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 27. Sections 14 to 27 inclusive of this act become operative only if Division 1 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 1 takes effect, at which time Sections 275, 350, 601, 640, 641, 643, 644, 661, 1223, 1224, 1780, and 3150 of the Banking Code as amended by this act, and Section 954 of said code as added by this act are repealed. Effect Stats 1951, Ch 364

CHAPTER 535

An act to add Article 13 to Chapter 11 of Division 2 of the Education Code, relating to the annexation of territory to high school districts.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Article 13 is added to Chapter 11 of Division 2 of the Education Code, to read:

Article 13. Annexation of Portion of Joint Union Elementary School District to a High School District

Portion not in high school district

3741. Whenever a joint union elementary school district lies in part in a high school district and in part in no high school district, a majority of the electors residing in the territory of the joint union elementary school district not in any high school district may present a petition for the annexation of the territory to a contiguous high school district to the county superintendent of schools having jurisdiction over such contiguous high school district.

The county superintendent of schools shall, after verifying the signatures and finding them sufficient, transmit the petition to the board of supervisors of his county.

Order

3742. Upon receiving the petition, together with the recommendation of the county superintendent of schools, the board of supervisors may make an order annexing the territory to the high school district.

Same Entry, copies

3743. The order of the board of supervisors shall be entered by the clerk of the board of supervisors in his record of high school districts, and he shall send a copy thereof to the county superintendent of each county in which the joint union elementary school district is located.

CHAPTER 536

An act to amend Section 32121 of, and add Section 32108 to, the Health and Safety Code, relating to hospital districts.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 32121 of the Health and Safety Code is amended to read:

District powers

32121. Each local hospital district shall have and exercise the following powers:

(a) To have and use a corporate seal and alter it at pleasure;

(b) To sue and be sued in all courts and places and in all actions and proceedings whatever;

(c) To purchase, receive, have, take, hold, lease, use and enjoy property of every kind and description within the limits of the district, and to control, dispose of, convey and encumber the same and create a leasehold interest in same for the benefit of the district;

(d) To exercise the right of eminent domain for the purpose of acquiring real or personal property of every kind necessary to the exercise of any of the powers of the district;

(e) To administer any trust declared or created for hospitals of the district, and received by gift, devise, or bequest and hold in trust or otherwise, property situated in this State or elsewhere, and where not otherwise provided, dispose of the same for the benefit of such hospitals.

(f) To employ legal counsel to advise the board of directors in all matters pertaining to the business of the district, and to perform such functions in respect to the legal affairs of the district as the board may direct; and to employ such other officers and employees, including architects and consultants, as the board of directors deems necessary to carry on properly the business of the district;

(g) To prescribe the duties and powers of the manager, secretary and other officers and employees of any such hospitals; to determine the number of and appoint all such officers and employees, and to fix their compensation, which said officers and employees shall hold their offices or positions at the pleasure of said boards.

(h) To do any and all things which an individual might do which is necessary for and to the advantage of a hospital and a nurses' training school.

(i) To establish, maintain and operate one or more hospitals, situated within the territorial limits of the district.

(j) To do any and all other acts and things necessary to carry out the provisions of this division.

(k) To acquire, maintain, and operate ambulances or ambulance services within and without the district.

SEC. 2. Section 32108 is added to the Health and Safety Code, to read:

32108. Any director or officer of the district who is in any manner interested in any contract awarded or to be awarded by the board, or in the profits to be derived from the contract, is guilty of a misdemeanor. Conviction shall also work a forfeiture of his office. Interest of director, etc

CHAPTER 537

An act to add Section 6501.1 to, and to amend Section 6502 of, the Public Resources Code, relating to the leasing of public lands.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6501.1 is added to the Public Resources Code, to read:

Power to lease

6501.1. Lands owned by the State and which are under the jurisdiction of the commission may be leased for such purpose or purposes as the commission deems advisable, including but not limited to grazing leases, leases for commercial or industrial purposes, and leases for campsites.

SEC. 2. Section 6502 of said code is amended to read:

Application to lease

6502. Any person, firm or corporation desiring to lease any of the lands owned by the State, or in which the State may have an interest, and which are under the jurisdiction of the commission, for any purpose not prohibited or otherwise provided for by law, may make application therefor to the commission, describing the lands sought to be leased by legal subdivisions, or, if such lands are unsurveyed, by metes and bounds or by such other method as the commission may prescribe. The application shall be accompanied by a filing fee of five dollars ($5). No filing fee shall be required of the United States or any agency thereof, or of this State, its agencies or political subdivisions.

All applications to lease lands under this chapter shall be approved or rejected by the commission within 180 days after receipt thereof.

CHAPTER 538

An act to add Section 8275 to, and to amend Section 13521 of, the Education Code, relating to the teaching of communism upon any property belonging to any agencies included in the Public School System.

In effect September 22, 1951

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 8275 is added to the Education Code, to read:

Advocacy, teaching communism prohibited

8275. No teacher giving instruction in any school, or on any property belonging to any agencies included in the Public School System, shall advocate or teach communism with the intent to indoctrinate any pupil with, or inculcate a preference in the mind of any pupil for communism.

The Legislature in prohibiting the advocacy or teaching of communism with the intent to indoctrinate any pupil with or inculcate a preference in the mind of any pupil for, such doctrine does not intend to prevent the teaching of the facts of the above subject but intends to prevent the advocacy of, and inculcation and indoctrination into communism as is hereinafter defined, for the purpose of undermining the patriotism for, and the belief in, the Government of the United States and of this State in the minds of the pupils in the Public School System.

For the purposes of this section, communism is a political theory that the presently existing form of government of the United States or of this State should be changed, by force, violence, or other unconstitutional means, to a totalitarian dictatorship which is based on the principles of communism as expounded by Marx, Lenin and Stalin. Communism

SEC. 2. Section 13521 of said code is amended to read:

13521. No permanent employee shall be dismissed except for one or more of the following causes: Causes for dismissal

(a) Immoral or unprofessional conduct.

(b) Commission, aiding, or advocating the commission of acts of criminal syndicalism, as prohibited by Chapter 188, Statutes of 1919, or in any amendment thereof.

(c) Dishonesty.

(d) Incompetency.

(e) Evident unfitness for service.

(f) Physical or mental condition unfitting him to instruct or associate with children.

(g) Persistent violation of or refusal to obey the school laws of the State or reasonable regulations prescribed for the government of the public schools by the State Board of Education or by the governing board of the school district employing him.

(h) Conviction of a felony or of any crime involving moral turpitude.

(i) Violation of Section 8275 of this code.

CHAPTER 539

An act to amend Sections 3102, 3104 and 3107 of the Government Code, relating to an oath or affirmation of allegiance for civil defense workers and public employees, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 17, 1951. Filed with Secretary of State May 17, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 3102 of the Government Code is amended to read:

3102. Subject to the provisions of Section 3 of Article XX of the Constitution, all civil defense workers shall within the five days prior to their employment or within the first 30 days of employment take and subscribe to the oath or affirmation required by this chapter. In the case of intermittent, temporary, emergency or successive employments, then in the discretion of the employing agency, an oath taken and subscribed as required by this chapter shall be effective for the purposes of this chapter for all successive periods of employment which commence within one calendar year from the date of such subscription. Oath Requirement

SEC. 2. Section 3104 of said code is amended to read:

Same Administration

3104. The oath or affirmation may be taken before any officer authorized to administer oaths; provided, that the oath or affirmation of any civil defense worker of the State may be taken before his appointing power or before any person authorized in writing by his appointing power. Such authorization shall be filed with the State Personnel Board, and any person so authorized by his appointing power may administer the oath required by this chapter.

No fee shall be charged by any person before whom the oath or affirmation is taken and subscribed.

SEC. 3. Section 3107 of the Government Code is amended to read:

Same. Compensation prohibited

3107. No compensation nor reimbursement for expenses incurred shall be paid to any civil defense worker by any public agency unless such civil defense worker has taken and subscribed to the oath or affirmation required by this chapter. It shall be the duty of the person certifying to public pay rolls to ascertain and certify that such civil defense worker has taken such oath or affirmation. Whenever there is more than one officer certifying to public pay rolls the governing body of a city or county may designate and make it the duty of a certain officer or officers to ascertain and certify that such civil defense worker has taken such oath or affirmation. The governing body of a city or county may designate and make it the duty of a local civil defense and disaster officer to ascertain and certify that each volunteer civil defense worker has taken such oath or affirmation.

Urgency

SEC. 4. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

During the present emergency in world affairs loyalty and allegiance to the United States and the principles for which it stands are of utmost importance. Immediate assurance that persons in civil defense are loyal to this government and are not in fact advocates of its overthrow by force or violence is essential to the well-being of the State and Nation and the confidence of the people. To facilitate state and local administration of the loyalty oath requirements and the efficient functioning of state and local governments it is essential that provision be made for quickly administering the oath or affirmation required by this chapter under emergency conditions or in remote or isolated areas of the State, and it is essential in many local governments that some person other than the officer certifying to public pay rolls certify that civil defense workers have taken the oath or affirmation. It is therefore necessary that this act take effect immediately.

CHAPTER 540

An act to add Section 212 to the Health and Safety Code, relating to the powers and duties of the State Department of Public Health, in respect to standards for public medical institutions.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 212 is added to the Health and Safety Code, to read:

212. Effective July 1, 1953, the state department shall prescribe and promulgate minimum standards of safety and sanitation in the physical plant, and of diagnostic, therapeutic and laboratory facilities for those public hospitals which apply for or receive payments in compliance with Section 2160.3 of the Welfare and Institutions Code, in behalf of patients in public medical institutions, other than federal medical institutions, and other than institutions for tuberculosis or mental disease, and shall certify to the State Department of Social Welfare the institutions which meet the standards as to all or part of their facilities.

Safety, sanitation standards

CHAPTER 541

An act to amend Section 6827 of the Public Resources Code, relating to oil and gas leases.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6827 of the Public Resources Code is amended to read:

6827. Leases for the extraction and removal of oil and gas deposits may be made by the commission to the highest qualified bidder, as provided in this chapter. Such a lease shall be for a term of 20 years or may be for a term of 20 years and for so long thereafter as gas or oil is produced in paying quantities from the leased lands. If such term is for 20 years it may, at any time or times prior to its expiration, be extended upon such terms and conditions and for such period of time as the commission deems for the best interest of the State or as the Legislature may provide.

Oil, gas leases: Bidding, term, renewal

In addition to the royalty provided therein each bid and each lease shall also provide for an annual rental payment in advance of such sum as the commission shall specify.

CHAPTER 542

An act to amend Sections 700.01, 700.05, 1582, 1594, 12360, and 12441 of the Insurance Code, all relating to insurance.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 700.01 of the Insurance Code is amended to read:

Minimum capital for certain insurers

700.01. In addition to any or all of the classes of insurance which it is permitted to transact by all other applicable provisions of this code, any incorporated insurer admitted or hereafter admitted for one or more of the classes of insurance stated in Section 100, except life, title or mortgage, shall (subject to any limitations contained in its articles of incorporation or charter) be admitted after December 31, 1947, for any or all of the following classes, upon making application therefor and complying with all applicable requirements of law, if its paid-in capital is not less than one million dollars ($1,000,000) or the aggregate of the amounts hereinafter set forth opposite the classes transacted by it in the United States if an alien insurer, or in any jurisdiction if other than an alien insurer, whichever is lower; provided, that the paid-in capital of incorporated insurers not transacting either fire, marine or surety insurance making application under this section shall be at least fifty thousand dollars ($50,000) in excess of such aggregate amount. In no event shall any incorporated insurer be required to have a paid-in capital in excess of one million dollars ($1,000,000) as a condition for its admission for any or all of the classes of insurance hereinafter set forth.

Number and name of class	Amount of capital
2. Fire	$200,000
3. Marine	200,000
5. Surety	250,000
6. Disability	50,000
7. Plate Glass	50,000
8. Liability 9. Workmen's Compensation 10. Common Carrier Liability	50,000 for any or all of these
11. Boiler and Machinery	50,000
12. Burglary	50,000
13. Credit	50,000
14. Sprinkler	50,000
15. Team and Vehicle	50,000
16. Automobile	50,000
18. Aircraft	50,000
20. Miscellaneous	50,000

Scope

This section shall not be applicable to life, title or mortgage insurance, and an insurer now or hereafter admitted to transact

life, title or mortgage insurance shall not be admitted under the provisions of this section, but its admission is governed by other applicable provisions of this code.

SEC. 2. Section 700.05 of the Insurance Code is amended to read:

Determination of minimum amount of capital

700.05. (a) Except as provided in (b) hereof, in determining the minimum amount of paid-in capital and surplus required by the applicable provisions of this code for admission of an insurer, there shall be included all of the classes of insurance transacted by it in the United States if an alien insurer, or in any jurisdiction if other than an alien insurer; provided, that life, title or mortgage insurance shall not be included among the classes of insurance in determining the minimum amount of paid-in capital and surplus required if the minimum paid-in capital is one million dollars ($1,000,000) or more, and if the paid-in capital is less than one million dollars ($1,000,000) the minimum shall be measured by adding to the amounts set forth in Section 700.01 two hundred thousand dollars ($200,000) for life insurance, two hundred fifty thousand dollars ($250,000) for mortagage insurance and one hundred thousand dollars ($100,000) for title insurance.

In applying such provisions, it shall be conclusively presumed that an insurer transacts all classes of insurance for which it is or seeks to be admitted to transact in this State.

(b) Until June 30, 1952, the minimum amount of paid-in capital and surplus as may be required for renewal, for the same classes of insurance, of any certificate of authority of an insurer which was in effect on October 1, 1949, shall be measured by the classes of insurance for which such insurer is admitted in this State. An application for admission to transact any class of insurance for which an insurer was not admitted on October 1, 1949, or the transaction in any jurisdiction of any class of insurance which it did not transact on October 1, 1949, subjects the applicant to subdivision (a).

"Insurer"

(c) As used in this section, "insurer" includes a reciprocal or interinsurance exchange and its attorney in fact.

SEC. 3. Section 1582 of the Insurance Code is amended to read:

Amount of deposit

1582. The amount of such deposit shall be equal to the minimum amount of the paid-in capital required for admission of incorporated insurers issuing policies on a reserve basis and transacting the same classes of insurance which such alien insurer is transacting in the United States, but the commissioner may accept such deposit in excess of such amount. Such deposit may be treated as a part of the assets of the depositing insurer. For the purpose of computing the amount of the deposit, the value of the securities shall not be estimated in excess of the par value nor of the market value thereof.

SEC. 4. Section 1594 of the Insurance Code is amended to read:

Deficiency in trusteed surplus

1594. Whenever it appears to the commissioner that the trusteed surplus in the United States of an alien insurer is less

than an amount equal to the minimum amount of the capital paid in or available cash assets required by this code for the classes of insurance transacted by such alien insurer in the United States, he shall determine the amount of such deficiency and make requisition upon such alien insurer in writing, addressed to its attorney in the United States or to its United States manager, to repair such deficiency within such time, not less than 60 nor more than 90 days from the service of such requisition, as he may therein designate. The commissioner may revoke or suspend the certificate of authority of such alien insurer or order it to cease issuing new policies in the United States, while such deficiency exists.

If at the expiration of the period designated in such requisition such alien insurer has failed to repair such deficiency, the commissioner may proceed against it under the provisions of Article 14, Chapter 1, Part 2, Division 1 as against an insurer whose condition is such that its further transaction of business will be hazardous to its policyholders, or creditors, or to the public.

SEC. 5. Section 12360 of the Insurance Code is amended to read:

Title insurance

12360. An insurer which anywhere in the United States transacts any class of insurance other than title insurance is not eligible for the issuance of a certificate of authority to transact title insurance in this State nor for the renewal thereof.

SEC. 6. Section 12441 of the Insurance Code is amended to read:

Mortgage insurance

12441. An insurer which anywhere in the United States transacts any class of insurance other than mortgage insurance is not eligible for the issuance of a certificate of authority to transact mortgage insurance in this State nor for the renewal thereof.

CHAPTER 543

An act to amend Sections 1153 and 1153.5 of the Insurance Code, both relating to insurance.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1153 of the Insurance Code is amended to read:

Insurer: Qualifications for admittance

1153. An insurer shall not be admitted within three years from and after the time when it commences business as an insurer, nor within three years from and after the time when it is first incorporated, unless assets equal to the sum of its liabilities and the minimum capital and surplus required for admission are maintained in cash or one or more of the following:

(a) Securities specified in Sections 1170 to 1175, inclusive;

(b) Bonds specified in Section 1176 if such bonds are legal for investment of savings banks in this State;

(c) Such securities specified in Sections 1178 to 1202, inclusive, as are legal for investment of savings banks in this State;

(d) Premiums in course of collection, or agents' balances representing premiums, on policies effected not more than 90 days prior to the date on which such premiums or balances are valued for the purpose of this section, and earned service fees receivable, not over 90 days due, and evidences of debt representing such assets;

(e) In the case of a life insurer, the amount of current deferred premiums receivable, after deducting therefrom the amount of the loading;

(f) Interest accrued and dividends declared, receivable on any of the assets specified in subdivisions (a) to (e), inclusive, no part of which interest or dividends has been due in excess of one year;

(g) Amount of reinsurance recoverable from admitted insurers.

SEC. 2. Section 1153.5 of said code is amended to read:

Revocation of certificate

1153.5. An admitted insurer which has been in business as an insurer less than three years from and after the time when it commenced business as an insurer shall maintain its assets during the balance of such three-year period in the types of assets specified in Section 1153, excepting such of its assets as are in excess of the sum of its liabilities and the surplus and capital requirements for admission. On its failure so to do, the commissioner may revoke its certificate of authority. The proceedings shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted therein.

CHAPTER 544

An act to add Sections 1373.1 and 1373.2 to the Insurance Code, relating to insurance.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1373.1 is added to the Insurance Code, to read:

Qualifications for attorneys

1373.1. No certificate of authority, other than a renewal certificate of authority, shall be issued to the attorney within three years from and after the time when the exchange commences business as an insurer nor within three years from and after the time it is first organized unless assets equal to the sum of its liabilities and the minimum surplus required by this chapter are maintained in cash or one or more of the following:

(a) Securities specified in Sections 1170 to 1175 inclusive;

(b) Bonds specified in Section 1176, if such bonds are legal for investment of savings banks in this State;

(c) Such securities specified in Sections 1178 to 1202, inclusive, as are legal for investment of savings banks in this State;

(d) Premiums in course of collection, or agents' balances representing premiums, on policies effected not more than 90 days prior to the date on which such premiums or balances are valued for the purposes of this section, and earned service fees receivable, not over 90 days due, and evidences of debt representing such assets;

(e) Interest accrued and dividends declared, receivable on any of the assets specified in subsections (a) to (d), inclusive, no part of which interest or dividends has been due in excess of one year;

(f) Amount of reinsurance recoverable from admitted insurers.

SEC. 2. Section 1373.2 is added to said code, to read:

Revocation of certificate

1373.2. (a) Except as provided in subsection (b) hereof, an exchange, the attorney for which holds a certificate of authority, which has been in business as an insurer less than three years from and after the time when it commenced business as an insurer shall maintain its assets during the balance of such three-year period in the type of assets specified in Section 1373.1, excepting such of its assets as are in excess of the sum of its liabilities and the surplus required for issuance of a certificate of authority, other than a renewal certificate of authority. Upon its failure so to do the commissioner may revoke the certificate of authority. The proceedings shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted therein.

Exemption

(b) This section shall not apply to an exchange, the attorney for which holds a certificate of authority on the effective date hereof, until January 1, 1954.

CHAPTER 545

An act to amend Section 1703 of the Insurance Code, relating to insurance.

In effect September 22 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1703 of the Insurance Code is amended to read:

Life agents' licenses

1703. Life agents' licenses issued by the commissioner under this article shall be of the following types and on such forms as shall clearly distinguish one from the other:

(a) Life and disability agent which shall entitle the licensee to transact life insurance and also to transact all types of disability insurance.

(b) Life only agent which shall entitle the licensee to transact life insurance and contracts supplemental thereto either included in the life insurance contract or in a rider attached thereto and which contain only one or more of the following provisions relating to disability insurance:

(1) A provision for additional benefits in case of death by accident.

(2) A provision which operates to safeguard the contract against lapse in the event that the insured shall become totally and permanently disabled as defined by the contract or supplemental contract.

(3) A provision which gives a special surrender value or a special benefit or an annuity in the event that the insured or annuitant shall become totally and permanently disabled as defined by the contract or supplemental contract.

(c) Disability only agent which shall entitle the licensee to transact only disability insurance on behalf of an insurer of any kind which is admitted for disability insurance.

Nothing in this section shall be taken to prevent the holding at one time, by any qualified and eligible person, of more than one of the types of licenses provided for herein.

A person licensed under Article 1 of this chapter may be authorized to transact disability insurance on behalf of life insurers by the filing of a company appointment by a life insurer with the commissioner for that purpose. The commissioner shall prescribe the forms of such appointments.

Persons licensed under this section and their licensing, appointment, business practice, and conduct are subject to the supervision and disciplinary powers of the commissioner.

CHAPTER 546

An act to add Section 400.1 to the Unemployment Insurance Act, relating to unemployment compensation disability benefits.

Stats 1935, p 1226, amended

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 400.1 is added to the Unemployment Insurance Act, to read:

Sec. 400.1. Anything in this act to the contrary notwithstanding, any individual who adheres to the faith or teaching of any bona fide religious sect, denomination, or organization, and in accordance with its creed, tenets, or principles, depends for healing upon prayer in the practice of religion, upon filing with the department and with each of his employers a statement declaring such adherence and dependence and disclaiming any benefits under Article 10 of this act, shall be exempt from contributions under this act in respect to any wages paid to him by any such employer in the calendar quarter in which such

Religious exemption

statement is filed and in all subsequent calendar quarters while such statement is in effect, and shall be ineligible to receive benefits under the provisions of Article 10 which would otherwise be based upon such wages.

CHAPTER 547

An act to add Section 15256 to the Health and Safety Code, relating to housing.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 15256 is added to the Health and Safety Code, to read:

Authority to waive strict compliance

15256. The enforcement agency having jurisdiction is hereby authorized to waive strict compliance with the provisions of this part as to any building operated by a nonprofit corporation, association or organization exclusively for recreational purposes for seasonal use only, and located in an unincorporated area of the State. Such waiver shall be limited and restricted to such matters as in the judgment of the enforcement agency will not create a hazard to the health or safety of the public or the occupants of such buildings after giving proper consideration to the location and use thereof.

CHAPTER 548

An act amending Section 30354 of the Streets and Highways Code, to except a bridge or other highway crossing between the County of Marin and the County of Contra Costa from the limitations of Sections 30350 and 30351.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 30354 of the Streets and Highways Code is amended to read:

Exemption

30354. The limitations and provisions of Sections 30350 and 30351 do not apply to the acquisition or construction and maintenance and operation of any bridge which may be built across the Golden Gate between the City and County of San Francisco and the County of Marin, or to any ferry authorized to be operated and maintained across the waters of the bay between the City and County of San Francisco and the County of Marin, or to any bridge or tube between the Cities of Oakland and Alameda, or to any highway bridge or other crossing between the County of Marin and the County of Contra Costa.

CHAPTER 549

An act to add Sections 1257 and 1437 to the Banking Code, and Sections 1257 and 1437 to the Financial Code, relating to reserves.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1257 is added to the Banking Code, to read:

Change of reserves Commercial banks

1257. Whenever he determines that the maintenance of sound banking practices or the prevention of injurious credit expansions or contractions makes such action advisable, the superintendent by general regulation and without submitting such regulation to any other state agency or authority, may change, from time to time, the nature and amount of reserves required to be maintained by commercial banks doing business in this State which are not members of a Federal Reserve Bank. The reserves so specified shall not be less than those provided in this chapter nor greater than those required, at the time, of commercial banks doing business in this State which are members of a Federal Reserve Bank.

SEC. 2. Section 1437 is added to the Banking Code, to read:

Same: Savings banks

1437. Whenever he determines that the maintenance of sound banking practices or the prevention of injurious credit expansions or contractions makes such action advisable, the superintendent by general regulation and without the necessity of submitting such regulation to any other state agency or authority, may change, from time to time, the nature and amount of reserves required to be maintained by savings banks doing business in this State which are not members of a Federal Reserve Bank. The reserves so specified shall not be less than those provided in this chapter nor greater than those required, at the time, of savings banks doing business in this State which are members of a Federal Reserve Bank.

NOTE: The sections of the Financial Code affected by this chapter appear in their proper place in that code, Chapter 364 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 5. Sections 3 and 4 of this act become operative only if Division 1 of the Financial Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 1 takes effect, at which time Sections 1257 and 1437 added to the Banking Code by this act are repealed.

Effect Stats. 1951, Ch 364

CHAPTER 550

An act to amend Sections 9650, 9652, 9751, 9753, 9759, 9765, 9769, and 9770 of, and to add Section 9652.1 to, the Business and Professions Code, relating to cemeteries and making an appropriation, to take effect immediately.

In effect immediately

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9650 of the Business and Professions Code is amended to read:

Endowment care funds Report

9650. Each cemetery authority in charge of cemetery endowment care funds shall file with the board annually, on or before March 1st, a written report in form prescribed by the board setting forth:

(a) The number of square feet of grave space and the number of crypts and niches sold or disposed of under endowment care:

(1) Prior to September 19, 1939.

(2) From September 20, 1939, to January 1st of the year preceding the filing of this report.

(3) From January 1st through December 31st of the preceding year.

(b) The amount collected and deposited in both the general and special endowment care funds:

(1) Prior to September 19, 1939.

(2) From September 20, 1939, to January 1st of the year next preceding the filing of the report.

(3) From January 1st through December 31st of the preceding year segregated as to the amounts deposited for crypts, niches and grave space.

(c) A statement showing separately the total amount of the general and special endowment care funds invested in each of the investments authorized by law and the amount of cash on hand not invested, which statement shall actually show the financial condition of the funds.

The report shall be verified by the president or vice president and one other officer of the cemetery corporation and shall be certified by the accountant or auditor preparing the same.

SEC. 2. Section 9652 of said code is amended to read:

Examination by board

9652. The board shall examine the endowment care funds of a cemetery authority:

(a) Whenever it deems necessary and at least once every five (5) years;

(b) Whenever the cemetery authority in charge of endowment care funds fails to file the report required by this article; or

(c) Whenever it is requested by verified petition signed by twenty-five (25) persons interested as lot owners or members, alleging that the endowment care funds are not in accord-

ance with the law, in which case the examination shall be at the expense of the petitioners.

(d) The expense of the examination as provided in subdivisions (a) and (b) shall, in the discretion of the board, be paid by the cemetery authority, not exceeding fifty dollars ($50) per day for each examiner engaged in the examination whenever the examination requires more than two (2) days.

SEC. 3. A new Section 9652.1 is added to said code, to read:

9652.1. If any cemetery authority refuses to pay such expenses in advance, the board shall refuse it a certificate of authority and shall revoke any existing certificate of authority. All examination expense moneys collected by the board shall be paid into the State Treasury to the credit of the Cemetery Fund. Refusal to pay expenses in advance

SEC. 4. Section 9751 of said code is amended to read:

9751. The original cemetery broker's license fee is forty dollars ($40). The board may use two dollars ($2) of the fee to secure a credit report or investigation of the applicant. Broker's fee

SEC. 5. Section 9753 of said code is amended to read:

9753. For a renewal cemetery broker's license the annual fee is forty dollars ($40). Same Renewal

SEC. 6. Section 9759 of said code is amended to read:

9759. For a renewal cemetery salesman's license the annual fee is five dollars ($5). Salesman's fee

SEC. 7. Section 9765 of the Business and Professions Code is amended to read:

9765. Every cemetery authority operating a cemetery shall pay an annual regulatory charge for each cemetery to be fixed by the board at not more than twenty-five dollars ($25), plus an additional charge of not more than fifteen cents ($0.15) per interment made during the preceding full calendar year, which charges shall be deposited in the Cemetery Fund. Regulatory charge

SEC. 8. Section 9769 of the Business and Professions Code is amended to read:

9769. All moneys received by the board under the provisions of this chapter shall be accounted for and reported by detailed statements furnished by the board to the State Controller at least once a month, and at the same time such moneys shall be remitted to the State Treasurer, and, upon order of the State Controller, shall be deposited in the Cemetery Fund in the State Treasury, which fund is hereby created. Accounting, deposit of funds

SEC. 9. Section 9770 of the Business and Professions Code is hereby amended to read:

9770. All money paid into the State Treasury and credited to the Cemetery Fund shall be expended in accordance with law for the payment of all actual and necessary expenses incurred in carrying out the provisions of this act. Expenditures

SEC. 10. Section 9 of this act makes an appropriation for the usual current expenses of the State within the meaning or Article IV of the Constitution and shall go into immediate effect. Current expenses

CHAPTER 551

An act to add Section 617 to the Military and Veterans Code, relating to the display of the Flag of the United States.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 617 is added to the Military and Veterans Code, to read:

Display of flags

617. No other flag or pennant shall be placed above, or if on the same level, to the right of the Flag of the United States of America, except during church services, when the church flag may be flown.

CHAPTER 552

An act to amend Section 6624 of the Welfare and Institutions Code, relating to sterilization of patients in state hospitals or state homes under the jurisdiction of the Department of Mental Hygiene.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6624 of the Welfare and Institutions Code is amended to read:

Application

6624. The provisions of this section apply to any person who has been lawfully committed or admitted to any state hospital or state home, and who is afflicted with, or suffers from, any of the following conditions:

(a) Mental disease which may have been inherited and is likely to be transmitted to descendants.

(b) Mental deficiency, in any of its various grades.

(c) Marked departures from normal mentality.

The State Department of Mental Hygiene, upon compliance with the provisions of this section, may cause any such person to be sterilized by the operation of vasectomy upon the patient if a male and of salpingectomy if a female or any other operation or treatment that will permanently sterilize but not unsex the patient. When the superintendent of the state hospital or state home is of the opinion that a patient who is afflicted with or suffering from any of the conditions specified in this section should be sterilized, he shall certify such opinion to the Director of Mental Hygiene and

Notice

shall at the same time give written notice of such certification to the patient and to his known parents, spouse, adult children, or guardian, if any, by registered mail to their last known address. If the patient has no known relatives or guardian, such notice shall be given to the person who petitioned for the patient's commitment. Such notice shall further state that written objection or written consent to the proposed sterilization should be filed with the Director of Mental Hygiene at his office

in Sacramento within 30 days by the patient, his spouse, next of kin or guardian.

When a written consent is filed, or if no objection is filed within the 30 days, the Director of Mental Hygiene, if satisfied that the sterilization will not unduly endanger the patient's health and that it is a proper case for sterilization, may authorize the superintendent to proceed with the sterilization of the patient. The director may cause such examination of the patient and other inquiry to be made as he deems advisable before issuing the authorization to the superintendent. Consent

If a written objection is filed within the 30 days by the patient, his spouse, next of kin, or guardian, and in those cases where the patient has no known relatives or guardian, the proposed sterilization shall not be authorized or performed until the Director of Mental Hygiene has determined the matter. He shall make full inquiry into the case, and may hold a hearing at the institution at which hearing the patient shall be present, and the objecting party and others interested on behalf of the patient may be heard. If the decision of the director is that the patient shall not be sterilized, he shall so order and notify the superintendent, the patient and the objecting party. If the decision of the director is that the patient should be sterilized, he shall send notice of such decision to the patient, his known parents, spouse, adult children, and guardian, if any, and the objecting party, by registered mail to their last known address. Such notice shall further state that any such party has the right within 30 days to petition the superior court of the county in which the institution is situated or of the county of the patient's residence for a review of the decision. Objection

If such petition is filed in court within 30 days, and a true copy thereof is served upon the Director of Mental Hygiene, the patient shall not be sterilized unless and until the court, after hearing, issues an order authorizing the sterilization of the patient in accordance with the provisions of this section. If such petition is not filed in court within 30 days, the director may authorize the superintendent to proceed with such sterilization. The sterilization of a patient in accordance with the provisions of this section, whether performed with or without the consent of the patient, shall be lawful and shall not render the department, its officers or employees, or any person participating in the operation liable either civilly or criminally. Court hearing

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CHAPTER 553

An act to add Section 18652 to the Business and Professions Code, relating to boxing and wrestling.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18652 is added to the Business and Professions Code, to read:

Exemption

18652. This chapter does not apply to amateur wrestling contests sponsored by the Olympic Committee of the U. S. A. or the district association of the Amateur Athletic Union of America, subject to approval by the State Athletic Commission of California, provided the entire net proceeds are used for the purpose of defraying the expenses of teams of amateur wrestlers engaged in international competition

CHAPTER 554

An act to amend Section 7303 of the Business and Professions Code, relating to the State Board of Cosmetology.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 7303 of the Business and Professions Code is amended to read:

Term of members

7303. Members of the board shall be appointed for a term of four years and they shall hold office until the appointment and qualification of their successors No member shall serve as a member of the board for more than two consecutive terms

The terms of the members of the board in office when this chapter takes effect shall expire as follows: one member, January 15, 1940; two members, January 15, 1941; one member, January 15, 1942; one member, January 15, 1943. The terms shall expire in the same relative order as to each member as the term for which he holds office before this chapter takes effect.

Vacancies occurring shall be filled by appointment within 60 days, and vacancies occurring during a term shall be filled for the unexpired term.

CHAPTER 555

An act to amend Sections 7066, 7067 and 7059 of the Welfare and Institutions Code, relating to defective and psychopathic delinquents and providing for their parole or return to court from state institutions.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 7066 of the Welfare and Institutions Code is amended to read:

Certification to court

7066. Any person heretofore or hereafter committed under the provisions of this chapter may be paroled or granted a leave of absence by the medical superintendent of the institution wherein the person is confined whenever the medical superintendent is of the opinion that the person has improved to

such an extent that he is no longer a menace to the health and safety of others or that the person will receive benefit from such parole or leave of absence, and after the medical superintendent and the Director of Mental Hygiene have certified such opinion to the committing court.

Parole

If within 30 days after the receipt of such certification the committing court orders the return of such person, the person shall be returned forthwith to await further action of the court. If within 30 days after the receipt of such certification the committing court does not order the return of the person to await the further action of the court, the medical superintendent may thereafter parole the person under such terms and conditions as may be specified by the superintendent. Any such paroled inmate may at any time during the parole period be recalled to the institution. The period of parole shall in no case be less than five years, and shall be on the same general rules and conditions as parole of the mentally ill.

Discharge

When any person has been paroled for five consecutive years, if in the opinion of the medical superintendent and the Director of Mental Hygiene the person is no longer a menace to the health, person, or property of himself or of any other person, the medical superintendent, subject to the approval of the Director of Mental Hygiene, may discharge the person. The committing court shall be furnished with a certified copy of such discharge and shall thereupon make such disposition of the court case as it deems necessary and proper.

Return to court

When, in the opinion of the medical superintendent, a person heretofore or hereafter committed under this chapter will not benefit by further care and treatment under any facilities of the department and should be returned to the jurisdiction of the court, the superintendent of the institution and the Director of Mental Hygiene shall certify such opinion to the committing court including therein a report, diagnosis and recommendation concerning the person's future care, supervision or treatment Upon receipt of such certification, the committing court shall forthwith order the return of the person to the court. The person shall be entitled to a court hearing and to present witnesses in his own behalf, to be represented by counsel and to cross-examine any witness who testifies against him. After considering all the evidence before it, the court may make such further order or commitment with reference to such person as may be authorized by law.

SEC. 2. Section 7067 of said code is amended to read:

Minors

7067. If a minor is brought before a juvenile court by a petition filed under any subdivision of Section 700 of this code or is charged with a crime in any court and it appears to the court after adjudication that the minor is a defective or psychopathic delinquent, the court may adjourn the proceedings in the juvenile court or suspend the sentence in any other court and direct some suitable person to take proceedings under this chapter against the minor in the superior court, and the court

may order that, pending the preparation, filing and hearing of the petition, the minor before the court be detained in a place of safety.

If, upon the hearing of the petition, or upon a subsequent hearing under this chapter, the minor is found not to be a defective or psychopathic delinquent, the superior court shall return the person to the court in which the case originated for such disposition as that court may deem necessary and proper.

If, upon the hearing of the petition, or upon a subsequent hearing, the court is of the opinion that or in doubt whether the minor is a defective or psychopathic delinquent, the court shall proceed in accordance with the provisions of Section 7058 for the commitment of the minor or other disposition of the case.

SEC. 3. Section 7059 of said code is amended to read:

Execution by sheriff, fees

7059. The sheriff of any county wherein an order is made by any court committing any person under this chapter or returning such person to the court shall execute the order of commitment or order of return, and receive as compensation therefor such fees as are now or may hereafter be provided by law for the transportation of prisoners to the state prison, which shall be payable in the same manner. No female person committed shall be taken to or from the institution without the attendance of some woman of good character and mature age, chosen for the purpose by the sheriff.

CHAPTER 556

An act to amend Section 11291 of the Education Code, relating to the distribution of textbooks published by the State Board of Education.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11291 of the Education Code is amended to read:

Distribution of textbooks

11291. The State Board of Education shall provide for the distribution of basic textbooks in such a manner as to provide each pupil enrolled in each grade of an elementary school one copy of each basic textbook adopted for use in such grade during the period of the school year the textbook is in actual use in such school; except that school districts may order, in lieu thereof, basic textbooks adopted for lower grades or higher grades for use by those pupils for whom such textbooks would be more appropriate. The board shall provide for the distribution of other textbooks, supplementary textbooks, and teachers' manuals in such manner as it may determine.

CHAPTER 557

An act to add Section 16376 to the Government Code, relating to funds deposited in trust in the State Treasury for the California State Historical Association.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 16376 is added to the Government Code, to read:

16376. All funds on deposit in trust in the State Treasury for the use and benefit of the California State Historical Association are hereby transferred to the General Fund.

Transfer of California State Historical Association funds

CHAPTER 558

An act to amend Section 11736 of the Insurance Code, relating to the issuance and approval of workmen's compensation insurance premium rates.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 11736 of the Insurance Code is amended to read:

11736. An insurer shall not issue, renew or continue in force any workmen's compensation insurance under a law of this State at premium rates which are less than the rates approved or issued by the commissioner. The effective date of such rates shall be the date fixed by the commissioner.

Minimum rates

CHAPTER 559

An act to amend Section 1520 of the Welfare and Institutions Code, relating to aid to needy children in respect to real property qualifications for aid.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1520 of the Welfare and Institutions Code is amended to read:

1520. No aid under this chapter shall be granted or paid to any child who owns, or whose parent owns real property, the combined assessed value of which as assessed by the county assessor, less all encumbrances thereon of record, exceeds three thousand dollars ($3,000) at the time application for aid is

Aid to needy children Limitation

made, or while in receipt of such aid. Real property owned but not occupied as a home by a child receiving aid under this chapter or by the parent of such child shall be used to provide for the needs of the child or his parent, or both. No child shall be disqualified for aid if such property is not available for sale or use.

CHAPTER 560

An act to amend Section 7300 of the Health and Safety Code, relating to embalming.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 7300 of the Health and Safety Code is amended to read:

Death from unknown cause

7300. No person shall embalm the body of any person who has died from an unknown cause, except with the permission of the coroner.

CHAPTER 561

An act to add Sections 483.1, 483.2, and 483.3 to the Civil Code, and to add Sections 7609, 7610, and 7611 to the Public Utilities Code, relating to first-aid kits on trains.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 483.1 is added to the Civil Code, to read:

Requirement, use

483.1. Every railroad company, or the receiver or receivers thereof, operating trains, in whole or in part, within the State of California, shall provide an emergency first-aid kit on each caboose, locomotive, motor or diesel engine. The emergency first-aid kit shall be used only to render first medical or surgical aid to injured passengers, employees, or other injured persons requiring such aid at the first possible moment.

SEC. 2. Section 483.2 is added to said code, to read:

Report of use, loss

483.2. The employee of any railroad company, or the receiver or receivers thereof, having charge of any passenger train, caboose, locomotive, motor or diesel engine shall report in writing as soon as possible to the office or officer designated by such company or receiver for such purpose, whenever any emergency first-aid kit has been used or has been found missing.

SEC. 3. Section 483.3 is added to said code, to read:

Improper use Penalty

483.3. Any person or any employee of any railroad company, or the receiver or receivers thereof, who removes, carries

away from its proper place, or uses any emergency first-aid kit, except for the purpose of administering first-aid in the event of injury to any passenger, employee, or other person, is guilty of a misdemeanor, and is punishable by a fine of not less than twenty-five dollars ($25).

NOTE: The sections of the Public Utilities Code affected by this chapter appear in their proper place in that code, Chapter 764 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 7. Sections 4, 5, and 6 of this act become effective only if Division 4 of the Public Utilities Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 4 takes effect, at which time Sections 483.1, 483.2 and 483.3 added to the Civil Code by this act are repealed. Effect Stats. 1951, Ch. 764

SEC. 8. This act shall not become operative until January 1, 1952. Operative date

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CHAPTER 562

An act to amend Sections 654 and 655 of the Agricultural Code, relating to imitation milk and imitation cream and imitation milk products.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 654 of the Agricultural Code is amended to read:

654. Each person, who manufactures any imitation milk or imitation cream or imitation milk product, or any substitute that may be used as and substituted for milk, cream or evaporated milk, shall comply with the following: Required label statement

(a) The top, if the top be of sufficient size, and the sides of each package, in which containers of the article or substance are kept, and in which they may be removed from the place where the article or substance is produced or put up, shall have printed, stamped or stenciled thereon, in a clear manner the words "imitation milk" or "imitation cream" or "imitation milk product," as the case may require, in plain roman type, the letters of which shall not be less than one inch in height and one-half inch in width.

(b) A statement shall be prepared, printed in plain roman type of a size not smaller than pica, stating in the English language the name of the product, the name and address of the manufacturer, the name of the place where manufactured or put up, and the names of the various ingredients and the percentages of fat contained in said imitation milk or imitation cream or imitation milk product and the percentage of milk fat, if any.

(c) A copy of said statement shall be placed within and upon the contents of each package, and next to that portion of each package which is commonly and most conveniently opened.

(d) Each container, within such package, containing imitation milk or imitation cream or imitation milk product shall be labeled with the words "imitation milk" or "imitation cream" or "imitation milk product," as the case may require, printed in black-face plain roman capital letters of a size not less than 12-point, and said words shall appear upon the main or principal label of the containers.

SEC. 2. Section 655 of said code is amended to read:

Restaurants, etc

655. No keeper or proprietor of any bakery, hotel, boarding house, restaurant, lunch counter, or any other place where food or drink is served to the public, and no person having charge thereof, or employee thereat, and no employer when such board is furnished as compensation, or part of the compensation of any employee, shall place before any patron or employee for use as food, any imitation milk or imitation cream or imitation milk product, unless there shall be displayed in a prominent place in each room therein where meals are served, a sign bearing the words: "Imitation milk used and served here" or "Imitation cream used and served here" or "Imitation milk product used and served here," as the case may require, in black-faced letters of not less than four inches in height upon a white background. Nothing in this article prohibits the use of imitation milk or imitation cream or imitation milk product for cooking purposes.

CHAPTER 563

An act to add Section 10133 to the Insurance Code, relating to group disability insurance.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10133 is added to the Insurance Code, to read:

Direct payment

10133. Upon written consent of the insured first obtained with respect to a particular claim any disability insurer may pay group insurance benefits contingent upon, or for expenses incurred on account of, hospitalization or medical or surgical aid to the person or persons furnishing such hospitalization or medical or surgical aid. Payments so made shall discharge the insurer's obligation with respect to the amount so paid.

Nothing in this section shall be construed to authorize an insurer to furnish services of hospitals, or physicians and surgeons or in any manner to direct, participate in or control the selection of the hospital or physician and surgeon from whom the insured secures services.

CHAPTER 564

An act to add Section 1155 to the Insurance Code, relating to restrictions on activities of insurers.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1155 is added to the Insurance Code, to read:

1155. An insurer, within such limits as may be set by the board of directors, may contribute to community funds or to charitable, philanthropic, or benevolent instrumentalities conducive to public welfare or civic betterment.

Contributions to community, etc., funds

CHAPTER 565

An act to add Section 7.7 to the Unemployment Insurance Act, relating to individuals licensed by the State as real estate salesmen, and who are remunerated solely by way of commission.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7.7 is added to Unemployment Insurance Act, to read:

Sec. 7.7. The term "employment" does not include services performed as a real estate salesman by an individual who is licensed by the State of California as a real estate salesman and remunerated solely by way of commission.

"Employment"

CHAPTER 566

An act to amend Section 120 of the Insurance Code, relating to insurance.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 120 of the Insurance Code is amended to read:

120. Miscellaneous insurance includes insurance against loss from damage done, directly or indirectly by lightning, windstorm, tornado, earthquake or insurance under an open policy indemnifying the producer of any motion picture, television, theatrical, sport, or similar production, event, or exhibition against loss by reason of the interruption, postponement, or cancellation of such production, event, or exhibition due to death,

Miscellaneous insurance

accidental injury, or sickness preventing performers, directors, or other principals from commencing or continuing their respective performance or duties; and any insurance not included in any of the foregoing classes, and which is a proper subject of insurance.

Purpose of act

SEC. 2. This act is intended to make it clear that insurance indemnifying a producer as above defined can be transacted by an insurer admitted for miscellaneous insurance as well as by an insurer admitted for life and disability insurance.

CHAPTER 567

An act to amend Sections 1191 and 1192 of, to repeal Section 1199 of, and to add Sections 1192.4 and 1199 to, the Insurance Code, relating to insurance.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1191 of the Insurance Code is amended to read:

Investments Stock

1191. Excess funds investments may be made in the stock of any corporation organized and carrying on business under the laws of this or any other state, or of the United States, or of the District of Columbia, or of the Dominion of Canada or of any province of the Dominion of Canada.

SEC. 2. Section 1192 of said code is amended to read:

Same Other securities

1192. Excess funds investments may be made in:

(a) Interest-bearing obligations issued by a corporation organized under the laws of any state, or of the United States, or of the District of Columbia, or of the Dominion of Canada or of any province of the Dominion of Canada, or

(b) Equipment trust obligations or certificates, or other adequately secured instruments, evidencing an interest in or lien upon transportation equipment used or to be used by a common carrier or common carriers and a right to receive determined portions of fixed obligatory payments for the use or purchase of such equipment, when such obligations, certificates or instruments are issued by a corporation specified in paragraph (a) or are unconditionally guaranteed or assumed by such a corporation as to principal and as to interest or dividends and as to the payment of such fixed obligatory payments or the payment of such determined portions thereof.

SEC. 3. Section 1192.4 is added to said code, to read:

Limitation

1192.4. No domestic insurer shall have more than 10 percent of its capital and surplus invested in stock and obligations of corporations organized under the laws of the Dominion of Canada or of any province of the Dominion of Canada, but this limitation shall not affect the authority conferred by Sections 1172, 1199 and 1240.

Repeal

SEC. 4. Section 1199 of said code is repealed.

SEC. 5. Section 1199 is added to said code, to read:

1199. No domestic incorporated fire, life or marine insurer shall make excess funds investments in purchases of, or loans upon, more than 30 percent of the total in par value or number of outstanding shares of the capital stock of any one corporation, except: Fire, life, marine insurers Limitation

(a) In the purchase of the stock of another admitted domestic insurer; or

(b) With the prior authorization of the commissioner, in the purchase of stock of any other insurance corporation organized under the laws of any other state, or of the Dominion of Canada or of any province of the Dominion of Canada, which is supervised by the state or dominions or provincial insurance commissioner or similar official, and the investments of which comply in substance with the investment requirements and limitations imposed by this code upon like domestic insurers; provided, that no such domestic insurer shall have in the aggregate more than 50 percent of its capital and surplus invested in the stocks of insurance corporations organized under the laws of this State or other states or of the Dominion of Canada or of any province of the Dominion of Canada.

CHAPTER 568

An act to add Section 25369.5 to the Government Code, relating to the powers of boards of supervisors.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 25369.5 is added to the Government Code, to read:

25369.5. In any county having a department under the management and control of a county forester and fire warden, the board may authorize rescue or first aid service, or both, as a function of that department and may appoint agents and employees and acquire needed property and equipment for such purposes. County rescue or first aid service

CHAPTER 569

An act to amend Sections 10492 and 10493 of the Insurance Code, relating to benefit and relief associations.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 10492 of the Insurance Code is amended to read:

Certificate of exemption

10492. Any incorporated or unincorporated benefit and relief association organized on or after January 15, 1951, of either nonprofit or charitable character may, if it complies with the requirements of Section 10493 (c) (1), (2), (3), or (6) and the other requirements of this article, procure a certificate of exemption from the commissioner.

SEC. 2. Section 10493 of the Insurance Code is amended to read:

Same: Conditions

10493. Any incorporated or unincorporated benefit and relief association organized before January 15, 1951, may procure a certificate of exemption from the commissioner if it complies with all of the following:

(a) All of the other requirements of this article.

(b) As respects life or disability or life and disability insurance transacted by it, it is of an entirely nonprofit nature.

(c) Any one of the following requirements as to membership and purpose:

(1) It is composed of and its membership limited to the appointive officers and employees of a public school district and/or the pupils of any such district or of any private school.

(2) It is composed of and its membership limited to the appointive officers and employees of a municipal playground system and/or the participants in dancing, recreational, sporting, educational, social and/or theatrical activities sponsored and/or directed by it and carried on through the use of any of its facilities.

(3) Its membership in this State is 1,000 or more and it is either an organization of a purely religious or benevolent character or its membership is limited to the members of such an organization.

(4) It is composed of and its membership is limited to the members of another organization which other organization is of a purely religious or benevolent character and has a total membership in this State of not less than 1,000.

(5) It is a domestic organization, lodge, society or order which prior to September 19, 1947, provided life or disability benefits or both such benefits to its members and

(A) Is of a charitable, benevolent or beneficent character or becomes such within one year from September 4, 1951, and in both instances is thereafter of such character, and

(B) Operates in such a manner that the payment of such benefits even though it be one of the express purposes of such organization, lodge or order, is as a matter of fact incidental to its charitable, benevolent or beneficent purposes or within one year from September 4, 1951, operates in such a manner and in both instances thereafter operates in such a manner.

(6) Officers and employees of a common employer, and related dependents of such officers and employees, comprising wives, husbands and unmarried dependent children under 19 years of age, and living in the same household.

CHAPTER 570

An act to amend Sections 10270, 10270.4, 10271, 10292, 10381, 10382, 10390, and 10400 of the Insurance Code; to add Sections 10273, 10274, 10275, 10309, 10329, 10359, 10369.50, 10381.5, and 10383 to said code; and to add Articles 3a, comprising Sections 10320 to 10328, inclusive, 4a, comprising Sections 10350 to 10350.12, inclusive, and 5a, comprising Sections 10369.1 to 10369.12, inclusive, to Chapter 4, Part 2, Division 2 of said code, relating to disability insurance.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 10270 of the Insurance Code is amended to read:

Exemptions Blanket policies

10270. This chapter shall not affect workmen's compensation insurance nor any policy of liability insurance with or without supplementary expense coverage therein, nor shall it apply:

(a) To a blanket policy issued to a volunteer fire company providing benefits to members only in event of accident incurred while performing actions incident to such membership.

(b) To a blanket policy issued to a college, school, or other institution of learning or to the head or principal thereof agreeing to indemnify for loss of tuition by reason of disability of students enrolled therein.

(c) To a blanket policy issued to a school district or to the governing board of any school district providing benefits to pupils or persons responsible for their support for hospital, medical and surgical expenses resulting from accident to such pupils while they are in or on buildings or premises of the school or district during the time such pupils are required to be therein or thereon by reason of their attendance upon a college or a regular day school or any regular day school of a school district or while being transported to and from school or other place of instruction. No pupil shall be compelled to accept such service without the consent of his parent or guardian.

(d) To a policy issued on application of an employer, a majority of the employees in this State of an employer, or both, to pay the benefits afforded by a voluntary plan of unemployment compensation disability insurance. Notwithstanding the provisions of Section 10113, such policies may incorporate by reference any of the appropriate provisions of Article 10 of the California Unemployment Insurance Act and the authorized regulations of the California Employment Stabilization Commission.

(e) To any policy or contract of reinsurance.

No policies described in subdivisions (a), (b) and (c) hereof shall be issued until approved as to substance and form by the commissioner. The commissioner may after notice and

hearing promulgate such reasonable rules and regulations, relating to the substance, form and issuance of such policies, as are necessary or desirable to preserve, insofar as applicable, standards as respects substance, form and issuance comparable to the standards in such respects prescribed by this chapter and applicable to other types of disability policies, and to further the purpose or purposes for which such policies are to be issued.

No policies described in subdivision (d) hereof shall be issued until approved as to form by the commissioner. The commissioner may after notice and hearing promulgate such reasonable rules and regulations, relating to the form and issuance of such policies, as do not affect the substance of the coverage, and as are necessary or desirable to preserve, insofar as applicable, standards as respects form and issuance comparable to the standards in such respects prescribed by this chapter and applicable to other types of disability policies, and to further the purpose or purposes for which such policies are to be issued.

Section 10130 does not apply to policies described in subdivision (d) hereof.

SEC. 2. Section 10270.4 of the Insurance Code is amended to read:

Disability insurers

10270.4. Any disability insurer may issue policies of group disability insurance and family expense disability insurance as defined in this article but shall not issue any form of policy of group disability insurance, or family expense disability insurance except as prescribed in this article. Provided, however, that during the calendar years of 1952 to 1956, inclusive, a policy of family expense disability insurance as defined in Section 10270.7 may (1) contain either the provisions required by Section 10270.8, those promulgated by the commissioner pursuant to Sections 10270.9 and 10270.93 and be subject to this article and to Section 10291.5 or (2) be filed and approved under Article 2 of this chapter and be subject to such article and to Articles 3a, 4a, and 5a of this chapter and contain the provision required by Section 10270.8(b). On and after January 1, 1957 the provisions of this article shall no longer relate to such policies except Sections 10270.7 and 10270.8(b) and all of such policies shall be subject to the provisions set forth in alternative (2) above.

SEC. 3. Section 10271 of the Insurance Code is amended to read:

Application

10271. Except as provided in Section 10292, this chapter shall not apply to or in any way affect life insurance, endowment or annuity contracts or contracts supplemental thereto which contain only such provisions relating to disability insurance as (a) provide additional benefits in case of death or dismemberment or loss of sight by accident or as (b) operate to safeguard such contracts against lapse, or to give a special surrender value, or special benefit, or an annuity, in the event that the insured or annuitant shall become totally and permanently disabled as defined by the contract or supplemental contract.

SEC. 4. Section 10273 is added to Article 1, Chapter 4, Part 2, Division 2 of the Insurance Code, to read:

10273. The term "noncancellable policy" as used in this chapter means a policy which the insured has the right to continue in force subject to its terms by the timely payment of premium (a) until at least age 50 or (b) in the case of a policy issued after age 44 for at least five years from its date of issue. "Noncancellable policy"

SEC. 5. Section 10274 is added to Article 1, Chapter 4, Part 2, Division 2 of the Insurance Code, to read:

10274. The term "endorsement" as used in this chapter means any amendment, change, limitation, alteration or restriction of the printed text of a policy by a rider upon a separate piece of paper made a part of such policy. "Endorsement"

SEC. 6. Section 10275 is added to Article 1, Chapter 4, Part 2, Division 2 of the Insurance Code, to read:

10275. The term "policy of accident and sickness insurance" as used in this chapter includes any policy or contract covering the kind or kinds of insurance described in Section 106. "Policy of accident and sickness insurance"

SEC. 7. Section 10292 of the Insurance Code is amended to read:

10292. A supplemental contract of the kind mentioned in Section 10271 shall not be delivered or issued for delivery to any person in this State until a copy of the form thereof is submitted to and approved by the commissioner. If such supplemental contract is an integral part of a contract of life insurance, the entire contract shall be submitted to the commissioner but his power of approval or disapproval is limited to the supplemental portion described in such section and such other portions as relate to such supplemental portion. The commissioner may make reasonable rules and regulations concerning the provisions in such contracts and their submission to and approval by him as are necessary, advisable or convenient to enforce the applicable standards set forth in this chapter. Supplemental contracts

SEC. 8. Section 10309 is added to Article 3, Chapter 4, Part 2, Division 2 of the Insurance Code, to read:

10309. During the calendar years of 1952 to 1956, inclusive, a disability policy subject to this chapter shall not be delivered or issued for delivery to any person in this State unless it complies either with the provisions of this article or of Article 3a of this chapter. If such policy complies with Article 3a of this chapter it shall also in accordance with Sections 10329, 10359 and 10369.50 comply with Articles 4a and 5a of this chapter. On and after January 1, 1957 the provisions of this article shall no longer relate to such policies and all of such policies shall be subject to Article 3a. Requirement of compliance

SEC. 9. Article 3a is added to Chapter 4, Part 2, Division 2 of the Insurance Code, to read:

Article 3a. Policy Form Generally—Uniform Provisions

10320. No policy of accident and sickness insurance shall be delivered or issued for delivery to any person in this State unless: Form, provisions

(a) The entire money and other considerations therefor are expressed therein; and

(b) The time at which the insurance takes effect and terminates is expressed therein; and

(c) It purports to insure only one person, except that a policy may insure, originally or by subsequent amendment, upon the application of the head of a family who shall be deemed the policyholder, any two or more eligible members of that family, including husband, wife, dependent children or any children under a specified age which shall not exceed 19 years and any other person dependent upon the policyholder; and

(d) The style, arrangement and over-all appearance of the policy give no undue prominence to any portion of the text, and unless every printed portion of the text of the policy and of any endorsements or attached papers is plainly printed in light-faced type of a style in general use, the size of which shall be uniform and not less than 10-point with a lower case unspaced alphabet length not less than 120-point (the "text" shall include all printed matter except the name and address of the insurer, name or title of the policy, the brief description, if any, and captions and subcaptions); and

(e) The exceptions and reductions of indemnity are set forth in the policy and, except those which are set forth in Article 4a or 5a of this chapter, are printed, at the insurer's option, either included with the benefit provision to which they apply, or under an appropriate caption such as "Exceptions," or "Exceptions and Reductions"; provided, that if an exception or reduction specifically applies only to a particular benefit of the policy, a statement of such exception or reduction shall be included with the benefit provision to which it applies; and

(f) Each such form, including riders and endorsements, shall be identified by a form number in the lower left-hand corner of the first page thereof; and

(g) It contains no provision purporting to make any portion of the charter, rules, constitution, or by-laws of the insurer a part of the policy unless such portion is set forth in full in the policy, except in the case of the incorporation of, or reference to, a statement of rates or classification of risks, or short-rate table filed with the commissioner; and

(h) If the policy contains amendment, change, limitation, alteration, or restriction of the printed text by endorsement, or by any means other than rider upon a separate piece of paper made a part of such policy; and

(i) If any portion of such policy purports to reduce benefits by reason of age of the insured and such reduction, in accordance with the age of the insured as stated in his application, would be effective on the issue date of the policy.

Amendment, etc., of policy

10321. After issuance a disability policy shall not be amended, changed, limited, altered, or restricted by any means other than rider upon a separate piece of paper.

Policies on nonresidents

10322. If any disability policy is issued by an insurer domiciled in this State for delivery to a person residing in another state, and if the official having responsibility for the administration of the insurance laws of such other state shall have advised the commissioner that any such policy is not subject to approval or disapproval by such official, the commissioner may by ruling require that such policy meet the standards set forth in Section 10320 and in Articles 4a and 5a of this chapter.

Inapplicable, inconsistent provisions

10323. If any provision set forth in Article 4a or 5a of this chapter is in whole or in part inapplicable to or inconsistent with the coverage provided by a particular form of policy the insurer, with the approval of the commissioner, shall omit from such policy any inapplicable provision or part of a provision, and shall modify any inconsistent provision or part of the provision in such manner as to make the provision as contained in the policy consistent with the coverage provided by the policy.

Order of provisions

10324. The provisions which are the subject of Article 4a or 5a of this chapter or any corresponding provisions which are used in lieu thereof in accordance with such articles, shall be printed in the consecutive order of the provisions in such articles or, at the option of the insurer, any such provision may appear as a unit in any part of the policy, with other provisions with which it may be logically related, providing the resulting policy shall not be in whole or in part unintelligible, uncertain, ambiguous, abstruse, or likely to mislead a person to whom the policy is offered, delivered or issued.

"Insured"

10325. The word "insured," as used in this chapter, shall not be construed as preventing a person other than the insured with a proper insurable interest from making application for and owning a policy covering the insured or from being entitled under such a policy to any indemnities, benefits and rights provided therein.

Foreign, alien insurers

10326. Any disability policy of a foreign or alien insurer, when delivered or issued for delivery to any person in this State, may contain any provision which is not less favorable to the insured or the beneficiary than the provisions of this chapter and which is prescribed or required by the law of the state under which the insurer is organized.

Same

10326.5. Any disability policy of a domestic insurer may, when issued for delivery in any other state or country, contain any provision permitted or required by the laws of such other state or country.

Procedure for filing, submission

10327. The commissioner may make such reasonable rules and regulations concerning the procedure for the filing or submission of policies subject to this chapter as are necessary, proper or advisable to its administration. This provision shall not abridge any other authority granted the commissioner by law.

Other provisions

10328. No policy provision which is not subject to Article 4a or 5a of this chapter shall make a policy or any portion

thereof less favorable in any respect to the insured or the beneficiary than the provisions thereof which are subject to such articles.

SEC. 10. Section 10329 is added to Article 4, Chapter 4, Part 2, Division 2 of the Insurance Code, to read:

Compliance required

10329. During the calendar years of 1952 to 1956, inclusive, a disability policy subject to this chapter shall not be delivered or issued for delivery to any person in this State unless it complies either with the provisions of this article or of Article 4a of this chapter. On and after January 1, 1957, the provisions of this article shall no longer relate to such policies and all of such policies shall be subject to Article 4a.

SEC. 11. Article 4a is added to Chapter 4, Part 2, Division 2 of the Insurance Code, to read:

Article 4a. Compulsory Standard Provisions—Uniform Provisions

Provisions wording, form

10350. Except as provided in Section 10323, each disability policy delivered or issued for delivery to any person in this State shall contain the provisions specified in Sections 10350.1 to 10350.12, inclusive, in the words in which the same appear in such sections; provided, however, that the insurer may, at its option, substitute for one or more of such provisions corresponding provisions of different wording approved by the commissioner which are in each instance not less favorable in any respect to the insured or the beneficiary. Such provisions shall be preceded individually by the caption appearing in each section or, at the option of the insurer, by such appropriate individual or group captions or subcaptions as the commissioner may approve.

Required provision

10350.1. A disability policy shall contain a provision which shall be in the form set forth herein.

Entire Contract; Changes: This policy, including the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid until approved by an executive officer of the insurer and unless such approval be endorsed hereon or attached hereto. No agent has authority to change this policy or to waive any of its provisions.

Cancellability provisions

10350.2. A disability policy shall contain a provision which shall be in one of the two forms set forth herein. Policies other than noncancellable policies shall use Form A. Noncancellable policies shall use either Form A or Form B. In Form B the clause in parentheses in paragraph (a) may be omitted at the insurer's option. Paragraph (a) in Form A shall not be so construed as to affect any legal requirement for avoidance of a policy or denial of a claim during the initial three-year period, nor to limit the application of Sections 10369.2 to 10369.6, inclusive, in the event of misstatement with respect to age or occupation or other insurance.

Form A.

Time Limit on Certain Defenses: (a) After three years from the date of issue of this policy no misstatements, except fraudulent misstatements, made by the applicant in the application for such policy shall be used to void the policy or to deny a claim for loss incurred or disability (as defined in the policy) commencing after the expiration of such three-year period.

(b) No claim for loss incurred or disability (as defined in the policy) commencing after three years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

Form B.

Incontestable: (a) After this policy has been in force for a period of three years during the lifetime of the insured (excluding any period during which the insured is disabled), it shall become incontestable as to the statements contained in the application.

(b) No claim for loss incurred or disability (as defined in the policy) commencing after three years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

Renewal provisions

10350.3. A disability policy shall contain a provision which shall be in one of the two forms set forth herein. Form A shall be used in a policy in which the insurer does not reserve the right to refuse any renewal. Form B shall be used in a policy in which an insurer reserves the right to refuse any renewal. The clause in parentheses may only be added if the policy contains a cancellation provision. In the blank in each such form shall be inserted a number; not less than "7" for weekly premium policies, "10" for monthly premium policies, and "31" for all other policies.

Form A.

Grace Period: A grace period of ____ days will be granted for the payment of each premium falling due after the first premium, during which grace period the policy shall continue in force (subject to the right of the insurer to cancel in accordance with the cancellation provision hereof).

Form B.

Grace Period: Unless not less than five days prior to the premium due date the insurer has delivered to the insured or has mailed to his last address as shown by the records of the insurer written notice of its intention not to renew this policy beyond the period for which the premium has been accepted, a grace period of _____ days will be granted for the payment of each premium falling due after the first premium, during which grace

period the policy shall continue in force (subject to the right of the insurer to cancel in accordance with the cancellation provision hereof).

Reinstatement provisions

10350.4. A disability policy shall contain a provision which shall be in the form set forth herein. The last sentence of such provision may be omitted from a noncancellable policy.

Reinstatement: If any renewal premium be not paid within the time granted the insured for payment, a subsequent acceptance of premium by the insurer or by any agent duly authorized by the insurer to accept such premium, without requiring in connection therewith an application for reinstatement, shall reinstate the policy; provided, however, that if the insurer or such agent requires an application for reinstatement and issues a conditional receipt for the premium tendered, the policy will be reinstated upon approval of such application by the insurer or, lacking such approval, upon the forty-fifth day following the date of such conditional receipt unless the insurer has previously notified the insured in writing of its disapproval of such application. The reinstated policy shall cover only loss resulting from such accidental injury as may be sustained after the date of reinstatement and loss due to such sickness as may begin more than 10 days after such date. In all other respects the insured and insurer shall have the same rights thereunder as they had under the policy immediately before the due date of the defaulted premium, subject to any provisions endorsed hereon or attached hereto in connection with the reinstatement. Any premium accepted in connection with a reinstatement shall be applied to a period for which premium has not been previously paid, but not to any period more than 60 days prior to the date of reinstatement.

Notice of disability

10350.5. A disability policy shall contain a provision which shall be in one of the two forms set forth herein. Form A may be used in any policy. Form B may be used by an insurer, at its option, in a policy providing a loss of time benefit which may be payable for at least two years. In the blank space of such provision shall be inserted the location of such office or offices as the insurer may designate for the purpose of giving notice of claim.

Form A.

Notice of Claim: Written notice of claim must be given to the insurer within 20 days after the occurrence or commencement of any loss covered by the policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the insured or the beneficiary to the insurer at _____, or to any authorized agent of the insurer, with information sufficient to identify the insured, shall be deemed notice to the insurer.

Form B.

Notice of Claim: Written notice of claim must be given to the insurer within 20 days after the occurrence or commencement of any loss covered by the policy, or as soon thereafter as

is reasonably possible. Subject to the qualifications set forth below, if the insured suffers loss of time on account of disability for which indemnity may be payable for at least two years, he shall, at least once in every six months after having given notice of claim, give to the insurer notice of continuance of said disability, except in the event of legal incapacity. The period of six months following any filing of proof by the insured or any payment by the insurer on account of such claim or any denial of liability in whole or in part by the insurer shall be excluded in applying this provision. Delay in the giving of such notice shall not impair the insured's right to any indemnity which would otherwise have accrued during the period of six months preceding the date on which such notice is actually given. Notice given by or on behalf of the insured or the beneficiary to the insurer at _____, or to any authorized agent of the insurer, with information sufficient to identify the insured, shall be deemed notice to the insurer.

Claim forms

10350.6. A disability policy shall contain a provision which shall be in the form set forth herein.

Claim Forms: The insurer, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

Proof of loss

10350.7. A disability policy shall contain a provision which shall be in the form set forth herein.

Proofs of Loss: Written proof of loss must be furnished to the insurer at its said office in case of claim for loss for which this policy provides any periodic payment contingent upon continuing loss within 90 days after the termination of the period for which the insurer is liable and in case of claim for any other loss within 90 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

Time of payment

10350.8. A disability policy shall contain a provision which shall be in the form set forth herein. In the blank of such provision will be inserted the period for payment which must not be less frequently than monthly.

Time of Payment of Claim: Indemnities payable under this policy for any loss other than loss for which this policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss Subject to due written proof of loss, all accrued indemnities for loss for which this policy provides periodic payment will be paid _____ and any balance

remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

Payment for loss of life

10350.9. A disability policy shall contain a provision which shall include the following first paragraph and which may, at the option of the insurer, include either or both of the following second and third paragraphs. If the provision contains the second paragraph, there shall be inserted in the blank an amount which shall not exceed one thousand dollars ($1,000).

Payment of Claims: Indemnity for loss of life will be payable in accordance with the beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such indemnity shall be payable to the estate of the insured. Any other accrued indemnities unpaid at the insured's death may, at the option of the insurer, be paid either to such beneficiary or to such estate. All other indemnities will be payable to the insured.

If any indemnity of this policy shall be payable to the estate of the insured, or to an insured or beneficiary who is a minor or otherwise not competent to give a valid release, the insurer may pay such indemnity, up to an amount not exceeding $_____, to any relative by blood or connection by marriage of the insured or beneficiary who is deemed by the insurer to be equitably entitled thereto. Any payment made by the insurer in good faith pursuant to this provision shall fully discharge the insurer to the extent of such payment.

Subject to any written direction of the insured in the application or otherwise all or a portion of any indemnities provided by this policy on account of hospital, nursing, medical, or surgical services may, at the insurer's option and unless the insured requests otherwise in writing not later than the time of filing proofs of such loss, be paid directly to the hospital or person rendering such services; but it is not required that the service be rendered by a particular hospital or person.

Examination, autopsy

10350.10. A disability policy shall contain a provision which shall be in the form set forth herein.

Physical Examinations and Autopsy: The insurer at its own expense shall have the right and opportunity to examine the person of the insured when and as often as it may reasonably require during the pendency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law.

Legal actions

10350.11. A disability policy shall contain a provision which shall be in the form set forth herein.

Legal Actions: No action at law or in equity shall be brought to recover on this policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

Change of beneficiary

10350.12. A disability policy shall contain a provision which shall be in the form set forth herein. At the insurer's

option, the clause of such provision which precedes the first comma may be omitted.

Change of Beneficiary: Unless the insured makes an irrevocable designation of beneficiary, the right to change of beneficiary is reserved to the insured and the consent of the beneficiary or beneficiaries shall not be requisite to surrender or assignment of this policy or to any change of beneficiary or beneficiaries, or to any other changes in this policy.

SEC. 12. Section 10359 is added to Article 5, Chapter 4, Part 2, Division 2 of the Insurance Code, to read:

Compliance required

10359. During the calendar years of 1952 to 1956, inclusive, a disability policy subject to this chapter shall not be delivered or issued for delivery to any person in this State unless it complies either with the provisions of this article or of Article 5a of this chapter. On and after January 1, 1957, the provisions of this article shall no longer relate to such policies and all of such policies shall be subject to Article 5a.

SEC. 13. Article 5a is added to Chapter 4, Part 2, Division 2 of the Insurance Code, to read:

Article 5a. Optional Standard Provisions and Special Provisions—Uniform Provisions

Approval of different wording

10369.1. Except as provided in Section 10323, no disability policy delivered or issued for delivery to any person in this State shall contain provisions respecting the matters set forth in Sections 10369.2 to 10369.12, inclusive, unless such provisions are in the words in which the same appear in such sections; provided, however, that the insurer may, at its option, use in lieu of any such provision a corresponding provision of different wording approved by the commissioner, which is not less favorable in any respect to the insured or the beneficiary. Any such provision contained in the policy shall be preceded individually by the appropriate caption appearing in each of such sections or, at the option of the insurer, by such appropriate individual or group captions or subcaptions as the commissioner may approve.

Change of occupation

10369.2. A disability policy may contain a provision in the form set forth herein.

Change of Occupation: If the insured be injured or contract sickness after having changed his occupation to one classified by the insurer as more hazardous than that stated in this policy or while doing for compensation anything pertaining to an occupation so classified, the insurer will pay only such portion of the indemnities provided in this policy as the premium paid would have purchased at the rates and within the limits fixed by the insurer for such more hazardous occupation. If the insured changes his occupation to one classified by the insurer as less hazardous than that stated in this policy, the insurer, upon receipt of proof of such change of occupation, will reduce the premium rate accordingly, and will return the excess pro-rata unearned premium from the date of change of

occupation or from the policy anniversary date immediately preceding receipt of such proof, whichever is the more recent. In applying this provision, the classification of occupational risk and the premium rates shall be such as have been last filed by the insurer prior to the occurrence of the loss for which the insurer is liable or prior to date of proof of change in occupation with the state official having supervision of insurance in the state where the insured resided at the time this policy was issued; but if such filing was not required, then the classification of occupational risk and the premium rates shall be those last made effective by the insurer in such state prior to the occurrence of the loss or prior to the date of proof of change in occupation.

Misstatement of age

10369.3. A disability policy may contain a provision in the form set forth herein.

Misstatement of Age: If the age of the insured has been misstated, all amounts payable under this policy shall be such as the premium paid would have purchased at the correct age.

Other insurance

10369.4. A disability policy may contain a provision which shall, at the option of the insurer, be in one of the two forms set forth herein. If Form A is used, there shall be inserted in the first blank the type of coverage or coverages and in the second blank the maximum limit of indemnity or indemnities.

Form A.

Other Insurance in This Insurer: If an accident or sickness or accident and sickness policy or policies previously issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity for _____ in excess of $_____, the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured or to his estate.

Form B.

Other Insurance in This Insurer: Insurance effective at any one time on the insured under a like policy or policies in this insurer is limited to the one such policy elected by the insured, his beneficiary or his estate, as the case may be, and the insurer will return all premiums paid for all other such policies.

Insurance with other insurers

10369.5. A disability policy may contain a provision in the form set forth herein. If such provision also contains the provision set forth in Section 10369.6, there shall be added to its caption the phrase, "* * * expense incurred benefits." The insurer may, at its option, include in this provision a definition of "other valid coverage," approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, or by hospital or medical service organizations, and to any other

coverage, the inclusion of which may be approved by the commissioner. In the absence of such definition, such terms shall not include group insurance, automobile medical payments insurance, or coverage provided by hospital or medical service organizations or by union welfare plans or employer or employee benefit organizations. For the purpose of applying this policy provision with respect to any insured, any amount of benefit provided for such insured pursuant to any compulsory benefit statute (including any workmen's compensation or employers' liability statute) whether provided by a governmental agency or otherwise shall in all cases be deemed to be "other valid coverage" of which the insurer has had notice. In applying this provision, no third party liability coverage shall be included as "other valid coverage."

Insurance With Other Insurers: If there be other valid coverage, not with this insurer, providing benefits for the same loss on a provision of service basis or on an expense incurred basis and of which this insurer has not been given written notice prior to the occurrence or commencement of loss, the only liability under any expense incurred coverage of this policy shall be for such proportion of the loss as the amount which would otherwise have been payable hereunder plus the total of the like amounts under all such other valid coverages for the same loss of which this insurer had notice bears to the total like amounts under all valid coverages for such loss, and for the return of such portion of the premiums paid as shall exceed the pro-rata portion for the amount so determined. For the purpose of applying this provision when other coverage is on a provision of service basis, the "like amount" of such other coverage shall be taken as the amount which the services rendered would have cost in the absence of such coverage.

Same

10369.6. A disability policy may contain a provision in the form set forth herein. If such provision is included in a policy which also contains the provision set forth in Section 10369.5, there shall be added to its caption the phrase, "* * * other benefits." The insurer may, at its option, include in this provision a definition of "other valid coverage," approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, and to any other coverage the inclusion of which may be approved by the commissioner. In the absence of such definition such terms shall not include group insurance, or benefits provided by union welfare plans or by employer or employee benefit organizations. For the purpose of applying this policy provision with respect to any insured, any amount of benefit provided for such insured pursuant to any compulsory benefit statute (including any workmen's compensation or employers' liability statute) whether provided by a governmental agency or otherwise shall in all cases be deemed to be "other valid coverage" of which the insurer has had notice. In applying this provision, no

third party liability coverage shall be included as "other valid coverage."

Insurance With Other Insurers: If there be other valid coverage, not with this insurer, providing benefits for the same loss on other than an expense incurred basis and of which this insurer has not been given written notice prior to the occurrence or commencement of loss, the only liability for such benefits under this policy shall be for such proportion of the indemnities otherwise provided hereunder for such loss as the like indemnities of which the insurer had notice (including the indemnities under this policy) bear to the total amount of all like indemnities for such loss, and for the return of such portion of the premium paid as shall exceed the pro-rata portion for the indemnities thus determined.

Relation of earnings to insurance

10369.7. A noncancellable disability policy may contain a provision in the form set forth herein. The insurer may, at its option, include in this provision a definition of "valid loss of time coverage," approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by governmental agencies or by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, or to any other coverage the inclusion of which may be approved by the commissioner or any combination of such coverages. In the absence of such definition such term shall not include any coverage provided for such insured pursuant to any compulsory benefit statute (including any workmen's compensation or employers' liability statute), or benefits provided by union welfare plans or by employer or employee benefit organizations.

Relation of Earnings to Insurance: If the total monthly amount of loss of time benefits promised for the same loss under all valid loss of time coverage upon the insured, whether payable on a weekly or monthly basis, shall exceed the monthly earnings of the insured at the time disability commenced or his average monthly earnings for the period of two years immediately preceding a disability for which claim is made, whichever is the greater, the insurer will be liable only for such proportionate amount of such benefits under this policy as the amount of such monthly earnings or such average monthly earnings of the insured bears to the total amount of monthly benefits for the same loss under all such coverage upon the insured at the time such disability commences and for the return of such part of the premiums paid during such two years as shall exceed the pro-rata amount of the premiums for the benefits actually paid hereunder; but this shall not operate to reduce the total monthly amount of benefits payable under all such coverage upon the insured below the sum of two hundred dollars ($200) or the sum of the monthly benefits specified in such coverages, whichever is the lesser, nor shall it operate to reduce benefits other than those payable for loss of time.

Unpaid premium

10369.8. A disability policy may contain a provision in the form set forth herein.

Unpaid Premium: Upon the payment of a claim under this policy, any premium then due and unpaid or covered by any note or written order may be deducted therefrom.

10369.9. A disability policy may contain a provision in the form set forth herein.

Cancellation: The insurer may cancel this policy at any time by written notice delivered to the insured, or mailed to his last address as shown by the records of the insurer, stating when, not less than five days thereafter, such cancellation shall be effective; and after the policy has been continued beyond its original term the insured may cancel this policy at any time by written notice delivered or mailed to the insurer, effective upon receipt or on such later date as may be specified in such notice. In the event of cancellation, the insurer will return promptly the unearned portion of any premium paid. If the insured cancels, the earned premium shall be computed by the use of the short-rate table last filed with the state official having supervision of insurance in the state where the insured resided when the policy was issued. If the insurer cancels, the earned premium shall be computed pro rata. Cancellation shall be without prejudice to any claim originating prior to the effective date of cancellation. Cancellation

10369.10. A disability policy may contain a provision in the form set forth herein.

Conformity With State Statutes: Any provision of this policy which, on its effective date, is in conflict with the statutes of the state in which the insured resides on such date is hereby amended to conform to the minimum requirements of such statutes. Conformity with state statutes

10369.11. A disability policy may contain a provision in the form set forth herein.

Illegal Occupation: The insurer shall not be liable for any loss to which a contributing cause was the insured's commission of or attempt to commit a felony or to which a contributing cause was the insured's being engaged in an illegal occupation. Illegal occupation

10369.12. A disability policy may contain a provision in the form set forth herein.

Intoxicants and Narcotics: The insurer shall not be liable for any loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any narcotic unless administered on the advice of a physician. Intoxicants narcotics

SEC. 14. Section 10369.50 is added to Article 5.5 of Chapter 4, Part 2, Division 2 of the Insurance Code, to read:

10369.50. During the calendar years of 1952 to 1956, inclusive, a disability policy subject to this chapter shall not be delivered or issued for delivery to any person in this State unless it complies with either Sections 10370, 10371, 10372, and 10374 or with the corresponding sections of Article 5a of this chapter. On and after January 1, 1957 such provisions of this article shall no longer relate to such policies and all of such policies shall be subject to Article 5a. Compliance required

SEC. 15. Section 10381 of the Insurance Code is amended to read:

Waiver of rights

10381. The following shall not operate as a waiver of any of the rights of the insurer in defense of any claim arising under such disability policy:

(a) The acknowledgment by any insurer of the receipt of notice given under any policy covered by this chapter.

(b) The furnishing of forms for filing proofs of loss.

(c) The acceptance of such proofs.

(d) The investigation of any claim thereunder.

SEC. 16. Section 10381.5 is added to the Insurance Code, to read:

Statements in application

10381.5. The insured shall not be bound by any statement made in an application for a policy unless a copy of such application is attached to or endorsed on the policy when issued as a part thereof. If any such policy delivered or issued for delivery to any person in this State shall be reinstated or renewed, and the insured or the beneficiary or assignee of such policy shall make written request to the insurer for a copy of the application, if any, for such reinstatement or renewal, the insurer shall within 15 days after the receipt of such request at its home office or any branch office of the insurer, deliver or mail to the person making such request, a copy of such application. If such copy shall not be so delivered or mailed, the insurer shall be precluded from introducing such application as evidence in any action or proceeding based upon or involving such policy or its reinstatement or renewal.

SEC. 17. Section 10382 of the Insurance Code is amended to read:

Alteration of application

10382. No alteration of any written application for any disability policy shall be made by any person other than the applicant without his written consent except that insertions may be made by the insurer, for administrative purposes only, in such manner as to indicate clearly that such insertions are not to be ascribed to the applicant. The making of any other alteration without the consent of the applicant is a misdemeanor. If such alteration is made by any officer of the insurer, or by any employee of the insurer with the insurer's knowledge or consent, such alteration is deemed to be performed by the insurer issuing the policy upon such altered application.

SEC. 18. Section 10383 is added to the Insurance Code, to read:

Termination date effect

10383. If any disability policy contains a provision establishing, as an age limit or otherwise, a date after which the coverage provided by the policy will not be effective, and if such date falls within a period for which premium is accepted by the insurer or if the insurer accepts a premium after such date, the coverage provided by the policy will continue in force subject to any right of cancellation until the end of the period for which premium has been accepted. In the event the age of the insured has been misstated and if, according to the correct age of the insured, the coverage provided by the policy would

not have become effective, or would have ceased prior to the acceptance of such premium or premiums, then the liability of the insurer shall be limited to the refund, upon request, of all premiums paid for the period not covered by the policy.

SEC. 19. Section 10390 of the Insurance Code is amended to read:

10390. A policy delivered or issued for delivery to any person in this State in violation of this chapter shall be held valid but shall be construed as provided in this chapter. When any provision in such a policy is in conflict with any provision of this chapter, the rights, duties and obligations of the insurer, the insured and the beneficiary shall be governed by this chapter. Construction of conflicting, etc., provisions

SEC. 20. Section 10400 of the Insurance Code is amended to read:

10400. Any person wilfully violating any provision of this chapter or order of the commissioner made in accordance therewith shall forfeit to the people of this State a sum not to exceed one hundred dollars ($100) for each such violation, which sum may be recovered by civil action. The commissioner may also suspend or revoke the license of an insurer or agent for any such wilful violation. Penalty

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CHAPTER 571

An act to add Section 31765 to the Government Code, relating to benefits payable by retirement systems for county employees.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 31765 is added to the Government Code, to read:

31765. Upon the death of a member who was eligible to retire, or who had 30 years or more of county service, in circumstances in which a death benefit is payable under Article 12, if the deceased member has designated as beneficiary his spouse who survives him by not less than 30 days, such surviving spouse may elect, at any time before acceptance of any benefits from the retirement system, to receive, in lieu of the death benefit otherwise payable under Article 12, the same retirement allowance as that to which such spouse would have been entitled had such member retired on the day of his death and selected Optional Settlement 3. The allowance to the surviving spouse shall not be payable until the time at which the member would have been eligible to retire had he lived. Such surviving spouse may elect in writing, before the first payment of any allowance is made, to receive in a lump sum payment all or any part of the member's accumulated additional contributions. The sum so paid shall not be included in the calculation of the annuity of the surviving spouse. Surviving spouse Election

CHAPTER 572

An act to amend Section 31462 of the Government Code, relating to the retirement of county employees.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 31462 of the Government Code is amended to read:

"Final compensation"

31462. "Final compensation" means the average annual compensation earnable by a member during any three years elected by a member at or before the time he files an application for retirement, or, if he fails to elect, during the three years immediately preceding his retirement.

CHAPTER 573

An act to add Section 31652.1 to the Government Code, relating to the retirement of county employees.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 31652.1 is added to the Government Code, to read:

Election Redeposit of contributions

31652.1. Notwithstanding any other provisions of this article, every member who is a member on the effective date of this section and who, at any time prior to that date, had withdrawn his accumulated normal contributions; and who, upon his subsequent return to county service, has not elected to redeposit such contributions, shall have the right, not later than December 31, 1951, to elect by written notice filed with the board, to pay into the retirement fund within a year from December 31, 1951, the amount previously withdrawn, plus regular interest at current rates from date of his return to county service to date of payment.

CHAPTER 574

An act to repeal Section 31560 of, and to add Section 31641.5 to, the Government Code, relating to retirement of county employees.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 31560 of the Government Code is repealed.

Repeal

SEC. 2. Section 31641.5 is added to the Government Code, to read:

Election Credit for nonmembership service

31641.5. A member who within 90 days prior to his entrance into the retirement system held a position in the county service the tenure of which was such as to exclude him from membership, shall have the right to receive credit in the retirement association for all or any part of the county service he rendered during the time he was in county service before becoming a member if, within one year after becoming a member or the effective date of this section, whichever is later, he elects to pay, and thereafter pays, in accordance with such election, and prior to retirement, into the retirement fund an amount equal to the contributions he would have made to the retirement fund if he had been a member during the time for which he has elected to receive credit, computed by applying the contribution rate first applicable to him upon becoming a member to the aggregate compensation he actually received during the time he was in county service and for which he has elected to receive credit, together with interest at the current rate on that amount from the time he became a member until completion of payment. Such payment may be made by lump sum or by installment payments over a period not to exceed the length of time for which the member has elected to receive credit, in such manner and at such times as the board may by rule prescribe. No member shall receive credit under this section for any service for which he has not completed payment pursuant to this section before the effective date of his retirement. A member who has elected to make such payment by installment payments may complete payment thereof by lump sum payment at any time prior to the effective date of his retirement. Any sums paid by a member pursuant to this section shall be considered to be and administered as normal contributions by the member.

Where county service prior to membership was rendered on a part-time basis, the member may receive credit for such proportion of the time he held the part-time position as the time he was actually engaged in the performance of the duties of such position bears to the time required to perform the same duties in a full-time position.

CHAPTER 575

An act to add Section 31784 to the Government Code, relating to the retirement of county employees.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 31784 is added to the Government Code, to read:

Election Payment of benefits in installments

31784. The person to whom the whole or any part of a death benefit is payable may, at any time before payment thereof, elect in writing to have such death benefit or part thereof paid over a period not to exceed 10 years in monthly

installments, plus interest on the unpaid balance thereof, at a rate to be determined by the board. If such person dies before all such installments are paid, the board shall pay the balance in one lump sum to his estate or person entitled to receive his property.

CHAPTER 576

An act to amend Sections 31460 and 31468 of, and to add Section 31469.5 to, the Government Code, relating to county employees retirement systems, and providing for the inclusion therein of officers and employees of certain organizations of public employees.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 31460 of the Government Code is amended to read:

"Compensation"

31460. (a) "Compensation" means the remuneration paid in cash out of county or district funds controlled by the board of supervisors plus the monetary value, as determined by the board, of board, lodging, fuel, laundry, and other advantages furnished to a member in payment for his services.

(b) In respect to employees of districts as defined in subdivisions (c) and (d) of Section 31468, "compensation" means the remuneration paid in cash out of funds of the district plus the monetary value, as determined by the board, of board, lodging, fuel, laundry, and other advantages furnished to a member in payment for his services.

SEC. 2. Section 31468 of said code is amended to read:

"District"

31468. (a) "District" means a district, other than school district, formed under the laws of the State, and required by law to deposit its funds in the county treasury.

(b) "District" also includes any institution operated by two or more counties, in one of which there has been adopted an ordinance placing this chapter in operation.

(c) "District" also includes any organization or association authorized by Chapter 26, Statutes of 1935, as amended by Chapter 30, Statutes of 1941, or by Section 50024 of this code, which organization or association is maintained and supported entirely from funds derived from counties, and the board of any retirement system is authorized to receive the officers and employees of such organization or association into the retirement system managed by the board.

(d) "District" also includes any organization of public employees not less than one-half of the members of which are members of the county employees' retirement association, and the membership of which includes at least one-half of the members of the county employees' retirement association.

SEC. 3. Section 31469.5 is added to said code, to read:

31469.5. "Employee" also includes any officer or other person employed by a district as defined in subdivision (d) of Section 31468 and whose compensation is paid from funds of the district. "Employee"

CHAPTER 577

An act to amend Sections 31676.1, 31676.2, and 31676.4 of, and to add Section 31676.55 to, the Government Code, relating to the retirement of county employees.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 31676.1 of the Government Code is amended to read:

31676.1. This section shall apply in any county having a population in excess of 2,000,000 or having taxable property assessed in excess of three billion dollars ($3,000,000,000) according to the last equalized assessment roll or wherein there is a retirement system having more than 10,000 members. Notwithstanding any other provisions of this chapter the current service pension or the current service pension combined with the prior service pension is an additional pension for members purchased by the contributions of the county or district sufficient, when added to the service retirement annuity, to equal the fraction of one-sixtieth of his final compensation set forth opposite his age at retirement, taken to the preceding completed quarter year, in the following table in the column applicable to his sex, multiplied by the number of years of current service or years of current and prior service with which he is entitled to be credited at retirement, but in no event shall the total retirement allowance exceed sixty-five percent (65%) of the member's final compensation. Application of section. Computation of benefit.

Age of retirement	Fraction Men	Women
55	.8779	.8954
55¼	.8893	.9061
55½	.9006	.9168
55¾	.9119	.9275
56	.9232	.9382
56¼	.9355	.9498
56½	.9478	.9614
56¾	.9602	.9730
57	.9725	.9846
57¼	.9860	.9972
57½	.9994	1.0098
57¾	1.0129	1.0224
58	1.0264	1.0350

Age of retirement	Fraction Men	Fraction Women
58¼	1.0411	1.0487
58½	1.0559	1.0625
58¾	1.0706	1.0762
59	1.0853	1.0899
59¼	1.1015	1.1049
59½	1.1176	1.1199
59¾	1.1338	1.1349
60	1.1500	1.1500
60¼	1.1610	1.1611
60½	1.1721	1.1723
60¾	1.1832	1.1835
61	1.1943	1.1947
61¼	1.2091	1.2097
61½	1.2239	1.2247
61¾	1.2387	1.2398
62	1.2535	1.2548
62¼	1.2691	1.2707
62½	1.2848	1.2867
62¾	1.3004	1.3026
63	1.3160	1.3186
63¼	1.3326	1.3355
63½	1.3491	1.3525
63¾	1.3657	1.3695
64	1.3822	1.3865
64¼	1.3998	1.4047
64½	1.4173	1.4229
64¾	1.4349	1.4411
65 and over	1.4525	1.4593

The fractions herein set forth at ages other than 60 shall be used until adjusted by each board for its retirement system in accordance with the interest and mortality tables adopted by each such board with respect to its retirement system. Contributions shall not be made by members having credit for 30 years of continuous service.

Application

In any county operating under this section any limitation in Sections 31583 or 31624 or in any other provisions of this chapter upon the amount of compensation used for computing rates of contributions shall be disregarded.

SEC. 2. Section 31676.2 of the Government Code is amended to read:

Exclusion from computation

31676.2. When the compensation of a member subject to the provisions of Section 31676.1 is a factor in any computation to be made under this chapter, there shall be excluded from such computation, for any period of county service prior to October 1, 1949, any compensation earned since the establishment of the retirement system in such county upon which compensation the member has not paid contributions into the retirement fund because of the provisions of Sections 31583 or 31624,

unless, prior to January 1, 1952, and prior to retirement such member shall elect, by written notice filed with the board, to pay into the retirement fund, by lump-sum payment or by pay roll deductions over a period not exceeding 36 months and prior to effective date of his retirement, and thereafter pays into the retirement fund within the period specified, (1) such additional amount as he would have contributed as a part of his normal contributions, assuming the entire compensation earnable by him was subject to normal contributions during the entire period of his membership in the system since its establishment in such county; and (2) an amount equal to the additional interest which would have been credited to his account under such assumption. At the time of filing the notice of election, as herein provided, any such member may elect to apply toward the additional amount payable by him pursuant to such election, any additional accumulated contributions with which he is entitled to be credited.

The entire compensation of a member shall be included in any computation to be made under Section 31676.1 for any period of county service on and after October 1, 1949, but if such election is not made or such amounts are not paid, there shall be excluded from the total payments made as current service pension, prior service pension and service retirement annuity, twice the actuarial equivalent at the time of retirement of such amounts plus regular interest thereon. If a member subject to the provisions of Section 31676.1 makes the election and payment as provided in this section, his entire compensation shall be included in any computation to be made under this chapter for the entire period of service with which he is entitled to be credited at retirement.

SEC. 3. Section 31676.4 of the Government Code is amended to read:

Election of benefits

31676.4. If a member in a system subject to the provisions of Section 31676.1 who prior to January 1, 1952, files a written election with the board not to come under Section 31676.1, then Sections 31676.1, 31676.2, 31676.3, 31676 5, 31676 6 and this section shall not apply to such member and he shall be entitled upon retirement to his service retirement annuity, his current service pension and his prior service pension, if any, as if this section and Sections 31676 1, 31676.2, 31676.3, 31676.5, and 31676.6 had not been added to this chapter.

SEC. 4. Section 31676.55 is added to the Government Code, to read:

Same Rescission

31676.55. If a member has filed, or shall file, a written election with the board not to come under Section 31676.1 he may, at any time prior to January 1, 1952, file a written rescission of such election with the board. When such a rescission is filed, Sections 31676.1, 31676.2, 31676.3, 31676.4, 31676.5 and 31676 6 shall apply to such member and he may not again file an election not to come under Section 31676.1.

CHAPTER 578

An act to amend Sections 31679 and 31681 of the Government Code, relating to retirement systems.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 31679 of the Government Code is amended to read:

Minimum retirement allowance

31679. If a member enters the retirement system with credit for prior service, and retires after attaining the compulsory retirement age and his retirement allowance is less than one thousand two hundred dollars ($1,200) a year, exclusive of any annuity based on additional contributions, an additional amount purchased by contributions of the county or district shall be added to his combined annuity and pensions which will cause his total retirement allowance to amount to one thousand two hundred dollars ($1,200) a year.

SEC. 2. Section 31681 of the Government Code is amended to read:

Same

31681. In every county having a population in excess of 2,000,000, the minimum retirement allowance for every member who has heretofore or who shall be hereafter retired at compulsory retirement age and who is credited with 15 or more years service, including prior service, shall receive a total retirement allowance of not less than one thousand two hundred dollars ($1,200) per year.

CHAPTER 579

An act to amend Section 11580 of the Insurance Code, relating to liability insurance policies.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11580 of the Insurance Code is amended to read:

Required provisions

11580. A policy insuring against losses set forth in subdivision (a) shall not be issued or delivered to any person in this State unless it contains the provisions set forth in subdivision (b). Such policy, whether or not actually containing such provisions, shall be construed as if such provisions were embodied therein.

(a) Unless it contains such provisions, the following policies of insurance shall not be thus issued or delivered:

(1) Against loss or damage resulting from liability for injury suffered by another person other than a policy of workmen's compensation insurance.

(2) Against loss of or damage to property caused by draught animals or any vehicle, and for which the insured is liable.

(b) Such policy shall not be thus issued or delivered to any person in this State unless it contains all the following provisions:

(1) A provision that the insolvency or bankruptcy of the insured will not release the insurer from the payment of damages for injury sustained or loss occasioned during the life of such policy.

(2) A provision that whenever judgment is secured against the insured or the executor or administrator of a deceased insured in an action based upon bodily injury, death, or property damage, then an action may be brought against the insurer on the policy and subject to its terms and limitations, by such judgment creditor to recover on the judgment.

CHAPTER 580

An act to add Chapter 2.5 consisting of Sections 5300 to 5303 to Part 1 of Division 6 of, and to add Section 5250.5 to, the Welfare and Institutions Code, relating to the care and treatment of epileptic persons in state institutions under the jurisdiction of the Department of Mental Hygiene.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Chapter 2.5 is added to Part 1 of Division 6 of the Welfare and Institutions Code, to read:

CHAPTER 2.5. EPILEPTIC PERSONS

Admission to state hospital, etc

5300. Persons who are afflicted with epilepsy, as such condition is defined in medical practice, may be committed to state hospitals when such persons are in need of care and treatment for their epilepsy, or when such persons are also suffering from mental illness. Whenever an epileptic person is found to be mentally deficient he may be committed to a state home for the mentally deficient.

"Epileptic person"

5301. "Epileptic person" as used in Chapter 2 of this part relating to the commitment of the mentally deficient shall be construed to refer to and mean an epileptic who is mentally deficient.

Rules, laws re mentally ill

5302. Epileptic persons committed to state hospitals shall be subject to the same rules and laws governing the rights, care, property and support, transfer, leave of absence and discharge of mentally ill persons committed to state hospitals the same as if such persons were expressly mentioned therein.

Religious treatment

5303. No person who is being treated by prayer or spiritual means in the practice of the religion of any well-recognized church, sect, denomination, or organization, shall be

ordered detained or committed under the provisions of this chapter or under Chapter 2 of this part unless the court shall determine that he is or would likely become dangerous to himself or to the person or property of others, or unless, being an adult, he shall consent to such detention or commitment, or, being a minor, his parent or guardian having custody of his person shall consent thereto.

SEC. 2. Section 5250.5 is added to said code, to read:

"Epileptic person

5250.5. "Epileptic person" as used in this chapter means and shall be construed to refer to an epileptic who is mentally deficient.

CHAPTER 581

An act to amend Section 5701 of and to add Section 5701.3 and Section 5701.4 to the Welfare and Institutions Code, relating to private mental institutions and private family care homes, and providing for their license fees and regulation.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5701 of the Welfare and Institutions Code is amended to read:

Application for license Information required, regulations

5701. Every application for a license shall be accompanied by a plan of the premises proposed to be occupied, describing the capacities of the buildings for the uses intended, the extent and location of grounds appurtenant thereto, and the number of patients proposed to be received therein, with such other information, and in such form, as the department requires. The department shall adopt such rules and regulations as are necessary to properly enforce and apply the provisions of this code relating to licensed private mental institutions, and may classify the establishments and prescribe minimum standards of safety, sanitation, diagnostic, medical, nursing, therapeutic and other facilities and equipment for each class of establishment.

Fees

The application shall be accompanied by the proper license fee. The amount of the license fee for each fiscal year is that fixed by the following schedule:

(a) For establishments licensed to receive not more than three (3) patients, no fee is required.

(b) For establishments licensed to receive more than three (3) but not more than ten (10) patients, the fee is twenty dollars ($20).

(c) For establishments licensed to receive more than ten (10) but not more than thirty (30) patients, the fee is forty dollars ($40).

(d) For establishments licensed to receive more than thirty (30) but not more than fifty (50) patients, the fee is seventy-five dollars ($75).

(e) For establishments licensed to receive more than fifty (50) patients, the fee is one hundred dollars ($100).

In case of the issuance of a license on or after the first day of January next succeeding the beginning of the fiscal year, the license fee for the remainder of the fiscal year is one-half the sum fixed for the entire fiscal year. The department shall require a license fee, in situations where licensed establishments increase their number of patients during any fiscal year, based upon a pro-rata charge under the schedule set forth herein.

An additional fee shall be required in accordance with the schedule set forth herein in the event of an application for transfer of a license to another person to operate the same establishment or for the transfer of a license issued in the name of one person to operate an establishment at a certain location where an application is received to transfer that license to the same person to operate an establishment at a different location.

SEC. 2. Section 5701.3 is added to said code, to read:

Exemption Private homes

5701.3. The provisions of this chapter do not apply to private homes certified for family care of patients paroled or on leave of absence from state hospitals or state homes. The department may dispense with any requirements of this chapter in an establishment licensed to receive not more than three (3) patients.

SEC. 3. Section 5701.4 is added to said code, to read:

Same Religious institutions

5701.4. The provisions of this chapter do not apply to any private institution conducted by and for persons who adhere to the faith of any well recognized church or religious denomination for the purpose of providing facilities for the care or treatment of the sick who rely upon prayer or spiritual means for healing in the practice of the religion of such church or denomination.

CHAPTER 582

An act to amend Sections 633, 641, and 662 of the Welfare and Institutions Code, relating to institutions in which delinquent and other juveniles are housed, and to the powers and duties of probation officers and probation committees in connection therewith.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 633 of the Welfare and Institutions Code is amended to read:

Probation officers Term, compensation, etc

633. The term of office of the probation officers shall be two years from the date of their appointments, or until their successors are appointed and qualify.

All probation officers receiving a salary in excess of two hundred fifty dollars ($250) per month shall devote their entire time and attention to the duties of their offices, and no such probation officer while holding such office and receiving salary therefor, shall be a candidate for or seek the nomination for any other public office or employment; provided, however, that, in

counties having a population in excess of 2,000,000, such probation officer, if so directed by the probation committee, may administer, subject to the supervision and direction of the probation committee, without extra compensation therefor, the management and control of the internal affairs of the juvenile hall; and provided further, that any probation officer may accept appointment as member of the Board of Corrections and serve in that capacity in addition to his duties as probation officer and may receive the per diem allowance authorized in Section 6025.1 of the Penal Code. In all counties except counties having a population in excess of 2,000,000 such probation officer, without extra compensation therefor, shall have the management and control of the internal affairs of the juvenile hall; provided, however, that, if the judge of the juvenile court so directs, the internal affairs of the juvenile hall shall be under the management and control of the probation committee of the county; and provided further, that such probation committee, with the approval of said judge, may direct the probation officer to administer, subject to the supervision and direction of the probation committee, without extra compensation therefor, the management and control of the internal affairs of the juvenile hall.

SEC. 2. Section 641 of said code is amended to read:

Los Angeles County: Juvenile hall management, etc.

641. In counties having a population in excess of 2,000,000 the probation officer shall have the power, which shall not be exercised except at the direction of the probation committee, whereupon it shall become his duty, to administer, subject to the supervision and direction of the probation committee, the management and control of the internal affairs of the juvenile hall. In all counties except counties having a population in excess of 2,000,000 the probation officer shall, with the advice and counsel of the probation committee, manage and control the internal affairs of the juvenile hall; provided, however, that, if the judge of the juvenile court so directs, the internal affairs of the juvenile hall shall be under the management and control of the probation committee of the county.

The probation officer shall have the powers of a school attendance officer in those portions of the county not otherwise provided with a school attendance officer, and shall exercise such powers when not inconsistent with his other duties.

SEC. 3. Section 662 of said code is amended to read:

Same

662. In all counties having a population in excess of 2,000,000 the internal affairs of the juvenile hall or branch juvenile hall shall be under the management and control of the probation committee of the county. In all counties except counties having a population in excess of 2,000,000 the internal affairs of the juvenile hall or branch juvenile hall shall be under the management and control of the probation officer of the county; provided, however, that, if the judge of the juvenile court so directs, the internal affairs of the juvenile hall or branch juvenile hall shall be under the management and control of the probation committee of the county.

If the judge of the juvenile court so directs the probation committee shall function in an advisory capacity to the probation officer.

CHAPTER 583

An act to amend Section 17 of the Municipal and Justice Court Act of 1949, relating to municipal court sessions.

Stats 1949, p 2681, amended

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 17 of the Municipal and Justice Court Act of 1949 is amended to read:

Sec. 17. There may be as many sessions of a municipal or justice court at the same time as there are judges elected, appointed or assigned thereto. The judgments, orders, and proceedings of any session of a municipal or justice court held by any one or more of the judges sitting therein shall be equally effectual as though all the judges of said court presided at such session.

Number, place

Sessions of a municipal or justice court may be held at any place or places within the district for which the court is established. The board of supervisors shall designate by ordinance the place or places within the district where sessions of the justice court shall be held, may change such place or places if public convenience requires, and in counties in which there are one or more but less than 10 municipal courts may provide for holding sessions of a municipal court in any district of the county wherein a justice court is established for the purpose of hearing cases above the jurisdiction of justice courts.

The board of supervisors shall provide in such ordinance for the holding of sessions of the justice court in every incorporated city not included within a judicial district in which there is a municipal court.

Where a municipal court district embraces two or more incorporated cities, municipal court sessions shall be held at such places within the district as the board of supervisors by ordinance shall designate from time to time as the public convenience requires.

CHAPTER 584

An act to amend Section 6494 of the Health and Safety Code, relating to election of sanitary district assessors.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6494 of the Health and Safety Code is amended to read:

6494. There shall be an election for assessor in each even-numbered year in which members of the board are elected, and at the same time, place, and manner; provided, however, that

Time, use of county assessment roll, etc.

if a district board has elected to avail itself of the county assessment roll for district taxation pursuant to Article 6 of Chapter 7 of this part, no assessor shall thereafter be elected until it shall again elect the use of its own tax roll.

The assessor holds office for two years, and until the election and qualification of his successor except that the first assessor elected holds office until the election and qualification of his successor.

If a vacancy occurs in the office of assessor, the board shall appoint a suitable person to fill the vacancy until the next election at which an assessor may be elected under this part.

CHAPTER 585

An act to add Section 1160 to the Fish and Game Code, relating to property damage by hunters and fishermen.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1160 is added to the Fish and Game Code, to read:

Unlawful acts

1160. It is unlawful for any person while hunting or trapping any wild bird or mammal or while taking or attempting to take any fish to cause damage, or assist in causing damage, to real or personal property or to leave gates or bars open, or to break down, destroy, or damage fences, or to tear down or scatter piles of rails, posts, stone or wood, or, through carelessness or negligence, to injure livestock of any kind.

CHAPTER 586

An act to add Section 1163 to the Fish and Game Code, relating to shooting near dwellings.

In effect September 22 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1163 is added to the Fish and Game Code, to read:

"Safety zone," unlawful acts

1163. It is unlawful for any person, other than the owner or person in possession of the premises, while hunting, to discharge any firearm or other deadly weapon within 150 yards of any occupied dwelling house, residence, or other building or any barn or other outbuilding used in connection therewith. The 150-yard area above described is a "safety zone." It is unlawful to hunt or shoot at any bird or mammal within a safety zone without express permission of the owner or person in possession of the premises.

CHAPTER 587

An act to add Section 1228 to, and Chapter 6, comprising Sections 6600 to 6608, inclusive, to Division 7, Title 1 of, the Government Code, and to repeal an act entitled "An act forbidding the employment of the inmates of state institutions in the manufacture, or production of articles, for the use of state officers, or the officers and employees of state institutions," approved March 19, 1903, and an act entitled "An act relating to certain funds and property of inmates of state homes, reformatories, hospitals, prisons and other institutions and the expenditure thereof," approved May 31, 1929, relating to the employment and property of inmates of state institutions.

Stats. 1903, p. 210, repealed

Stats. 1929, p. 1037, repealed

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1228 is added to the Government Code, to read:

1228. An inmate of any state institution shall not be employed in the manufacture or production of any article intended for the private and personal use of any state officer or any officer or employee of any state institution. This section does not prohibit repairing of any kind nor the employment of such inmate in household or domestic work connected with the institution.

Manufacture of articles for private use

SEC. 2. Chapter 6, comprising Sections 6600 to 6608, inclusive, is added to Division 7, Title 1 of the Government Code, to read:

CHAPTER 6. BENEFIT FUNDS

6600. This chapter applies only to property and funds, and the disposition thereof, of inmates of any state home, reformatory, hospital, state prison, or other institution where the custody, management, and disposition of property and funds of inmates are not otherwise provided for by statute.

Scope

6601. When any person confined in any state home, reformatory, hospital, state prison, or other institution dies, escapes, or is discharged or paroled from the home, reformatory, hospital, state prison, or other institution, and any of his personal funds or property remains in the hands of the superintendent of the home, reformatory, hospital, or other institution, or the warden of the prison, the superintendent or warden may make a monthly charge for the safekeeping of the funds or property.

Charge for safekeeping

6602. If the charge is not paid, a lien to secure the payment of the charge accrues to the State. The lien may be foreclosed pursuant to this chapter.

Lien

6603. If the charge is not paid within three years, the lien may be foreclosed, and the superintendent or warden may

Same
Foreclosure

sell the property, or such part as is necessary, to satisfy the lien and costs of sale. The property may be sold at public or private sale.

Sale: Notice

6604. At least 10 days before the sale notice of sale shall be posted in a public place at the state home, reformatory, hospital, institution, or state prison where it is to take place.

Same Proceeds

6605. The proceeds of the sale shall be turned over immediately to the State Treasurer to be credited to the General Fund, except that the proceeds of the sale of property of a member of the Veterans' Home or the Woman's Relief Corps Home shall be deposited immediately in the post fund of the home at which the sale is had.

Deposit of funds

6606. The superintendent or warden may deposit any funds of inmates in his possession in any bank in the State. With the consent of the owners of the funds or their guardians he may deposit the interest accruing on the funds in a special fund designated the "benefit fund" or "post fund."

Trustee

6607. The superintendent or warden is the trustee of the benefit fund.

Expenditure of funds

6608. He may expend the money in the benefit fund or post fund for the education or entertainment of the inmates of the institution or prison under his supervision.

Repeal

SEC. 3. The acts cited in the title hereof are repealed.

CHAPTER 588

An act to amend Sections 9530 and 9590 of, and add Section 9598 to the Business and Professions Code, relating to the State Board of Dry Cleaners and to the enforcement of cleaning, dyeing and pressing regulations.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 22, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9590 of said code is amended to read:

Penalty

9590. Unless otherwise expressly provided, any violation of this chapter is a misdemeanor punishable upon conviction by a fine of not less than twenty-five dollars ($25) nor more than two hundred dollars ($200). The district attorney shall have concurrent jurisdiction in the prosecution of violations of this chapter.

SEC. 2. Section 9530 of the Business and Professions Code is amended to read:

State Board of Dry Cleaners

9530. There is in the Department of Professional and Vocational Standards, the State Board of Dry Cleaners, which consists of seven members appointed by the Governor and confirmed by the Senate. The seven members of the board shall consist of one public member and the owners of two retail plants, two wholesale plants, and two shops Each member shall be a citizen of the United States and shall have been actively engaged

in his respective branch of the cleaning industry for a period of at least five years prior to his appointment.

Each member of the board shall receive a per diem of fifteen dollars ($15) as compensation for each day spent in actual attendance at meetings of the board and at committee meetings of the members of the board, when such meetings are especially authorized by the board or its president, and for each day actually spent performing necessary work in connection with the enforcement of this chapter. Compensation

SEC. 3. Section 9598 is added to said code, to read:

9598. The board shall submit to the proper prosecuting officer any evidence relating to: Evidence of violations

(a) A violation of any provision of this chapter.

(b) The aiding or abetting any owner, manager or operator of a clothes cleaning establishment to violate any provisions of this chapter.

CHAPTER 589

An act to amend Sections 20013 and 20014 of and to add Sections 20017.7, 21020.7, 21290.7, 21292.7, and 21363.7 to the Government Code, relating to the State Employees' Retirement System, in respect to the law enforcement personnel of the Division of Narcotic Enforcement, Department of Justice.

[Approved by Governor May 23, 1951. Filed with Secretary of State May 23, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 20013 of the Government Code is amended to read:

20013. (a) "Member" means any person included in the membership of this system, and includes state members and local members. "Member"

(b) "State member" includes: "State member"

(1) State miscellaneous members.

(2) University members.

(3) Prison members.

(4) Patrol members.

(5) Warden members.

(6) Narcotic enforcement members.

(c) "Local member" includes: "Local member"

(1) Local miscellaneous members.

(2) Local safety members.

SEC. 2. Section 20014 of said code is amended to read:

20014. "State miscellaneous member" includes all members employed by the State and university, except patrol, warden, and narcotic enforcement members. "State miscellaneous member"

SEC. 3. Section 20017.7 is added to said code, to read:

20017.7. "Narcotic enforcement member" includes persons employed in the Division of Narcotic Enforcement in the Department of Justice, whose principal duties consist of active "Narcotic enforcement member"

law enforcement, including persons employed to perform the duties now performed under the titles of chief of division, supervising narcotic inspector, narcotic inspector, narcotic pharmacist inspector, special investigator, or narcotic chemist inspector, but excluding those whose principal duties are clerical or otherwise and which do not clearly fall within the scope of active law enforcement service, even though such a person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement.

Except as otherwise provided, the provisions of this part applicable to state miscellaneous members are also applicable to narcotic enforcement members.

SEC. 4. Section 21020.7 is added to said code, to read:

Same Provisions applicable

21020.7. The provisions of this article applicable to patrol members are also applicable to narcotic enforcement members.

SEC. 5. Section 21290.7 is added to said code, to read:

Same Non-industrial disability

21290.7. Upon retirement for nonindustrial disability, a narcotic enforcement member who has attained age 60 shall receive his service retirement allowance.

SEC. 6. Section 21292.7 is added to said code, to read:

Same Industrial disability

21292.7. Upon retirement of a narcotic enforcement member for industrial disability he shall receive a disability retirement allowance of 50 percent of his final compensation plus an annuity purchased with his accumulated additional contributions, if any, or, if qualified for service retirement, he shall receive his service retirement allowance if such allowance, after deducting such annuity, is greater.

SEC. 7. Section 21363.7 is added to said code, to read:

Same Industrial death

21363.7. The special death benefit is also payable if the deceased was a narcotic enforcement member, if his death was industrial, as determined by the Industrial Accident Commission, in the same manner as for all other state employees, and if there is a wife or child who qualifies under subdivision (b), Section 21364.

CHAPTER 590

An act to amend Section 1664 of the Insurance Code, relating to insurance agents, brokers and solicitors.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1664 of the Insurance Code is amended to read:

Maintenance of office

1664. Except in the case of a nonresident broker or nonresident agent, every insurance agent or broker shall maintain an office in this State for the transaction of business. Applications for license or renewal of license as insurance agent or broker or notices of intention to keep such licenses in force shall specify the address of the office at which the records required by Section 1663 are kept. The records shall be kept at such

address. Applications for license or renewal of license as an insurance solicitor or notice of intention to keep such license in force shall specify the office address of the solicitor. Every licensee shall notify the commissioner in writing of any change in office address.

CHAPTER 591

An act to add Sections 7.1 and 10.1 to the Alcoholic Beverage Control Act, relating to licenses for the sale of alcoholic beverages.

Stats 1935, p 1123, amended

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7.1 is added to the Alcoholic Beverage Control Act, to read:

Sec. 7.1. Licenses for the retail sale of alcoholic beverages may be issued for or transferred to premises which are to be constructed, or which are in the process of construction. No alcoholic beverages shall be sold pursuant to such license until the premises have been completed.

Premises to be constructed

SEC. 2. Section 10.1 is added to said act, to read:

Sec. 10.1. Applications for licenses for the retail sale of alcoholic beverages for premises which are to be constructed or which are in the process of construction, shall contain the information required in Section 10 of this act and such other information concerning the proposed premises as the board may require to assist it in determining whether the proposed premises will qualify for a license.

Same Applications

Notice of the application for a license pursuant to Section 7.1 of this act shall be posted on the premises for 15 days from the date of the application in the form and manner prescribed by the board.

CHAPTER 592

An act to add Section 1101.1 to the Insurance Code and to amend Section 1106 of such code, relating to brokerage commissions on reinsurance, and penalties therefor.

[Approved by Governor May 22, 1951 Filed with Secretary of State May 23, 1951]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1101.1 is added to the Insurance Code, to read:

1101.1. An officer, excluding a director who holds no other office, or employee of an admitted insurer shall not receive any money or valuable thing directly or indirectly as a brokerage commission on reinsurance ceded by such insurer and an insurer shall not pay such commissions. This provision shall not apply

Commissions prohibited

to brokerage or commissions authorized by the board of directors of the ceding insurer as compensation for services actually rendered nor to dividends received by any such officer or employee upon the stock of a corporation in which such officer or employee or his immediate family does not own a controlling interest or in fact exercises control.

SEC. 2. Section 1106 of the Insurance Code is amended to read:

Penalty

1106. Any person violating, or wilfully aiding another in the violation of, Sections 1101, 1101.1, 1102, 1103, 1104 or the commissioner's order issued pursuant to Section 1104.1 is guilty of a misdemeanor. The commissioner shall, after a hearing upon due notice, revoke, or deny the renewal of, the certificate of authority of a domestic admitted insurer persisting for more than 60 days from and after the commissioner's order issued pursuant to Section 1104.1 in failure to comply with such order. The proceedings shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code and the commissioner shall have the powers granted therein.

CHAPTER 593

An act to add Section 10211 to the Education Code, relating to insurance against liability arising from courses in driver education and training.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10211 is added to the Education Code, to read:

Authority to insure, cost

10211. The governing board of a district maintaining courses in driver education and automobile driver training may insure against any liability arising out of the use of motor vehicles in connection with such courses. The cost of such insurance shall be paid from available school district funds.

CHAPTER 594

An act to amend Section 5828.1 of the Streets and Highways Code, relating to county maintenance districts.

In effect September 22, 1951

[Approved by Governor May 22, 1951 Filed with Secretary of State May 23, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5828.1 of the Streets and Highways Code is amended to read:

Maintenance districts

5828.1. When the board of supervisors adopts a separate resolution declaring its intention to form a maintenance district for sanitary sewers or for street lighting, the clerk shall be

Notice of formation

directed to give notice of the hearing. The notice shall have the

heading "Notice of the proposed formation of _____ Sewer (or Street Lighting) Maintenance District," stating the name of the proposed district. It shall:

(a) State the time and place for the hearing.

(b) Set forth the exterior boundaries of the territory proposed to be organized into a district.

In lieu of a description, the boundaries of the territory proposed to be included may be shown by means of a diagram printed upon the notice. The board shall direct the clerk to publish the notice and shall also direct the clerk to post the notice in three public places in the proposed district at least 10 days prior to the date set for the hearing. The heading of each posted notice shall be in letters not less than one inch in height. Notice by mail is not required.

CHAPTER 595

An act to amend Sections 31521 and 31595 of the Government Code, relating to county retirement systems.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 31521 of the Government Code is amended to read:

31521. The board of supervisors may provide that the fourth and fifth members shall receive compensation at a rate of not more than fifteen dollars ($15) a meeting for not more than two meetings per month. Compensation of members

SEC. 2. Section 31595 of said code is amended to read:

31595. All funds received by the county treasurer not required for current disbursements shall be invested only in: Investment of funds

(a) Securities which are legal for savings bank investments in the State.

(b) Deposits at interest in any state or national bank in accordance with law authorizing and controlling the deposit of public funds in banks.

(c) Certificates and shares of a building and loan association or a federal savings and loan association if the certificates or shares are insured as defined in Title IV of the National Housing Act.

(d) Registered warrants of any political subdivision of this State.

(e) Real property or improvements constructed or to be constructed on real property when such real property or such improvements are acquired for sale or lease to the county in which the retirement system is established and subject to the limitations of this article.

(f) Deeds of trust, mortgages, common stock, preferred stock and investment trusts. Not to exceed 10 percent of all funds invested may be invested pursuant to this subdivision. Such investment may be made by the retirement board with the approval of the board of supervisors of said county.

CHAPTER 596

An act to add Sections 31627.1, 31629, and 31671.1 to, and to amend Sections 31527, 31591, 31628, 31642, 31649, 31652, and 31700 of, and to repeal Section 31560 and Article 13 consisting of Sections 31800, 31801, 31802, 31803, 31804, and 31805, of Chapter 3 of Part 3 of Division 4 of Title 3 of, the Government Code, relating to retirement of county employees.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 31527 of the Government Code is amended to read:

Regulations. Permissible provisions

31527. In its regulations, the board may include the following provisions:

(a) From what warrants deductions of members' contributions shall be made, if deducting the total contribution due from the first salary or wage warrant in any particular month would, because of sickness, leave of absence, or other cause, result in practical difficulty and unnecessary hardship to the member.

(b) For a period of time longer than one year during which a member may redeposit in the retirement fund an amount equal to that which he withdrew at the last termination of his membership, plus regular interest thereon from the date of return to service.

(c) For a withdrawal charge against a member who withdraws his accumulated contributions. The withdrawal charge shall not exceed the interest credited to the member subsequent to the effective date of the regulation.

SEC. 2. Section 31591 of the Government Code is amended to read:

Interest credits

31591. Regular interest shall be credited semiannually on June 30th and December 31st to all contributions in the retirement fund which have been on deposit for six months immediately prior to such date. Interest at the rate of 2½ percent per annum, until otherwise determined by the board, compounded semiannually, shall be used in the calculation of benefits under any mortality table adopted by the board of supervisors. No interest shall be credited to a member's account after the membership of such member in the retirement association has ceased, unless the member has elected, in writing, to leave his accumulated contributions in the retirement fund and be granted a deferred retirement allowance.

SEC. 3. Section 31627.1 is added to the Government Code, to read:

Additional contributions Return

31627.1. A member who has additional contributions under Section 31627 of the Government Code, or under Section

31504 of the Government Code, may, within 30 days prior to retirement, elect in writing to have all or any part of his accumulated additional contributions returned to him. The portion returned shall not be included in the calculation of the member's annuity.

SEC. 4. Section 31628 of the Government Code is amended to read:

Discontinuation of service Return of contributions

31628. If the service of a member is discontinued other than by death or retirement, upon proper application submitted to the county treasurer, he shall be paid all of his accumulated contributions, in accordance with the provisions of this act, minus a withdrawal charge, if a withdrawal charge has been provided for by the regulations of the board. The board may order payment in whole or in part withheld for a period not to exceed six months after date of separation. If a member does not file the proper application, the county treasurer shall send to such member, not more than 90 days after termination of service, at his last known address, a registered letter stating that he has money to his credit on the books of the retirement system and that if he does not claim such money within 10 years after date of notice, such money will be deposited in and become a part of the current pension reserve fund.

SEC. 5. Section 31629 is added to the Government Code, to read:

Failure to apply for return

31629. If a former member does not file proper application for the return of his accumulated contributions within 10 years after date of such notice to him, such accumulated contributions shall be deposited in and become a part of the current pension reserve fund, and thereafter the fund shall not be liable to such member for any portion of his accumulated contributions.

SEC. 6. Section 31642 of the Government Code is amended to read:

Continuity of service

31642. The following shall not be considered as breaking the continuity of service:

(a) A temporary layoff because of illness or for purposes of economy, suspension, or dismissal, followed by reinstatement or re-employment within one year.

(b) A leave of absence followed by reinstatement or re-employment within one year after the termination of the leave of absence.

(c) A resignation to enter, followed by entrance into, the armed forces of the United States, followed by re-employment by the county or district within six months after the termination of such service.

(d) Resignation of a member who has elected in writing to come within the provisions of Article 9 followed by re-employment before withdrawal of any accumulated contributions.

The withdrawal of accumulated contributions followed by the redeposit of the contributions upon re-entrance into service does not constitute a break in the continuity of service.

SEC. 7. Section 31649 of the Government Code is amended to read:

Service with armed forces

31649. (a) Any member who resigns to enter and does enter the armed forces of the United States and within 90 days after the termination of such service re-enters county service, or (b) any member who obtains a leave of absence to enter and does enter the armed forces of the United States and within one year after the termination of such leave of absence re-enters county service, if he has not contributed to the retirement fund the total percentage of his compensation earnable due under this chapter for the entire period during which he was out of county service, may, not less than 90 days after his re-entrance into county service, file with the board his election that no further contributions be deducted from his compensation except contributions due because of current service.

SEC. 8. Section 31652 of the Government Code is amended to read:

Redeposit

31652. Any member within one year after his re-entrance into the service, or within such longer time as is provided for in regulations of the board, may redeposit in the retirement fund an amount equal to that which he withdrew at the last termination of his membership, in which case his rate of contribution is the same as it was prior to the last termination of his membership, and his membership is the same as if unbroken by such termination. If upon re-entering the retirement system after a termination of his membership he does not make such redeposit, he shall re-enter as a new member without credit for any previous service, and the rate of his contribution is the normal rate at his age of re-entrance.

SEC. 9. Section 31671.1 is added to the Government Code, to read:

Employees over 55

31671.1. Any employee over the age of 55 years, who becomes a member of the retirement system by reason of the repeal of Section 31560 of the Government Code, shall not be subject to mandatory retirement under the provisions of Section 31671 until the expiration of two years after becoming a member.

SEC. 10. Section 31700 of the Government Code is amended to read:

Election to leave contributions in fund

31700. Any member, whether over or under the minimum age of voluntary service retirement, who leaves county service after completing five years of service may elect in writing, within 180 days after leaving county service, to leave his accumulated contributions in the retirement fund and be granted a deferred retirement allowance to become effective either:

(a) Upon the option of the member, at any time at which he could have retired had he remained in county service, or

(b) Not later than the first day of the month following that in which he attains age 70.

SEC. 11. Section 31560 of said code is hereby repealed.

SEC. 12. Article 13 of Chapter 3, Part 3, Division 4, Title 3 of said code is hereby repealed.

CHAPTER 597

An act to add Sections 31114 and 31115 to the Government Code and to add Article 6, comprising Sections 45200, 45201, and 45210 to Chapter 1, Division 5, Title 4 of the Government Code, relating to city and county civil service.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 31114 is added to the Government Code, to read:

31114. Any person who:

County civil service: Improper conduct a misdemeanor

1. Wilfully by himself or in cooperation with another person defeats, deceives, or obstructs any person with respect to his right of examination, application, or certification for employment under any county civil service system; or

2. Wilfully and falsely marks, grades, estimates, or reports upon the examination or proper standing of any person examined or certified under any county civil service system, or who aids in so doing, or makes any false representation concerning the same or the person examined; or

3. Wilfully furnishes to any person any special or secret information for the purpose of either improving or injuring the prospects or chances of any person examined, certified or to be examined or certified under any county civil service system, is guilty of a misdemeanor.

SEC. 2. Section 31115 is added to the Government Code, to read:

31115. Any person who:

Same

1. Impersonates another person or permits or aids in any manner any other person to impersonate him in connection with any examination, application, or request to be examined under any county civil service system; or

2. Furnishes or obtains examination questions or other examination material prepared and intended for use in any examination under any county civil service system before such examination; or

3. Uses any unfair means to cause or attempt to cause any eligible to waive any rights obtained under the civil service system of any county, is guilty of a misdemeanor.

SEC. 3. Article 6, comprising Sections 45200, 45201 and 45210, is added to Chapter 1, Division 5, Title 4 of the Government Code, to read:

Article 6. Prohibitions and Offenses

45200. It is unlawful for any person:

City civil service: Improper conduct unlawful

(a) Wilfully by himself or in cooperation with another person to defeat, deceive, or obstruct any person with respect to his right of examination, application, or certification for employment under the personnel system, merit system, or civil service system of any city.

(b) Wilfully and falsely to mark, grade, estimate, or report upon the examination or proper standing of any person examined or certified under the personnel system, merit system, or civil service system of any city, or to aid in so doing, or make any false representation concerning the same or the person examined.

(c) Wilfully to furnish to any person any special or secret information for the purpose of either improving or injuring the prospects or chances of any person examined, certified or to be examined or certified under the personnel system, merit system, or civil service system of any city.

45201. It is unlawful for any person:

Unlawful acts

(a) To impersonate another person or to permit or aid in any manner any other person to impersonate him in connection with any examination, application, or request to be examined under the personnel system, merit system, or civil service system of any city.

(b) To furnish or obtain examination questions or other examination material prepared and intended for use in any examination under the personnel system, merit system, or civil service system of any city before such examination.

(c) To use any unfair means to cause or attempt to cause any eligible to waive any rights obtained under the personnel system, merit system, or civil service system of any city.

Misdemeanor

45210. Every person who violates any provision of this article is guilty of a misdemeanor.

CHAPTER 598

An act to amend Sections 2619, 2801, 2803, 2804, 3511, 3706, 3708.5, 3710, 3718, 3719, and to add Section 2705.5 to the Revenue and Taxation Code, relating to tax-sold and tax-deeded property, including the time of delinquency of real estate taxes, the payment of taxes on a portion of an assessment and the minimum bid on a sale of tax-deeded property.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2619 of the Revenue and Taxation Code is amended to read:

Delinquency date on Saturday

2619. If December 10th or April 20th falls on Saturday, the time of delinquency is 5 p m. on the next business day.

SEC. 2. Section 2705.5 is hereby added to the Revenue and Taxation Code, to read:

Same

2705.5. If December 10th or April 20th falls on Saturday, the time of delinquency is 5 p.m. on the next business day.

SEC. 3. Section 2801 of the Revenue and Taxation Code is amended to read:

Payment of real property taxes separate from whole assessment

2801. The taxes on any parcel of real property, except possessory interests, contained in an assessment and having a separate valuation on the roll, may be paid separately from the

whole assessment, by paying the amount which bears the same proportion to all taxes on the real property in the whole assessment as the valuation of this parcel bears to the valuation of all real property, except possessory interests, in the assessment, and by the further payment of the full amount of taxes, penalties and costs on personal property and possessory interests which are a lien on the real property in the whole assessment.

SEC. 4. Section 2803 of the Revenue and Taxation Code is amended to read:

Separate valuation

2803. Any person showing evidence by presentation of a duly executed and recorded deed, purchase contract, deed of trust, mortgage, or final decree of court of an interest in any parcel of real property, except possessory interests, which does not have a separate valuation on the roll, and who is not the owner or contract purchaser of the entire parcel as assessed, may apply to the tax collector to have the parcel separately valued on the roll for the purpose of paying current taxes.

SEC. 5. Section 2804 of the Revenue and Taxation Code is amended to read:

Same Application

2804. The application shall be made after the first Monday in July and before any payment, but not after the last installment becomes delinquent.

SEC. 6. Section 3511 of the Revenue and Taxation Code is amended to read:

Deed to State

3511. Not less than 21 days nor more than 35 days after the first publication of the notice of deeding of tax-sold property and at least five years after the property was sold to the State, the tax collector shall, without charge, execute a deed in duplicate conveying the property to the State. The county clerk shall take acknowledgment of the deed without charge.

SEC. 7. Section 3706 of the Revenue and Taxation Code is amended to read:

Tax sale Minimum price

3706. If the property is not redeemed before the first bid is received on such property, the tax collector shall sell the property at public auction to the highest bidder at the time and place fixed.

In the case of a sale at public auction whether on application of a prospective purchaser, or without any application from a prospective purchaser, no bid shall be accepted for a sum less than the minimum price approved in the resolution of the board of supervisors; provided, however, the tax collector may reduce such minimum price when a partial redemption has been made under Chapter 2, Part 7, Division 1 of this code, or when a partial cancellation has been made under Chapter 4, Part 9, Division 1 of this code, after such price was fixed, by not more than the ratio that the delinquency on the portion so redeemed or canceled bears to the delinquency upon the whole

SEC. 8. Section 3708.5 of the Revenue and Taxation Code is amended to read:

Recordation, delivery

3708.5. Upon execution the tax collector shall forthwith record said deed with the county recorder and pay the recorder for filing, recording and indexing each deed the sum of one

dollar ($1) out of the proceeds of the sale and the recorder shall make no further charge for recording said deed. Recording of said deed shall constitute delivery thereof to the grantee therein named.

SEC. 9. Section 3710 of the Revenue and Taxation Code is amended to read:

Contents of deed

3710. In addition to the usual provisions of a deed conveying real property, the deed shall specify:

(a) That the real property was duly sold and conveyed to the State for nonpayment of taxes which had been legally levied and were a lien on the property;

(b) That the State, through the tax collector, has sold the property at public auction;

(c) That no taxing agency objected to the sale. (If a taxing agency did object, state: That (name of each objecting taxing agency) objected to the sale);

(d) The name of the purchaser and the amount for which the property was sold to him inclusive of advertising and recording costs;

(e) That the property is therefore conveyed to the purchaser according to law.

SEC. 10. Section 3718 of the Revenue and Taxation Code is amended to read:

Deposit, report

3718. The tax collector shall deposit the money received from the sale, including any installment of the purchase price, like tax collections and shall immediately transmit a report of sale to the county treasurer and a duplicate of the report to the county auditor. The report shall show:

(a) The cost of advertising the sale.

(b) The sums received for individual parcels.

(c) Identification of the parcels by year, page and number of the delinquent and current roll.

(d) The cost of recording the deeds.

SEC. 11. Section 3719 of the Revenue and Taxation Code is amended to read:

Disposition of proceeds

3719. The amount of the cost of advertising the sale shall be deposited in the county general fund and the balance, excepting the recorder's fee, shall be deposited in the delinquent tax sale trust fund.

CHAPTER 599

Stats 1935, p 1123, amended

An act to add Section 6a to the Alcoholic Beverage Control Act, relating to sale of beer to instrumentalities of the armed forces of the United States maintained on United States Government military or naval reservations, to take effect immediately.

In effect immediately

[Approved by Governor May 23, 1951. Filed with Secretary of State May 23, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6a is added to the Alcoholic Beverage Control Act, to read:

Sec. 6a. Notwithstanding anything to the contrary in this act appearing beer may be sold by beer manufacturers or beer wholesalers licensed under this act to instrumentalities of the armed forces of the United States located upon territory within this State which is maintained by the United States Government as a military or naval reservation, and no excise tax levied by this act shall be imposed upon such sales. If any manufacturer or wholesaler has paid such tax on beer thereafter sold to an instrumentality of the armed forces so located, the taxpayer who has paid the excise tax on such beer may claim and shall be allowed credit with respect to such tax so paid in any report filed or assessment paid under this act. Tax exemption

Sec. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. Tax levy

CHAPTER 600

An act to add Section 9148 to the Education Code, relating to field officers or teachers for the adult blind.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

Section 1. Section 9148 is added to the Education Code, to read:

9148. The Department of Education may appoint field officers or home teachers to teach handicrafts to the adult blind of the State, and to give them such other instruction as may ameliorate their condition. The department may prescribe the duties and with the approval of the Department of Finance may fix the compensation of such field officers and home teachers. Appointment, duties, compensation

CHAPTER 601

An act to amend Sections 2621 and 2706 of the Revenue and Taxation Code, relating to payment of costs on tax-delinquent property.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

Section 1. Section 2621 of the Revenue and Taxation Code is amended to read:

2621. After the second half of taxes on real property is delinquent, the tax collector shall collect a cost of one dollar ($1) for preparing the delinquent roll and published delinquent list on each separate valuation on the secured roll of: Cost of roll

(a) Real property, except possessory interests.

(b) Possessory interests.

The cost shall be collected even though the property appears on the roll due to a special assessment and no valuation of the property is given.

SEC. 2. Section 2706 of the Revenue and Taxation Code is amended to read:

Same

2706. After the second half of taxes on the secured roll is delinquent, the tax collector shall collect a cost of one dollar ($1) for preparing the delinquent roll and published delinquent list on each separate valuation on the secured roll of:

(a) Real property, except possessory interests.

(b) Possessory interests.

The cost shall be collected even though the property appears on the roll due to a special assessment and no valuation of the property is given.

CHAPTER 602

An act to amend Sections 54307 and 54310 of, and to add Section 54388 to, the Government Code, relating to revenue bonds.

In effect September 22, 1951

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 54307 of the Government Code is amended to read:

"Local agency"

54307. "Local agency" means city, county, city and county, or any municipal or public corporation or district which is authorized to acquire, construct, own, or operate a sewer system, or a water system, or both, except irrigation districts.

SEC. 2. Section 54310 of said code is amended to read:

"Enterprise" Limitation

54310. "Enterprise" does not include, and this chapter does not authorize a local agency to borrow money and issue bonds for, systems, plants, works, or undertakings for:

(a) The generation, production, transmission, and distribution of electric energy for lighting, heating, and power for public or private uses.

(b) The generation, production, transmission, and distribution of gas for public or private uses.

SEC. 3. Section 54388 is added to said code, to read:

Sale of bonds

54388. Before selling the bonds, or any part thereof, the legislative body shall give notice inviting sealed bids in such manner as the legislative body may prescribe. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received, or if the legislative body determines that the bids received are not satisfactory as to price or responsibility of the bidders, the legislative body may reject all bids received, if any, and either readvertise or sell the bonds at private sale.

CHAPTER 603

An act adding Section 25560.4 to the Government Code, relating to the use of county parks.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 25560.4 is added to the Government Code, to read:

25560.4. The board of supervisors of any county may, by a four-fifths vote of the members, use or dedicate any portion of any land acquired by the county by means of special assessment proceedings for park purposes, for the erection and maintenance of one or more buildings to house any justices', municipal, or superior court, or one or more departments or divisions of any one or more of such courts if the portion of the land to be so used or dedicated has not been used by the public for park purposes for a period of more than 10 years. Dedication for court buildings

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CHAPTER 604

An act to amend Section 160.93 of the Agricultural Code, relating to the agricultural pest control business.

[Approved by Governor May 22, 1951. Filed with Secretary of State May 23, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 160.93 of the Agricultural Code is amended to read:

160.93. Proof of such financial responsibility may be made by furnishing security which may consist of a deposit of money, a surety bond in favor of any person or persons who may suffer damage by reason of pest control operations by the operator issued by a corporate surety company qualified and authorized to do business in this State, or an insurance policy insuring the operator against liability resulting from pest control operations. The amount of such deposit, surety bond, or insurance shall be not less than twenty-five thousand dollars ($25,000) and in the event of any recovery against such security it shall be replenished so that it amounts to not less than twenty-five thousand dollars ($25,000). Security as proof of responsibility

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CHAPTER 605

An act to add Section 27645 to the Government Code, relating to the duties of county counsels.

[Approved by Governor May 23, 1951. Filed with Secretary of State May 23, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 27645 is hereby added to the Government Code, to read:

Representation, advice

27645. The county counsel shall represent and advise the officers and employees of special districts organized within the county and shall have exclusive charge and control of all civil actions and proceedings in which special districts, their officers or employees are concerned or are parties when:

(a) The governing board of the special district requests the county counsel to so act

(b) The governing board of the special district is composed in whole or in part of persons who are also members of the county board of supervisors, and

(c) No specific provision is made in the law under which the special district is organized for the district to obtain legal services.

CHAPTER 606

An act to amend Sections 3208, 4452, 4453, 4458, 4460, 4600, 4702, and 5952 of the Labor Code, relating to workmen's compensation.

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 3208 of the Labor Code is amended to read:

"Injury"

3208. "Injury" includes any injury or disease arising out of the employment, including injuries to artificial members, dentures, eye glasses and medical braces of all types; provided, however, that eye glasses will not be replaced, repaired, or otherwise compensated for, unless injury to them is incident to an injury causing disability in excess of three days.

SEC. 2. Section 4452 of the Labor Code is amended to read:

Computation Annual earnings

4452. Four times the average annual earnings shall be taken at not less than one thousand dollars ($1,000) nor more than eight thousand four hundred dollars ($8,400) in disability cases, and in death cases shall be taken at not less than the minimum nor more than the maximum limits as provided in Section 4702 of this code.

SEC. 3. Section 4453 of the Labor Code is amended to read:

Same· Weekly earnings

4453. In computing average annual earnings for purposes of temporary disability indemnity only, the average weekly earnings shall be taken at not less than fifteen dollars ($15) nor more than fifty-three dollars and eighty-five cents ($53.85). In computing average annual earnings for purposes of permanent disability indemnity, the average weekly earnings shall be taken at not less than fifteen dollars ($15) nor more than forty-six dollars and sixteen cents ($46.16). Between these limits the average weekly earnings, except as provided in Sections 4456 to 4459, shall be arrived at as follows:

(a) Where the employment is for 30 or more hours a week and for five or more working days a week, the average weekly earnings shall be 95 percent of the number of working days a week times the daily earnings at the time of the injury.

(b) Where the employee is working for two or more employers at or about the time of the injury, the average weekly earnings shall be taken as 95 percent of the aggregate of such earnings from all employments computed in terms of one week; but the earnings from employments other than the employment in which the injury occurred shall not be taken at a higher rate than the hourly rate paid at the time of the injury.

(c) If the earnings are at an irregular rate, such as piecework, or on a commission basis, or are specified to be by the week, month, or other period, then the average weekly earnings mentioned in subdivision (a) above shall be taken as 95 percent of the actual weekly earnings averaged for such period of time, not exceeding one year, as may conveniently be taken to determine an average weekly rate of pay.

(d) Where the employment is for less than 30 hours per week, or where for any reason the foregoing methods of arriving at the average weekly earnings cannot reasonably and fairly be applied, the average weekly earnings shall be taken at 95 percent of the sum which reasonably represents the average weekly earning capacity of the injured employee at the time of his injury, due consideration being given to his actual earnings from all sources and employments.

SEC. 4. Section 4458 of the Labor Code is amended to read:

Volunteer firemen

4458. If a male member registered as an active fire fighting member of any regularly organized volunteer fire department as described in Section 3361 suffers injury or death while in the performance of his duty as fireman, then, irrespective of his remuneration from this or other employment or from both, his average weekly earnings for purposes of determining temporary disability indemnity shall be taken at fifty-three dollars and eighty-five cents ($53.85) and for purposes of determining permanent disability indemnity shall be taken at forty-six dollars and sixteen cents ($46.16). Four times his average annual earnings shall be taken as eight thousand four hundred dollars ($8,400) in disability cases, and in death cases shall be taken at not less than the minimum nor more than the maximum limits as provided in Section 4702 of this code.

SEC. 5. Section 4460 of the Labor Code is amended to read:

Maximum weekly earnings

4460. For the purpose of computing the temporary disability indemnity payable to any employee who sustains an original injury causing temporary disability, the maximum average weekly earnings shall be taken at fifty-three dollars and eighty-five cents ($53.85). For the purpose of computing the permanent disability indemnity payable to any employee who sustains an original injury causing permanent disability,

the maximum average weekly earnings shall be taken at forty-six dollars and sixteen cents ($46.16).

Every computation made pursuant to this section shall be made only with reference to temporary disability or such permanent disability resulting from an original injury sustained after this section becomes effective; provided, however, that all rights presently existing under this section shall be continued in force.

SEC. 6. Section 4600 of the Labor Code is amended to read:

Provision for treatment, supplies

4600. Medical, surgical, and hospital treatment, including nursing, medicines, medical and surgical supplies, crutches, and apparatus, including artificial members, which is reasonably required to cure or relieve from the effects of the injury shall be provided by the employer. In the case of his neglect or refusal seasonably to do so, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing treatment.

In accordance with the rules of practice and procedure of the commission, the employee, or the dependents of a deceased employee, shall be reimbursed for expenses reasonably, actually, and necessarily incurred for X-rays, laboratory fees, and medical reports required to successfully prove a contested claim.

SEC. 7. Section 4702 of the Labor Code is amended to read:

Calculation of death benefit

4702. The death benefit shall be a sum sufficient to equal:

(a) In a case of total dependency, four times the average annual earnings of the deceased employee.

(b) In a case of partial dependency only, four times the amount annually devoted to support of the dependents by the employee.

The death benefit shall be paid in installments in the same manner and amounts as disability indemnity, payments to be made at least twice each calendar month, unless the commission otherwise orders. Except as provided in the next paragraph, the death benefit, when added to all accrued disability indemnity, shall not exceed four times the average annual earnings of the employee, nor exceed the sum of seven thousand dollars ($7,000), except in the case of a surviving widow and one or more dependent minor children, in which case the death benefit shall be increased 25 percent, but not to exceed eight thousand seven hundred fifty dollars ($8,750) and, except as otherwise provided in Sections 4553 and 4554. For a total dependency the minimum death benefit shall be three thousand dollars ($3,000).

Disability indemnity shall not be deducted from the death benefit and shall be paid in addition to the death benefit when the original injury resulting in death occurs after the effective date of the amendment to this section adopted at the 1949 Regular Session of the Legislature.

Every computation made pursuant to this section shall be made only with reference to death resulting from an original

injury sustained after this section as amended during the 1949 Regular Session of the Legislature becomes effective; provided, however, that all rights presently existing under this section shall be continued in force.

SEC. 8. Section 5952 of the Labor Code is amended to read:

5952. The review by the court shall not be extended further than to determine, based upon the entire record which shall be certified by the commission, whether: Judicial review Scope

(a) The commission acted without or in excess of its powers.

(b) The order, decision, or award was procured by fraud.

(c) The order, decision, or award was unreasonable.

(d) The order, decision, or award was not supported by substantial evidence.

(e) If findings of fact are made, such findings of fact support the order, decision, or award under review.

SEC. 9. Nothing in Section 8 of this bill shall permit the court to hold a trial de novo, to take evidence, or to exercise its independent judgment on the evidence. Same· Limitation

SEC. 10. Every computation made pursuant to Sections 2, 3, 4, 5, and 7 of this bill with respect to temporary disability indemnity or death shall be made only with reference to such temporary disability or death resulting from an original injury sustained after the amendments contained in this bill become effective; provided, however, that all rights presently existing shall be continued in force. Computation Limitation

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CHAPTER 607

An act to amend Section 1730 of, and to add Section 1730.5 to, the Insurance Code, relating to insurance and bail licensees.

[Approved by Governor May 24, 1951 Filed with Secretary of State May 24, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1730 of the Insurance Code is amended to read:

1730. All funds received by any person acting as an insurance agent, broker or solicitor, life agent of any type, life analyst, surplus line broker, special lines surplus line broker, motor club agent or bail agent or solicitor, as premium or return premium on or under any policy of insurance or undertaking of bail, are received and held by such person in his fiduciary capacity. Any such person who diverts or appropriates such fiduciary funds to his own use is guilty of theft and punishable for theft as provided by law. Fiduciary funds

SEC. 2. Section 1730.5 is added to the Insurance Code, to read:

1730.5. This section applies to any person licensed, whether under a permanent license, restricted license, temporary license, certificate of convenience or as a registrant, to act Same Holding, remittance

in any of the capacities specified in Section 1730. If fiduciary funds, as defined in Section 1730 and held for one or more principals, are maintained in accordance with subsection (b) hereof, such funds for other principals may be held and remitted in accordance with subsection (a) hereof. Otherwise each such person who does not make immediate remittance of all funds received as premium to the insurer entitled thereto must elect and follow with respect to such funds, one of the following methods:

(a) Remit premiums, less commissions, and return premiums received or held by him to the insurer or the person entitled thereto within fifteen (15) days after the receipt thereof; or

(b) Maintain such fiduciary funds at all times in a bank account or depository separate from any other account or depository, in an amount at least equal to the premiums and return premiums, net of commissions, received by him and unpaid to the persons entitled thereto or, at their direction or pursuant to written contract, for the account of such persons. However, such person may commingle with such fiduciary funds in such account or depository such additional funds as he may deem prudent for the purpose of advancing premiums, establishing reserves for the paying of return commissions or for such contingencies as may arise in his business of receiving and transmitting premium or return premium funds. Further, such person may commingle the funds of any principal with his own funds to an unlimited extent, if such principal in writing specifically waives the segregation requirements of this section. Commingling of funds as herein permitted shall not alter the fiduciary nature of such premium or return premium funds.

CHAPTER 608

Stats. 1949, p 2658, amended

An act to amend Section 10.2 of the Parking Law of 1949 and Section 32951 of the Streets and Highways Code, relating to off-street parking facilities.

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10.2 of the Parking Law of 1949 is amended to read:

Acquisition: Limitation

Sec. 10.2. Acquisition of Existing Parking Facilities: Limitation. No existing parking facility shall be acquired by the exercise of the power of eminent domain by an authority except after public hearing following notice of the date, time, place, and purpose of such hearing published once not less than 10 nor more than 20 days prior to the date of such hearing; provided, however, that no property being used as a facility or facilities for the parking and/or storing of motor vehicles shall be acquired by an authority as heretofore provided by this act,

unless the project to be furnished or constructed by an authority which necessitates the acquisition of such parking facility or facilities when completed will provide a parking capacity not less than three (3) times the parking capacity provided by the existing parking facility.

If the limitation in this section is held invalid, no existing parking facility may be acquired by an authority.

SEC. 2. Section 32951 of the Streets and Highways Code is amended to read:

32951. Property being used as a facility for the parking or storing of motor vehicles shall not be acquired by an authority, unless the project to be furnished or constructed which necessitates the acquisition of the existing facility when completed will provide a parking capacity at least three times the parking capacity provided by the existing facility. Same

If this section is held invalid, no existing parking facility may be acquired by an authority.

SEC. 3. Section 2 of this act becomes operative only if Division 18 of the Streets and Highways Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 18 takes effect, at which time Section 10.2 of the Parking Law of 1949 amended by this act is repealed. Effect Stats. 1951, Ch. 463

CHAPTER 609

An act to amend Section 37904 of the Government Code, relating to city public works contracts.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 37904 of the Government Code is amended to read:

37904. In its discretion, the legislative body may reject any bids presented and readvertise. If two or more bids are the same and the lowest, the legislative body may accept the one it chooses. If no bids are received the legislative body may have the project done without further complying with this chapter. Rejection of bids

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CHAPTER 610

An act to amend Sections 26075 and 26076 of the Water Code, relating to assessments by irrigation districts.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 26075 of the Water Code is amended to read:

Delinquency date

26075. Unpaid assessments not payable in installments are delinquent at 5 p.m. on the last Monday in December of the year in which they are levied.

SEC. 2. Section 26076 of said code is amended to read:

Same Installments

26076. Whenever assessments are payable in installments, the first installment if unpaid is delinquent at 5 p.m. on the last Monday in December of the year in which the assessment was levied, and the second installment if unpaid is delinquent at 5 p.m. on the last Monday of the following June. The whole amount of completion assessments if unpaid shall become delinquent on the last Monday in December notwithstanding that assessments in the district are payable in installments.

CHAPTER 611

An act to amend Section 803.5 of the Agricultural Code, relating to nectarine and pear standards, declaring the urgency thereof and providing that this act shall take effect immediately.

In effect immediately

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 803.5 of the Agricultural Code is amended to read:

Nectarines

803.5. Nectarines shall be mature but not overripe; free from insect injury which has penetrated or damaged the flesh, split pits which are open at the stem end; and from mold, brown rot, and decay which has affected the edible portion; and free from serious damage due to skin breaks or cuts, growth cracks, bruises, or other causes. Damage to any one nectarine is not serious unless it causes a waste of 10 percent, by weight, of the individual nectarine.

Maturity

Nectarines shall not be considered mature unless at the time of picking (a) an aggregate area of at least one-half inch in diameter of the surface of the individual fruit has broken from green or dark green to a distinct flecking of light green or a light green indicating equivalent maturity, or (b) the shoulders and suture are well developed and filled out.

Tolerance

Except in the case of nectarines affected by split pits which are visible, not more than 10 percent, by count, of the nectarines in any one container or bulk lot may be below these requirements, but not to exceed one-half of this tolerance shall be allowed for any one cause. In the case of nectarines affected by split pits which are visible, an additional tolerance of not more than 10 percent, by count, of the nectarines in any one container or bulk lot shall be allowed.

Packed nectarines shall not vary in size between the fruits, in any one container, more than three-eighths of an inch in

diameter, when measured through the widest portion of the cross-section.

All containers of fresh nectarines shall bear upon them in plain sight and in plain letters on one outside end: the name of the person who first authorized the packing of the nectarines or the name under which such packer is engaged in business, together with a sufficiently explicit address to permit ready location of such packer; the name of the variety, if known, and when not known the words "unknown variety"; the size description, when the nectarines are packed in the four-basket crate, or the count, when wrapped and packed throughout, in straight side containers in uniform layers and rows. Marking

In the case of the four-basket crate the numerical description of the pack in the top layer of the basket shall be used to designate size. When the count is used to designate the contents of the container a variation of four nectarines more or less than the number stated shall be allowed.

Nectarines, when packed, shall be in standard containers numbers 1, 1A, 5, 6, 7, 8, 9, 9A, 9B, 12B, 15, 16, 17, 18, 18A, 22B, 25, 26, 27 or 27A. Other size containers may be used if conspicuously marked on the outside of the end which bears any marks intended to describe the contents of such container, in letters not less than one-half inch in height, "irregular container." Containers

SEC. 2. Section 828.45 of said code is amended to read: Special containers

828.45.

28	Special sawdust pack chest	$7\frac{3}{4}$	$14\frac{15}{16}$	$18\frac{5}{8}$
29	Special sawdust pack lug	$7\frac{3}{4}$	$13\frac{1}{2}$	$16\frac{1}{8}$
29A	Special lug box	$6\frac{1}{2}$ or $7\frac{3}{16}$	$13\frac{1}{2}$	$20\frac{5}{8}$
30	Special lug box	$8\frac{1}{2}$	14	$22\frac{1}{4}$
30A	Special lug box	$4\frac{7}{8}$	15	$22\frac{1}{8}$

Container number 29A with an end piece $7\frac{3}{16}$ inches in depth shall be considered standard only when the inside depth of the container to the top of the side pieces or slats is $6\frac{1}{2}$ inches and when cleats are not placed on top of the end pieces.

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: It is now a common and accepted practice for the nectarine industry to use the so-called "Brentwood lug" in packing nectarines. However, through an oversight, this container was omitted from the Nectarine Standardization Act of 1949. The result is that all of these containers so used must be stamped "irregular container," a situation which comports with neither the practice nor the desire of the industry. Because the growing and marketing season of the year 1951 will commence prior to the time this act would otherwise become effective, it is necessary that it take effect immediately in order that the benefits thereof be obtained during the current year. Urgency

CHAPTER 612

An act to amend Sections 20024, 20025.2, 20105, 20107, 20165, 20208, 20303, 20304, 20393, 20523, 20524, 20602, 20602.5, 20602.7, 20603, 20603.1, 20603.2, 20606, 20607, 20607.5, 20611, 20652, 20654, 20654.6, 20654.9, 20655, 20656, 20754, 20862, 20863, 20890, 20921.1, 20922, 21023, 21028, 21204, 21250, 21300, 21331, 21360, 21361, 21362, 21453 of the Government Code, to amend and renumber Section 21262 thereof (as added by Chapter 1498 of the Statutes of 1949), to repeal Sections 20654.7 and 21030 thereof, and to add Sections 20609.2, 20655.1, 21257.2, and 21365.1 thereto, relating to the State Employees' Retirement System.

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 20024 of the Government Code is amended to read:

"Final compensation"

20024. "Final compensation" means the highest average annual compensation earnable by a member during any period of five consecutive years during his membership in the system, including any or all of such period or periods of (a) service required for qualification for membership, or (b) prior service, if any, immediately preceding membership, or (c) time prior to entering state service at the compensation earnable by him in the position first held by him in such service, as may be necessary to complete five consecutive years. For the purposes of this section, periods of service separated by breaks in service may be aggregated to constitute a period of five consecutive years, if the periods of service are consecutive except for such breaks. If a break in service did not exceed six months in duration, time included in the break and compensation earnable during such time shall be included in computation of final compensation. If a break in service exceeded six months in duration, the first six months thereof and the compensation earnable during those six months shall be included in computation of final compensation, but time included in the break which is in excess of six months and the compensation earnable during such excess time shall be excluded in computation of final compensation. Time during which a member is in state service and is also a member of another retirement system to which the State or the university contributes shall not be considered to be an absence for the purposes of Section 20023 nor to be a break in service for the purposes of this section, and the determination of the final compensation of such a member shall take into consideration his compensation earnable while he was a member of such other system.

SEC. 2. Section 20025.2 of said code is amended to read:

Overtime

20025.2. When the compensation of a member is a factor in any computation to be made under this part there shall be

excluded from such computations any compensation based on overtime put in by a member whose service retirement allowance is a fixed percentage of final compensation for each year of current service. For the purposes of this part, overtime is the aggregate service performed by an employee as a member for all employers and in all categories of employment in excess of the hours of work considered normal for employees on a full-time basis, and for which monetary compensation is paid.

SEC. 3. Section 20105 of said code is amended to read:

Officers

20105. It shall appoint and fix the compensation of an executive officer, an assistant executive officer, and other necessary employees. The executive officer and the assistant executive officer may administer oaths.

SEC. 4. Section 20107 of said code is amended to read:

Appointment of committees

20107. The board may appoint a committee of one or more of its members to perform routine acts, such as retirement of members and fixing of retirement allowances, approval of death claims and correction of records necessary in the administration of this system in accordance with this part and board rules. The board also may authorize the executive officer to perform such routine acts. Acts of the committee or the executive officer shall be reported forthwith to members of the board, and shall be subject to review and ratification or reversal by the board at its next meeting. Reversal by the board of any act of the committee or the executive officer shall be effective as of the date fixed by the board, but payment of benefits prior to board action shall not be affected by such action, except for such recovery of amounts paid from the person to whom they were paid as the board may direct.

SEC. 5. Section 20165 of said code is amended to read:

Erroneous payment: Correction

20165. If more or less than the correct amount of contribution required of members, the State, or any contracting agency, is paid, proper adjustment shall be made in connection with subsequent payments, or such adjustments may be made by direct cash payments between the member, State, or contracting agency concerned and the board. Adjustments to correct any other errors in payments to or by the board, including adjustments of contributions, with interest, which are found to be erroneous as the result of corrections of dates of birth, may be made in the same manner.

SEC. 6. Section 20208 of said code is amended to read:

Unclaimed warrants

20208. Notwithstanding any provision in this or any other code to the contrary, whenever any warrant drawn against the Retirement Fund in payment of accumulated contributions or benefit remains unclaimed or the claimant cannot be found, the proceeds of such warrant shall be redeposited in the Retirement Fund, and held for the claimant without further accumulation of interest, and such redeposit shall not operate to reinstate the membership of the claimant in this system. If such proceeds, whether heretofore or hereafter redeposited are not claimed within four years after the date of redeposit, they shall revert to and become a part of the accumulated contributions

of the State, held in the Retirement Fund to meet the liabilities of the State on account of current service. Transfer to the accumulated contributions of the State of such funds so reverting shall be made as of the June 30th next following the expiration of the four-year period.

The provisions of this section apply to warrants drawn against the Retirement Fund and canceled by the Controller pursuant to Section 17070 of the Government Code, except that upon notice of cancellation, the proceeds shall revert to and become a part of the accumulated contributions of the State held in the Retirement Fund to meet the liabilities of the State on account of current service.

The board may at any time, after reversion of proceeds to the State, and upon receipt of proper information satisfactory to it, return such proceeds so held for the State, to the credit of the claimant, to be administered in the manner provided under this system.

SEC. 7. Section 20303 of said code is amended to read:

Membership, military service

20303. Every other employee becomes a member on the first day of the month next following the completion of six months, uninterrupted by a break of more than one month, of employment by the State or by a contracting agency; provided, that absence for military service shall not be considered a break for the purpose of this section.

SEC. 8. Section 20304 of said code is amended to read:

Same: Re-entry

20304. Every employee who re-enters state service and has completed six months, uninterrupted by a break of more than one month, of employment by the State or by a contracting agency prior to re-entry becomes a member of this system upon re-entry.

SEC. 9. Section 20393 of said code is amended to read:

Discontinuance of state service

20393. Any other provision in this part to the contrary notwithstanding, if the state service of a member is discontinued by reason of resignation or discharge, or by reason of layoff or leave of absence deemed by the board to have resulted in permanent discontinuance (and in such case, as of the date of the determination by the board that the discontinuance is permanent), or if a member ceases to be entitled to credit in this system for future service because he has become entitled to credit for such service in another retirement system supported wholly or in part by funds of the United States Government, or any state government or political subdivision thereof, or if the disability retirement of a member is followed by cessation of the disability and by cancellation of the disability allowance, but the member does not re-enter state service, and the amount of his accumulated contributions standing to his credit at that time exceeds five hundred dollars ($500), he shall have the right to elect, not later than 90 days after the date upon which notice of said right is mailed by this system to the member's latest address on file in the office of this system and without right of revocation whether to allow his accumulated contributions to remain in the Retirement Fund. Failure to make such election

shall be deemed an irrevocable election to withdraw his accumulated contributions unless the member is entitled to be credited with 20 years of service. A member whose membership continues under this section is subject to the same age and disability requirements as apply to other members for service or for disability retirement but he is not subject to a minimum service requirement. After the qualification of such member for retirement by reason of age or disability he shall be entitled to receive a retirement allowance based upon the amount of his accumulated contributions and service standing to his credit at the time of retirement and on the employer contributions held for him and calculated in the same manner as for other members, except that the provisions in this part for minimum service and disability retirement allowances do not apply to him, unless he meets such minimum service requirements. Upon the death of such a member prior to retirement under this section, such death benefit as may be payable under Article 5 of Chapter 9 of this part shall be computed upon the basis of his average annual compensation earnable for the year preceding the date of termination of such service, multiplied by the number of his completed years of state service prior to such termination not to exceed six.

SEC. 10. Section 20523 of said code is amended to read:

Crediting accounts

20523. Such shares shall be credited to the respective individual accounts of the members included in this system, and administered as if made during membership in this system, except that the annuity provided by such contributions with accumulated interest shall be deducted first from the pension which otherwise would be payable on account of prior service and the balance of such contributions with accumulated interest shall be deducted from the pension which otherwise would be payable on account of current service. The total of the funds transferred to this system shall be offset against the prior or current service liability, as the case may be, before determining the contribution to be paid by the contracting agency. A former member of the local retirement system who withdrew his contributions prior to the effective date of the contract and who thereafter enters into membership in this system shall, upon becoming a member of this system and at times and in the manner fixed by the board, redeposit the withdrawn contributions and any sum so redeposited shall be administered as provided in this section for such shares.

SEC. 11. Section 20524 of said code is amended to read:

Local system Discontinuance

20524. If all members of the local system become members of this system, the operation of the local system shall be discontinued as of such date as is provided for in the contract, and if only a part of said members become members of this system, the operation of the local system shall be so discontinued with respect to such part.

SEC. 12. Section 20602 of said code is amended to read:

Normal rate of contribution Patrol members

20602. The normal rates of contribution of each patrol member shall be based on his age at entrance into this system

as such a member, and, if he is entitled to credit for prior service, his age when he entered highway patrol service, both ages being taken to the preceding completed quarter year. The age at entrance into the highway patrol service prior to July 1, 1935, shall be determined by deducting the total of such service credited to the member at July 1, 1935, from his age at that date.

SEC. 13. Section 20602.5 of said code is amended to read:

Same· Warden members

20602.5. The normal rate of contribution for each warden member shall be based on his age at entrance into this system as such a member, and, if he is entitled to credit for prior service, his age when he entered warden service, both ages being taken to the preceding completed quarter year.

The age at entrance into warden service, if prior to July 1, 1945, shall be determined by deducting the total of such service credited to him at July 1, 1945, from his age at that date.

SEC. 14. Section 20602.7 of said code is amended to read:

Same· Forestry members

20602.7. The normal rate of contribution for each forestry member shall be based on his age at entrance into this system as such a member, and, if he is entitled to credit for prior service, his age when he entered forestry service, both ages being taken to the preceding completed quarter year.

The age at entrance into forestry service, if prior to July 1, 1947, shall be determined by deducting the total of such service credited to him at July 1, 1947, from his age at that date.

SEC. 15. Section 20603 of said code is amended to read:

Entry at or below age 45 Patrol members

20603. For each patrol member who became such a member of this system, or, if entitled to credit for prior service, who entered highway patrol service, at or below age 45, the normal rate of contribution shall be such as will provide, on the average, a service retirement annuity excluding automatic continuance of said annuity after the member's death, to surviving wife, children, or dependent parents, at age 55, or upon completion of 20 years of highway patrol service at an age higher than 55 years, equal to one-fourth of his final compensation less one-half of his prior service pension, it being the intention that the retirement allowances of such members, upon retirement at age 55 or such higher age, shall be, on the average, one-half of their final compensations, respectively.

SEC. 16. Section 20603.1 of said code is amended to read:

Same Warden members

20603.1. For each warden member who became such a member of this system, or if entitled to credit for prior service, who entered warden service, at or below age 45, the normal rate of contribution shall be such as will provide, on the average, a service retirement annuity at age 60, or upon completion of 20 years of warden service at an age higher than 60 years, equal to one-fourth of his final compensation less one-half of his prior service pension, it being the intention that the retirement allowance of such member upon retirement at age 60, or such higher age, shall be, on the average, one-half of his final compensation.

SEC. 17. Section 20603 2 of said code is amended to read:

Same. Forestry members

20603.2. For each forestry member who became such a member of this system, or if entitled to credit for prior service,

who entered forestry service, at or below age 45, the normal rate of contribution shall be such as will provide, on the average, a service retirement annuity at age 60, or upon completion of 20 years of forestry service at an age higher than 60 years, equal to one-fourth of his final compensation less one-half of his prior service pension, it being the intention that the service retirement allowance of such member upon retirement at age 60 or such higher age shall be, on the average, one-half of his final compensation.

SEC. 18. Section 20606 of said code is amended to read:

Local safety member Normal contributions

20606. For each local safety member, the normal rates of contribution shall be based on his age at his entrance into the retirement system as such a member and, if he is entitled to credit for prior service, his age when he entered fire, police, or county peace officer service, both ages being taken to the preceding completed quarter year. The age at entrance into fire, police, or county peace officer service shall be determined by deducting the amount of such service for which credit for prior service is granted from his age at his entrance into the Retirement System.

SEC. 19. Section 20607 of said code is amended to read:

Same Entry at or below age 45

20607. For each local safety member who became such a member of this system, or, if entitled to credit for prior service, who entered fire, police, or county peace officer service at or below age 45, as computed under Section 20606, the normal rate of contribution shall be such as, on the average, will provide a service retirement annuity at the minimum age at which retirement for service is permitted or upon completion of 20 years of service at an age higher than the minimum which, with one-half of his prior service pension, if any (assumed for this purpose to be based on the full prior service formula applicable to his classification), will equal one-fourth of his final compensation.

SEC. 20. Section 20607.5 of said code is amended to read:

Same

20607.5. For each local safety member who became such a member of this system, or, if entitled to credit for prior service, who entered fire, police, or county peace officer service at or below age 45, the normal rate of contribution shall be such as will provide, on the average, a service retirement annuity at age 55, or upon completion of 20 years of service at an age higher than 55 years, equal to one-fourth of his final compensation less one-half of his prior service pension (assumed for this purpose to be based on the full prior service formula applicable to his classification), it being the intention that the retirement allowances of such members, upon retirement at age 55 or such higher age, shall be, on the average, one-half of their final compensations, respectively.

Application of section

This section shall not apply to any contracting agency nor to the employees of any contracting agency unless and until the agency elects to be subject to the provisions of this section by amendment to its contract made in the manner prescribed for approval of contracts, except that an election among the

employees is not required, or, in the case of contracts made after the date this section takes effect, by express provision in such contract making the contracting agency subject to the provisions of this section.

Whenever this section becomes applicable to the employees of any contracting agency, as to those members to whom it applies it shall supersede the provisions of Section 20607.

SEC. 21. Section 20609.2 is added to said code, to read:

Re-entry after allowing contributions to remain in system

20609.2. If a member who has elected to allow his accumulated contributions to remain in the Retirement System returns to state service, his normal rate of contribution for future years shall be based on an age determined by adding the number of completed years of his absence from state service to the age upon which his normal rate of contribution, as it was prior to said election, was based. The same percentage of his final compensation per year of service which, prior to such termination, his contributions and those of his employer were calculated to provide upon retirement for service at his lowest optional service retirement age without reduced benefit shall be used in the calculation of his normal rate of contribution at reinstatement.

SEC. 22. Section 20611 of said code is amended to read:

Amount of annuity

20611. The actual amount of annuity receivable by a member upon retirement shall be the actuarial equivalent of his accumulated contributions.

SEC. 23. Section 20652 of said code is amended to read:

Discontinuance Election, time of return

20652. If the state service or membership herein, of a member is discontinued except by death on account of which a basic, a limited, or a special death benefit is payable or by retirement, or his membership is terminated or he elects to terminate his membership or resign from this system pursuant to this part, he shall, six months after date of discontinuance, termination, or resignation, be paid his accumulated contributions upon his demand, except that if he is credited with less than 20 years of state service, or with less than five hundred dollars ($500) in accumulated contributions, or with a greater amount and has not elected to allow it to remain in the Retirement Fund, and, in the opinion of the board, is permanently separated from state service by reason of such discontinuance, he shall be paid forthwith all of his accumulated contributions.

SEC. 24. Section 20654 of said code is amended to read:

Redeposit

20654. A member may redeposit in the Retirement Fund, in one or more sums or in not to exceed 36 monthly or 72 semimonthly payments, (1) an amount equal to the accumulated contributions that he has withdrawn at one or more terminations of service, but in reverse chronological order in which they occurred, and subject to minimum payments fixed by the board, and (2) an amount equal to additional interest which would have been credited to his account at the date of the election, had such contributions not been withdrawn, and (3) if he elects to redeposit in other than one sum, interest on the unpaid balance

of the amount payable to the Retirement Fund, beginning on the date of such election, at the rate of interest currently being used from time to time under the system.

SEC. 25. Section 20654.6 of said code is amended to read:

Same
Election

20654.6. Notwithstanding any other provisions of this article, every person who is or becomes a member of this system prior to January 1, 1953, and who, at any time prior to October 1, 1949, has withdrawn his accumulated normal contributions, and who, upon his subsequent return to state service, has not elected to redeposit such contributions, shall have the right, not later than 90 days after the date upon which notice of said right is mailed by the system to the member's latest address on file in the office of the system, to elect, by written notice filed in the office of the board, to pay into the Retirement Fund by lump-sum payment or by pay roll deductions, (1) the amount of all of such previously withdrawn accumulated normal contributions, and (2) an amount equal to the additional interest that would have been credited to his account had such contributions not been withdrawn, and (3) in the case of members electing to make repayment by other than lump-sum payment, interest on the unpaid balance of the amount payable into the Retirement Fund pursuant to such election, beginning on the effective date of such election, at the rate of interest currently being used from time to time under the system.

SEC. 26. Section 20654.7 of said code is repealed.

SEC. 27. Section 20654.9 of said code is amended to read:

Same
Rate of contribution

20654.9. If a member redeposits as provided in Section 20654.6, his normal rate of contribution for future years shall be based on an age determined by adding the number of completed years of his absence from membership in the system after the earliest termination of his membership included in such election and payment to the age upon which his normal rate of contribution, as it was prior to such termination, was based. The same percentage of his final compensation per year of service which, prior to such termination, his contributions and those of his employer were calculated to provide upon retirement for service at his lowest optional service retirement age without reduced benefit shall be used in the calculation of his normal rate of contribution at reinstatement.

SEC. 28. Section 20655 of said code is amended to read:

Same

20655. If he redeposits his accumulated normal contributions, his normal rate of contribution for future years shall be based on an age determined by adding the number of completed years of his absence from membership, beginning with the earliest termination of his membership included in such redeposit, to the age upon which his normal rate of contribution, as it was prior to the termination, was based. His membership is the same as if it were unbroken by such termination The same percentage of his final compensation per year of service which, prior to such termination, his contributions and those of his employer were calculated to provide upon retirement for service at his lowest optional service retirement age

without reduced benefit shall be used in the calculation of his normal rate of contribution at reinstatement.

SEC. 29. Section 20655.1 is added to said code, to read:

Second re-entry

20655.1. Contributions due to this system because of salary earned after re-entry into state service following withdrawal and prior to redeposit of accumulated contributions, but not paid to the system because of termination of state service before completion of the necessary administrative procedures, shall be administered upon subsequent re-entry into the system, as if the member had withdrawn the contributions, and the termination of state service shall be considered as a termination of membership.

SEC. 30. Section 20656 of said code is amended to read:

Limitation

20656. Upon re-entering this system after a termination of his membership, if a member does not elect within 30 days after the date upon which notice of the right to redeposit is mailed by this system to the office, department, or contracting agency by which the member is currently employed or to the member's latest address on file in the office of this system, to make or, having so elected, subsequently does not make such redeposit, he re-enters as a new member without credit for any service except the prior service credited to him before termination, and his normal rate of contribution for future years is that for his age at re-entrance.

SEC. 31. Section 20754 of said code is amended to read:

State contribution

20754. The board shall certify to the Controller at the end of each month the total amount of compensation in respect to which state contributions are payable from the General and each other fund in the treasury, and the Controller shall thereupon transfer the State's contribution from each such fund, respectively, to the Retirement Fund. Compensation shall be included in the certification at the end of the month in which the member's contributions based upon it are paid.

SEC. 32. Section 20862 of said code is amended to read:

Year of service

20862. The board shall prescribe how much service rendered in any fiscal year is the equivalent of all or part of a year of service, but shall credit one year for 10 months or more of service rendered by employees on a monthly basis, and for service rendered by employees on a per diem basis, shall credit one year for 250 days of such service rendered prior to July 1, 1951, and one year for 215 days of such service rendered after June 30, 1951.

SEC. 33. Section 20863 of said code is amended to read:

Part-time service

20863. For the purpose of calculating retirement allowances, credit for service rendered on a part-time basis in each fiscal year shall be based on the ratio that the service rendered bears to 10 months if rendered on a monthly basis or, if rendered on a per diem basis, on the ratio that the service rendered bears to 250 days if the service was rendered prior to July 1, 1951, or on the ratio that the service rendered bears to 215 days if the service was rendered after June 30, 1951.

SEC. 34. Section 20890 of said code is amended to read:

20890. A member is absent on military service when he is absent from state service by reason of service with the armed forces or the Merchant Marine of the United States, or on ships operated by or for the United States Government, either during a war involving the United States as a belligerent or in any other national emergency or in time of peace if he is drafted for such service by the United States Government, and during any period of rehabilitation afforded by the United States Government other than a period of rehabilitation for purely educational purposes, and for six months thereafter. Absence on military service

For the purposes of this section a war involving the United States as a belligerent exists: (a) whenever Congress has declared war and peace has not been formally restored; (b) whenever the United States is engaged in active military operations against any foreign power, whether or not war has been formally declared; or (c) whenever the United States is assisting the United Nations, in actions involving the use of armed force, to maintain or restore international peace and security.

SEC. 35. Section 20921.1 of said code is amended to read:

20921.1. If the United States Government pays to the State of California or to an agency of the State, funds equal to contributions which would be required on account of federal service considered as state service on account of members who were never employed by the State prior to rendering federal service or on account of members whose state service prior to rendering federal service was terminated for reasons other than the transfer of functions from the State to an agency of the United States Government, such members shall not be required to come within the descriptions in paragraphs (a), (b) and (c) of Section 20921 in order to have their federal service considered as state service. Contributions which otherwise would be required of the State on account of service credited under this section, shall be made only from funds received from the United States Government. If the total funds so received are less than the contributions required, service credited to each such member shall bear the same ratio to his total federal service, including military service described in Section 20920 (b), that said funds received bear to said contributions required. Federal-State service

SEC. 36. Section 20922 of said code is amended to read:

20922. Any member eligible to be credited with state service for time during which he was in federal service, as provided in Section 20921 or Section 20921.1, may, not later than 90 days after notice of his right to be credited with state service for time during which he was in federal service is mailed by this system to the office, department, or contracting agency by which the member is currently employed or to the member's latest address on file in the office of this system, file with the board such information relative to his federal service as the board may require, and may contribute to the retirement fund, at times and in a Procedure to obtain state credit

manner fixed by the board, amounts equal to (1) the contributions which he would have made to the fund during the time he was in federal service, excluding the time he was absent in military service, assuming he had then been in state service, on the basis of his compensation earnable at the time he was laid off from state service, and (2) an amount equal to the additional interest that would have been credited to his account under such assumption, and (3) in the case of members who make payment by other than lump-sum payment, interest on the unpaid balance of the amount payable into the retirement fund pursuant to this section, beginning on the date of his re-employment by the State, at the rate of interest currently being used from time to time under the system. When any such contributions have been made, the State shall thereupon contribute an amount equal to that which it would have contributed under Chapter 6 of this part if the contributions had been deducted from compensation to the member from state funds. For the purposes of Chapter 6 the compensation on which the member's contributions were based shall be deemed to have been paid from the support fund of the state agency from which he was laid off, if the member, within 30 days after his separation from federal service, was re-employed by the state agency from which he was formerly laid off; and in all other cases, the State's contribution shall be paid from the General Fund. The State shall contribute as for other members under Section 20894.5 on account of that portion of federal service during which the member was absent in military service; and in such case, the fund from which the State's contribution is payable shall be determined in the manner provided in this section.

SEC. 37. Section 21023 of said code is amended to read:

Application for retirement

21023. Application to the board for retirement of a member for disability may be made by:

(a) The head of the office or department in which the member is or was last employed, if the member is a state member other than a university member.

(b) The university if the member is an employee of the university.

(c) The governing body, or an official designated by the governing body, of the contracting agency, if the member is an employee of a contracting agency.

(d) The member or any person in his behalf.

SEC. 38. Section 21028 of said code is amended to read:

Medical examination

21028. The board may require any recipient of a disability retirement allowance under the minimum age for voluntary retirement for service applicable to members of his class to undergo medical examination, and upon his application for reinstatement, shall cause a medical examination to be made of any such recipient who is at least six months less than the age of compulsory retirement for service applicable to members of the class or category in which it is proposed to employ him. Such examination shall be made by a physician or surgeon, appointed by the board, at the place of residence of the recipient or other

place mutually agreed upon. Upon the basis of such examination the board shall determine whether he is still incapacitated, physically or mentally, for service in the state agency, the university, or contracting agency, where he was employed and in the position held by him when retired for disability, or in a position in the same classification, or for duties proposed to be assigned to him.

Repeal

SEC. 39. Section 21030 of said code is repealed.

SEC. 40. Section 21204 of said code is amended to read:

Designation of beneficiary

21204. A member may at any time designate a beneficiary to receive such benefits as may be payable to his beneficiary or estate under this part, by a writing filed with the board.

SEC. 41. Section 21250 of said code is amended to read:

Service retirement allowance

21250. Upon retirement for service, a member is entitled to receive a service retirement allowance which shall consist of:

(a) His service retirement annuity, including, with respect to patrol members and solely in respect to the portion of said annuity derived from the normal accumulated contributions of such members, respectively, automatic continuance to surviving wife and children as provided in this article.

(b) His current service pension.

(c) His prior service pension.

SEC. 42. Section 21257.2 is added to said code, to read:

Early retirement Calculation of allowance

21257.2. If a state miscellaneous member retires for service before attaining age 55, his current and prior service pensions calculated according to the formulas applicable at age 60, in Sections 21251.1 and 21253, respectively, shall be reduced to that amount which the value of such pensions as deferred to age 60 will purchase at the actual age at retirement.

SEC. 43. Section 21262 of said code, as added thereto by Chapter 1498 of the Statutes of 1949, is renumbered and amended to read:

Death of patrol member Benefits

21263. Upon the death of a patrol member after the effective date of this section and after retirement for service or for industrial disability, including such members heretofore and hereafter retired, one-half his retirement allowance as it was at his death, excluding the portion of said allowance derived from accumulated additional contributions of the member, shall be continued throughout life or until remarriage, to his surviving wife. If there be no surviving wife entitled to an allowance hereunder, or if she die or remarry before every child of such deceased member attains the age of 18 years, then the allowance which the surviving wife would have received had she lived and not remarried shall be paid to his child or children under said age, collectively, to continue until every such child dies or attains said age; provided, that no child shall receive any allowance after marrying or attaining the age of 18 years. Should said member leave no surviving wife and no children under the age of 18 years, but leave a parent or parents dependent upon him for support, the parents so dependent shall collectively receive a monthly allowance equal to that which a surviving wife otherwise would have received, during

such dependency. No allowance, however, shall be paid under this section to a surviving wife unless she was married to the member at least one year prior to his retirement. If at the effective date of said retirement, said member has no wife, children or dependent parents, who would so qualify and if said member elects as provided in Section 21330 to have the actuarial equivalent of his retirement allowance applied to a lesser retirement allowance, in accordance with an optional settlement, no allowance shall be paid under this Section 21263.

SEC. 44. Section 21300 of said code is amended to read:

Reduction of disability allowance

21300. If, prior to attaining the minimum age for voluntary retirement for service applicable to members of his class, a recipient of a disability retirement allowance engages in a gainful occupation not in state service, the board shall reduce his monthly disability retirement pension to an amount which, when added to the compensation earned monthly by him, shall not exceed the amount of the maximum compensation earnable by a person holding the position which he held at the time of his retirement, or, if that position has been abolished, the maximum compensation earnable by a person holding it immediately prior to its abolition.

If his earnings are further altered, the board may further alter his disability retirement pension to the lower of the following amounts:

(a) The amount of the disability retirement pension upon which he was originally retired.

(b) An amount which, when added to the compensation earned by him, shall equal the amount of the maximum compensation earnable by a person holding the position which he held at the time of his retirement, or, if that position has been abolished, the maximum compensation earnable by a person holding it immediately prior to its abolition.

When he reaches the minimum age for voluntary retirement for service applicable to members of his class his retirement allowance shall be made equal to the amount it would be if not reduced under this section, and shall not again be modified for any cause.

SEC. 45. Section 21331 of said code is amended to read:

Time of election

21331. Such election, revocation, or change of election shall be made prior to the making of the first payment on account of any retirement allowance. If the member dies after the effective date of his retirement and within 30 days from the date upon which his election or changed election is received at the office of this system in Sacramento, his election is of no effect, and his death shall be considered as that of a member before retirement unless the board, upon its determination that the election would have been received at the office of this system in Sacramento more than 30 days prior to the death but for circumstances not within the control of the member and not based upon any consideration of health, family relationship, or other consideration personal to the member, accepts the election.

SEC. 46. Section 21360 of said code is amended to read:

Death before retirement

21360. Upon the death of a member while in state service, before the effective date of his retirement, or, with respect to (1) any member whose retirement was not compulsory under Article 2 of Chapter 8, and (2) any member who has not elected an optional settlement under Article 4 of Chapter 9, after such effective date and before his retirement is approved, or within four months after discontinuance of state service, or while physically or mentally incapacitated for the performance of his duty, if such incapacity has been continuous from discontinuance of state service, this system is liable for either the basic or special death benefit. Upon the death of a member while in state service, before the effective date of his retirement of a member or, with respect to (1) any member whose retirement was not compulsory under Article 2 of Chapter 8, and (2) any member who has not elected an optional settlement under Article 4 of Chapter 9, after such effective date and before his retirement is approved, under circumstances in which this system is not so liable for either the basic or special death benefit, this system is liable for a limited death benefit which consists only of the accumulated contributions of the member payable to his beneficiary or to his estate.

Ratification

SEC. 47. All actions heretofore taken by the Board of Administration of the State Employees' Retirement System in the administration of Section 21360 of the Government Code with respect to deaths of members of the State Employees' Retirement System which have heretofore occurred are hereby validated and confirmed.

SEC. 48. Section 21361 of said code is amended to read:

Basic death benefit

21361. The basic death benefit is payable in all cases where the retirement system is liable under Section 21360 for either the basic or a special death benefit and the special death benefit is not payable.

The basic death benefit shall consist of:

(a) The accumulated contributions of the member.

(b) An amount, provided from contributions by the State, or contracting agency, equal to one-twelfth of the annual compensation earnable by the deceased during the 12 months immediately preceding his death, multiplied by the number of completed years of service under the system, but not to exceed one-half of such compensation.

SEC. 49. Section 21362 of said code is amended to read:

Payment

21362. (a) A member may elect by a writing filed with the board to have all or part of the basic death benefit paid in accordance with either of the following subsections:

(1) In monthly installments, fixed in number or amount and not involving life contingency, subject to such rules as the board may adopt. Regular interest shall be credited on the unpaid balance of benefits payable.

(2) In equal monthly installments for the life of the beneficiary, with 120 installments certain.

(b) If a member dies without having made an election under subdivision (a) of this section, his beneficiary, after the death of the member and prior to the payment to him of the basic death benefit or any part thereof, may elect by a writing filed with the board to have the basic death benefit paid to him in the manner provided in subsection (1) of subdivision (a) of this section.

(c) When an election has been made to have all or part of the basic death benefit paid in accordance with subsection (1) or subsection (2) of subdivision (a) of this section, the first of such installments shall be paid on the first day of the month next following the date when the basic death benefit would otherwise be payable, and one of such installments shall be paid on the first day of each month thereafter. Such monthly installments shall be the actuarial equivalent of the amount of the basic death benefit to be paid in installments, on the date that such basic death benefit would otherwise be payable.

No installments shall be commuted and paid in one sum unless the death of the beneficiary occurs during the period certain for which payments of the monthly installments are guaranteed; and in that event only payments due monthly during the remainder of the period certain shall be commuted, and such commutation shall be based on the rate of interest then being used under the retirement system, and the commuted value shall be paid to the estate of the beneficiary, unless a contingent beneficiary has been named and qualifies to receive the balance of the guaranteed installments.

The board may provide that any election by a member or by a beneficiary under the provisions of this section is void if the amount of the monthly installment is less than the minimum amount fixed by the board.

SEC. 50. Section 21365.1 is added to said code, to read:

Same

21365.1. The basic death benefit and the limited death benefit shall be paid as provided in this article to the beneficiary designated by the member under Section 21204, or, if no beneficiary has been so designated, to the estate of the member.

SEC. 51. Section 21453 of said code is amended to read:

Rights of state fund

21453. Under such contract, the state fund, in its own name or in the name of the board, or the Attorney General for the board, may, to recover such amounts regardless of whether such injury or death is industrial, commence and prosecute actions, file liens, or intervene in court proceedings all in the same manner and to the same extent, provided in Chapter 5, Part 1, Division 4 of the Labor Code, for the state fund or employer, except that such recovery shall not be made from benefits payable under this part because of such injury or death. The state fund or the Attorney General, as the case may be, may compromise claims before or after commencement of suit or entry of judgment for such amount as may be approved by a person duly authorized by the board for such purpose. The agreed cost of such service and the expense incidental thereto

is a proper charge against the fund out of which the compensation of the injured or deceased person was paid or the contracting agency by which a local member was employed.

SEC. 52. This act shall become effective on the first day of the first month next succeeding the ninetieth day after the final adjournment of the 1951 Regular Session of the Legislature. Operative date

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CHAPTER 613

An act to add Section 20338 to the Government Code, relating to the State Employees' Retirement System in respect to state college extension service teachers.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 20338 is added to the Government Code, to read:

20338. A person serving a state college as a teacher in extension service, whose compensation for such service is established on the basis of class enrollment either actual or estimated, is excluded from this system with respect to such service. Exclusion

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CHAPTER 614

An act to add Section 20130.2 to the Government Code and to amend Sections 20037, 20230, 20563, 20564, 20565, and 20867 thereof, relating to the State Employees' Retirement System.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 20037 of said code is amended to read:

20037. "Beneficiary" means any person designated by a member to receive, or who qualifies for receipt of, a benefit payable under this part. "Beneficiary"

SEC. 2. Section 20130.2 is added to said code, to read:

20130.2. Upon the basis of such investigation, valuation and determination, the board shall transfer from either or both of the accumulated income in excess of interest credited to contributions and the accumulated contributed contributions of the State or contracting agencies, as the case may be, held for the benefit of members on account of current service, amounts necessary to bring the amounts available to meet the obligation of the State and the contracting agencies, respectively, on account of benefits that have been granted to or Transfer from income, contributions

on account of retired or deceased members, up to the basis of the mortality tables and interest rate adopted by the board.

SEC. 3. Section 20230 of said code is amended to read:

Records, accounts

20230. In addition to other records and accounts, the board shall keep such records and accounts as may be necessary to show at any time:

(a) The total accumulated contributions of members.

(b) The total accumulated contributions of retired members less the annuity payments made to such members.

(c) The accumulated contributions of the State and of contracting agencies held for the benefit of members on account of current service.

(d) All other accumulated contributions of the State and of contracting agencies, which shall include the amounts available to meet the obligation of the State and of the contracting agencies, respectively, on account of benefits that have been granted to or on account of retired and deceased employees and on account of prior service of members.

SEC. 4. Section 20563 of said code is amended to read:

Retention of contributions

20563. Upon the termination of a contract, the board shall hold for the benefit of the members of this system who are credited with service rendered as employees of the contracting agency and for the benefit of beneficiaries of this system who are entitled to receive benefits on account of such service such portion of the accumulated contributions then held by this system and credited to or as having been made by the agency as does not exceed the difference between (1) an amount actuarially equivalent, as determined by the actuary and approved by the board, to all the system is obligated to pay after the effective date of termination to or on account of persons who are or have been employed by, and on account of service rendered by them to, the agency, and (2) the contributions, with credited interest thereon, then held by this system as having been made by such persons as employees of the agency.

SEC 5. Section 20564 of said code is amended to read:

Deficiency contributions

20564. If, at the date of termination, the sum of the accumulated contributions credited to, or held as having been made by, the contracting agency and the accumulated contributions credited to or held as having been made by persons who are or have been employed by the agency, as employees of the agency, is less than the actuarial equivalent specified in clause (1) of Section 20563, the agency shall contribute to this system under terms fixed by the board, an amount equal to the difference between the accumulated contributions and the actuarial equivalent. If the agency fails to pay to the board the amount of the difference, all benefits under the contract, payable after the board declares the agency in default therefor, shall be reduced by the percentage that such sum is less than the actuarial equivalent as of the date the board declared the default. If the sum of such accumulated contributions is greater than the actuarial equivalent, an amount equal to the excess shall be paid by this system to the contracting agency.

The right of an employee of a contracting agency, or his beneficiary, to a benefit under the system, whether before or after retirement or death, is subject to such reduction.

SEC. 6. Section 20565 of said code is amended to read:

Rights of members

20565. Upon the termination of a contract, all memberships in this system existing because of that contract continue in existence to the extent that there are accumulated contributions to the credit of each such local member, but any such member may elect to withdraw his accumulated contributions. The status of any such member who does not withdraw his accumulated contributions shall be the same as if the public agency had continued as a contracting agency. The portion of the contributions of the contracting agency held under Section 20563 to the credit of each member shall be determined by the board, and may be adjusted from time to time prior to termination of membership. A member whose membership continues under this section is subject to the same age and incapacity requirements as apply to other members for service or for disability retirement, but he is not subject to a minimum service requirement. He shall receive such retirement benefits as his accumulated contributions, together with such portion of the excess of the contributions of the contracting agency as are credited to him, will provide, as determined by the board, but the provisions of this part relative to minimum retirement allowances shall not apply to him, nor shall such benefits exceed the benefits provided by the contract prior to its termination. Upon the death of such a member the basic death benefit shall be his accumulated contributions.

SEC. 7. Section 20867 of said code is amended to read:

Employment by State or contracting agency

20867. If a person has been employed by the State or one of more contracting agencies in any relative order and regardless of whether the employment was before or after the effective date of the contract, and if he has not been paid his accumulated contributions, or having been paid such contributions, he redeposits them, a break of one year or less between such employments does not affect his right to receive credit nor the liability of such employers for all state service rendered in their respective employments, and such service shall be included in the calculation of the liability of the respective employers under said contracts.

If the break is more than one year, and if, with respect only to a person credited with at least 20 years of state service or with at least five hundred dollars ($500) in accumulated contributions, said person has withdrawn his accumulated contributions and does not redeposit them, no liability exists, and he shall not receive credit for state service rendered prior to such break except for prior service as a state member. Time during which the person was under retirement shall not be included in calculating the length of the break.

CHAPTER 615

An act to amend Section 20800 of the Business and Professions Code, relating to petroleum.

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 20800 of the Business and Professions Code is amended to read:

Crankcase oil, etc Specifications

20800. Crankcase drainings, lube-distillate, or any other product shall not be sold, offered for sale, delivered, offered for delivery or stored as a motor oil or lubricating oil for use in an internal combustion engine unless such product conforms to the following specifications:

(a) It shall be free from water and suspended matter when tested by means of centrifuge, in accordance with the standard test therefor.

(b) The flash points for the various S.A.E. (Society of Automotive Engineers) classifications shall not be less than the following when tested in accordance with the standard method of test for flash and fire points by means of the Cleveland Open Cup:

S.A.E. Number	Minimum Flash Degrees Fahrenheit
5W	305
10W	335
10	335
20W	345
20	345
30	355
40	375
50	400
60	435
70	470

CHAPTER 616

An act to amend Section 205 of the Revenue and Taxation Code, relating to the veterans' exemption, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 205 of the Revenue and Taxation Code is amended to read:

Veterans' exemption: List of wars

205. The veterans' exemption is as specified in Section 1¼ of Article XIII of the Constitution.

The following are wars under Section 1¼ of Article XIII of the Constitution:

(a) Revolutionary War, April 19, 1775-January 14, 1784.

(b) Second War With England, June 18, 1812-February 17, 1815.

(c) Black Hawk War, April 6, 1832-August 2, 1832.

(d) War With Mexico, April 24, 1846-May 30, 1848.

(e) Civil War, April 18, 1861-August 20, 1866.

(f) War With Spain, April 21, 1898-April 11, 1899.

(g) War in Philippines, April 11, 1899-July 4, 1902.

(h) Chinese Relief Expedition, June 20, 1900-May 15, 1901.

(i) Campaign against the Rogue River, Yakima, Nez Perce, and Snake Indians in Oregon and Washington, 1855-1856.

(j) Campaign against the Indians in southern Oregon and Idaho and northern California and Nevada, 1865-1868.

(k) Campaign against the Cheyennes, Arapahoes, Kiowas, and Comanches in Kansas, Colorado, and Indian Territory, 1867-1869.

(*l*) Modoc War, 1872-1873.

(m) Campaign against the Apaches in Arizona, 1873.

(n) Campaign against the Kiowas, Comanches, and Cheyennes in Kansas, Colorado, Texas, Indian Territory, and New Mexico, 1874-1875.

(o) Campaign against the Northern Cheyennes and Sioux, 1876-1877.

(p) Nez Perce War, 1877.

(q) Bannock War, 1878.

(r) Campaign against the Northern Cheyennes, 1878-1879.

(s) Campaign against the Ute Indians in Colorado and Utah, September, 1879-November, 1880.

(t) Campaign against the Apache Indians in Arizona, 1885-1886.

(u) Campaign against the Sioux Indians in South Dakota, November, 1890-January, 1891.

(v) War With Germany-Austria, April 6, 1917-November 11, 1918.

(w) Campaign against the Apache Indians in Arizona, 1895-1896.

(x) World War II, December 7, 1941 to May 16, 1946.

(y) Campaign against the North Koreans and Chinese Communists in Korea, June 27, 1950 to a date to be fixed by proclamation of the Governor signifying the termination of said campaign.

The following are campaigns under Section 1¼ of Article XIII of the Constitution:

(a) First Nicaraguan campaign.

(b) Second Nicaraguan campaign.

(c) Yangtze River campaign in China.

(d) All other campaigns for service in which a medal has been issued by the Congress of the United States.

Intent

SEC. 2. This act is declaratory of and makes no change in the existing law, and, in particular, is applicable in respect to any property tax which became a lien on the first Monday in March of 1951.

Urgency

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Unless this act becomes operative prior to its normal effective date, persons in the armed forces now engaged in the Korean conflict who are qualified for the veterans' exemption may be prejudiced in their right to the exemption in regard to the fiscal year commencing July 1, 1951, and ending June 30, 1952, and those participating in the administration of our property tax law may be uncertain as to the eligibility of persons in such conflict to the exemption for that year.

CHAPTER 617

An act to add Section 6357.2 to, and to amend Section 19457 of, the Education Code, relating to school district facilities.

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6357.2 is added to the Education Code, to read:

Maximum rate of tax

6357.2. The maximum rate of school district tax for any school year is hereby increased by such amount as will produce the amount of the proposed expenditures of the school district required or authorized pursuant to Chapter 9 of Division 9, and Chapter 4 of Division 12 of this code as shown by the budget of the district for such school year, as finally adopted by the governing board of the district, less any unencumbered balances remaining at the end of the preceding school year derived from the revenue from the increase in the rate of tax provided by this section.

The increase provided by this section shall not exceed five cents ($0.05) per each one hundred dollars ($100) of the assessed value of property within the district.

If at the end of any school year there remains an unencumbered balance derived from the revenue of the increase in tax rate hereby provided, such balance shall be used exclusively in the following school year for the expenditures of the school district during that year required or authorized by Chapter 9 of Division 9 and Chapter 4 of Division 12 of this code.

SEC. 2. Section 19437 of said code is amended to read:

19437. The use of schoolhouses, property, and grounds pursuant to this chapter shall be granted free, except as otherwise provided by Section 19438, to organizations, clubs, or associations organized for general character building or welfare purposes. Use of school property

For any other use of schoolhouses, property, and grounds pursuant to this chapter, including uses for which charges may be made under Section 19438, the governing board of any school district may charge not to exceed an amount sufficient to pay the cost to the district of supplies, utilities, and salaries paid school district employees necessitated by such use of schoolhouses, property, and grounds of the district.

CHAPTER 618

An act to amend Section 21120 of the Water Code, relating to irrigation districts.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 21120 of the Water Code is amended to read:

21120. A board may consolidate any two or more of the offices of assessor, collector, and treasurer. The board may consolidate any two or more of the positions of secretary, engineer, manager, assistant engineer or assistant manager, and may combine any one or more of these positions with the offices of assessor, collector or treasurer. Consolidated offices

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CHAPTER 619

An act to amend Section 29 of the "Community Redevelopment Act" and Section 33265 of the Health and Safety Code, relating to employees benefits. Stats. 1945, p. 2478, amended

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 29 of the Community Redevelopment Act is amended to read:

Sec. 29. Each redevelopment agency shall constitute a public body, corporate and politic, exercising public and essential governmental functions, and, subject to the limitations Powers of redevelopment agencies

imposed by this act, shall have the following powers in addition to the others herein granted:

(a) To sue and be sued; to have a seal; to make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

(b) To make, and from time to time amend and repeal by-laws, rules and regulations not inconsistent with this act to carry into effect the powers and purposes hereof.

(c) To obtain, hire, purchase or rent office space, equipment, supplies, insurance and services and to authorize and pay the expenses of travel by members of the agency and its officers, agents, counsel, and employees on business of the agency. In order that there may be no unnecessary duplication of effort or expense, the agency shall have access for the purposes of the agency to the services and facilities of the planning commission, the city engineer and such other departments and offices of the community as may be appropriate therefor.

(d) To select, appoint and employ such officers, agents, counsel and employees, permanent and temporary, as it may require, and determine their qualifications, duties, benefits and compensation, subject only to the conditions and restrictions imposed by the legislative body on the expenditure or incumbrance of the budgetary funds appropriated to the community redevelopment agency administrative fund as provided by Section 26.

(e) To prepare from time to time plans for the improvement, rehabilitation, and redevelopment of blighted areas

(f) To disseminate redevelopment information

(g) To accept financial or other assistance from any source, public or private, for or in aid of the agency's activities, powers and duties and to expend any funds so received for any of the purposes of this act.

Same

(h) Within the redevelopment area or for purposes of redevelopment: To purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise or otherwise, any real or personal property, or any interest therein, together with any improvements thereon; to acquire by the exercise of the power of eminent domain any real property; to clear any or all buildings, structures or other improvements from any real property so acquired; to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber (by mortgage, deed of trust or otherwise), or otherwise dispose of any real or personal property or any interest therein; to insure or provide for the insurance of any real or personal property or operations of the agency against risks or hazards; and to rent, maintain, manage, operate, repair, and clear, such real property Any such lease or sale may be made without public bidding but only after a public hearing by the agency upon the proposed lease or sale and the provisions thereof.

(i) To develop as a building site or sites any real property owned or acquired by it, and in this connection to cause

streets and highways to be laid out and graded, and pavements or other road surfacing, sidewalks and curbs, and public utilities of every kind to be constructed and installed.

(j) To operate a rehousing bureau for the purpose of assisting site occupants in obtaining adequate temporary or permanent housing and to incur such expenses as are necessary in connection therewith.

(k) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be canceled.

(l) To obligate lessees or purchasers of property acquired in a redevelopment project: (1) to use such property for the purpose designated in the redevelopment plans; (2) to begin the redevelopment of the project area within a period of time which the agency fixes as reasonable; and (3) to comply with such other conditions as in the opinion of the redevelopment agency are necessary to carry out the purposes of this act The agency, by provision in the contract, may make any of the purchaser's obligations, covenants or conditions running with the land, whose breach shall cause the fee to revert to the agency.

(m) To exercise all or any part or combination of the powers herein granted.

(n) Nothing herein contained shall authorize such redevelopment agency to construct or rehabilitate any of the buildings for residential, commercial, industrial, or other use contemplated by the redevelopment plan, and nothing contained in this act shall authorize such redevelopment agency to sell, lease, grant or donate public property to a housing authority or to any public agency for low-rent public housing projects.

(o) The agency shall not acquire, without the consent of the owner, any real property on which buildings are located, where such buildings are to be continued on their present site and in their present form and use, unless such buildings require alteration, improvement, modernization, or rehabilitation under the redevelopment plan and the owner fails or refuses to agree to participate in the redevelopment plan as provided in Sections 47 and 72.

SEC. 2. Section 33265 of the Health and Safety Code is amended to read:

33265. An agency may select, appoint, and employ such permanent and temporary officers, agents, counsel, and employees as it requires, and determine their qualifications, duties, benefits, and compensation, subject only to the conditions and restrictions imposed by the legislative body on the expenditure or incumbrance of the budgetary funds appropriated to the community redevelopment agency administrative fund. Employees, compensation

SEC. 3. Section 2 of this act becomes operative only if Division 24 of the Health and Safety Code is enacted by the Effect Stats. 1951, Ch. 710

Legislature at its 1951 Regular Session, and in such case at the same time as said Division 24 takes effect, at which time Section 29 of the Community Redevelopment Act is repealed

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CHAPTER 620

An act to amend Section 1260 of the Military and Veterans Code, relating to definitions of veterans' associations for purposes of public buildings, parks, and centers therefor.

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1260 of the Military and Veterans Code is amended to read:

Definitions

1260. As used in this chapter, unless the context otherwise indicates:

(a) "Political subdivision" means any county, city, or town of this State, and any district or other local governmental agency.

(b) "Governing body" means the board of supervisors in case of a county, or the city council or board of trustees or other governing board in the case of a city, town, district or other local governmental agencies

(c) "Veterans' association" means any association or organization composed solely of persons who served honorably in time of war as members of the United States Army, Coast Guard, Navy or Marine Corps, or who then being citizens of the United States served honorably in time of war as members of the armed forces of any nation whose government was allied with the United States during such war, and which are organized for patriotic, fraternal and benevolent objects.

CHAPTER 621

An act to add Section 18616 to the Education Code, relating to leases of school district property to veterans' associations

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 18616 is added to the Education Code, to read:

Limitation

18616. Nothing in this chapter shall prevent the governing board of any school district from acquiring, leasing or subleasing property pursuant to Section 1261 of the Military and Veterans Code.

CHAPTER 622

An act to add Sections 31026, 31027, 31028, and 31029 to the Water Code, relating to county water districts, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 31026 is added to the Water Code, to read:

31026. A district shall have the power to restrict the use of district water during any emergency caused by drought, or other threatened or existing water shortage, and to prohibit the wastage of district water or the use of district water during such periods, for any purpose other than household uses or such other restricted uses as may be determined to be necessary by the district and may prohibit use of such water during such periods for specific uses which the district may from time to time find to be nonessential. Emergency restriction on use

SEC. 2. Section 31027 is added to said code, to read:

31027. A district may prescribe and define by ordinance the restrictions, prohibitions, and exclusions. Every such ordinance shall be in full force and effect forthwith upon adoption, but shall be published once in full in a newspaper of general circulation, printed, published and circulated in the district within 10 days after adoption, or if there be no such newspaper it shall be posted within said time in three public places within the district. Same Ordinance, publication

SEC. 3. Section 31028 is added to said code, to read:

31028. A district shall have power to make findings upon each and all of the matters referred to in Section 31026. A finding by the board of directors upon the existence, threat or duration of an emergency or shortage or upon the matter of necessity or any other matter or condition shall be made by resolution or ordinance, and shall be prima facie evidence of the fact or matter so found, and such fact or matter shall be presumed to continue unchanged unless and until a contrary finding shall have been made by the board by resolution or ordinance. Such finding shall be received in evidence in any civil or criminal proceeding in which it may be offered, and shall be proof and evidence of the fact or matter found until rebutted or overcome by other sufficient evidence received in such proceeding. Copy of any resolution or ordinance setting forth any finding shall, when certified by the secretary of the district, be evidence that the finding was made by the district as shown by the resolution or ordinance and certification. Same Findings

SEC. 4. Section 31029 is added to said code, to read:

31029. From and after the publication or posting of any ordinance as provided in Section 31027 above, it shall be a misdemeanor for any person to use or apply water received from Penalty

the district contrary to or in violation of such restriction or prohibition, until such ordinance shall have been repealed or such emergency or threatened emergency shall have ceased, and upon conviction thereof such person shall be punished by being imprisoned in the county jail for not more than 30 days or by fine of not more than three hundred dollars ($300), or by both such fine and imprisonment.

Urgency

SEC. 5. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

While many projects to conserve the waters of California have been undertaken which, when completed, will do much to relieve the critical water shortage in this State, some of these projects are not complete and cannot be used to conserve more than a small portion of winter rainfall. Thus, many of the people of California will be faced with a water shortage again this summer.

In order to protect the health and safety of persons served by county water districts in times of a water shortage, it is necessary to authorize such districts to restrict the use of water to essential uses Some districts will be faced with a water shortage by this summer. It is necessary, therefore, that this act take effect immediately.

CHAPTER 623

An act to amend Section 1151 of the Fish and Game Code, relating to the use of lights.

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1151 of the Fish and Game Code is amended to read:

Use of lights unlawful

1151. It is unlawful to use an artificial light to assist in the taking of game birds or mammals, or game fish for which a license is required, except that this section shall not apply to sport fishing in ocean waters nor to commercial fishing.

It is unlawful for any person, or one or more persons, to throw or cast the rays of any spotlight, headlight or other artificial light on any highway or in any field, woodland or forest upon any game animal while having in his possession or under his control any firearm or weapon whereby such game animal could be killed, even though such game animal is not killed, injured, shot at, or otherwise pursued. The provisions of this section do not apply in a case where the headlights of a motor vehicle operated in a usual manner on a highway cast a light on such a game animal near or on such highway and there was no attempt or intent to locate such game animal.

CHAPTER 624

An act to amend Section 1501 of the Education Code, relating to contracts for service by county superintendent of schools.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1501 of the Education Code is amended to read:

1501. The governing board of any school district and the county superintendent of schools having jurisdiction over the district may enter into an agreement for the supervision of instruction in the district by the county superintendent of schools, in addition to the supervision which the county superintendent is otherwise required by law to give. The agreement shall provide for the payment for the supervision of instruction of an amount not less than the cost of providing such service. The county superintendent of schools shall transfer from the funds of the district to the county schools service fund the amounts set forth in the agreement. Additional supervision

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CHAPTER 625

An act to amend Section 1503 of, and to add Section 1599.1 to, the Education Code, relating to the Public School System.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1503 of the Education Code is amended to read:

1503. The governing board of any school district may admit to the schools or classes maintained in the district any pupils who reside in another school district which maintains schools or classes of the grade levels which the pupils desire to attend, whenever an agreement is entered into between the governing board and the governing board of the district of residence stipulating the terms upon which the interdistrict attendance shall be permitted. Said interdistrict attendance agreement may be for a term of not to exceed five (5) consecutive school years. In the event the governing board of either district neglects or refuses to enter into such an agreement within 30 days after the person having the custody of any pupil has requested the board so to do, such person may appeal to the county board of education having jurisdiction over the district of residence which shall, within 30 days after the filing of such appeal, determine whether the pupil should be permitted to attend in the district in which he desires to attend and for what Interdistrict attendance agreements

period of time. If the county board of education determines that the pupil should be permitted to attend in the district in which he desires to attend, the pupil shall be admitted to school in said district without delay and the governing board of the district of residence shall pay to the district of attendance, at the close of each school year in which the pupil attends in the district of attendance an amount which shall be: (a) the actual cost to the district of attendance of the education of such pupil, less all state and federal funds apportioned to the district on account of such pupil, or (b) if the school attended by the pupil is one which came into the possession of the district of attendance by reason of the annexation or transfer of territory, including the site of the school, of the district of residence to the district of attendance and the pupil would have normally attended such school had its site remained in the district of residence, such amount as the county board of education may fix but not more than the actual cost to the district of attendance of educating such pupil, less all state and federal funds apportioned to the district on account of the attendance of such pupil, nor less than the actual average cost to the district of residence of educating pupils in schools of the same grade level, less the average amount per pupil of all state and federal funds apportioned to the district on account of the attendance of pupils

A pupil may be admitted provisionally to the schools of a district other than that in which he resides by the governing board of such district for a period of not exceeding two school months, pending decision by the governing boards of the school districts concerned, or by the county board of education relative to his admittance.

Scope

The provisions of this section do not apply to the attendance of pupils in the seventh and eighth grades of a junior high school.

SEC. 2. Section 1599.1 is added to the Education Code, to read:

Annexation of original school districts

1599.1. Notwithstanding any provisions of this code to the contrary, whenever a portion of a school district referred to in this section as the "original school district" is taken from such district and annexed, either by way of affirmative action taken by the residents within such portion of the original school district or by operation of law or otherwise, to any other school district referred to in this section as the "new school district," the new school district shall, on the date the portion of the original school district becomes a part of the new school district for all purposes, take possession of all real property and all fixtures therein or thereon of the original school district located in such territory, and shall pay the original school district for the use of such property as herein provided.

Within sixty (60) days after the annexation has been effected, the board of supervisors of the county in which the original school district and the new school district are situated shall, by order entered upon its minutes, determine what proportion of the then outstanding bonded indebtedness of the

original school district was incurred for the acquisition or improvement of said real property and all fixtures therein or thereon. Commencing one (1) year after the date of such determination, the new school district shall pay annually to the original school district for the use of such property an amount equal to the annual amount required for the payment of interest and for redemption of such portion of the bonded indebtedness as was determined by said board of supervisors.

The rate of tax required to provide funds for the making of the payments required to be made by the annexing district shall be in addition to the maximum rate of tax for such district fixed or established by or under Sections 6357 and 6358.

CHAPTER 626

An act to amend Section 29191 of the Government Code, relating to district budgets.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 29191 of the Government Code is amended to read:

29191. "Revenue producing utility districts," as used in this article, mean districts formed for the construction, operation, and maintenance of utilities, including sewers, from which revenue is customarily, or may be, derived by charges, rates, or rentals imposed or collected from users, consumers, or customers thereof, together with such work, facilities, and appliances as are used or useful in connection therewith or incidental thereto.

"Revenue producing utility districts"

CHAPTER 627

An act to amend Section 17502 of the Business and Professions Code, relating to false advertising offenses and exceptions therefrom.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 17502 of the Business and Professions Code is amended to read:

17502 This article does not apply to any visual or sound radio broadcasting station or to any publisher of a newspaper, magazine, or other publication, who broadcasts or publishes an advertisement in good faith, without knowledge of its false, deceptive, or misleading character.

Exception: Good faith

CHAPTER 628

An act to amend Sections 3301, 3305, 6403, 6405, 6406, 6407, 6409, 6500, 6501, and 6502 of the Corporations Code, to add Sections 3301.5, 3301 6, 3301.7, 3301.8, 6403.5, and 6403.6 thereto, and to repeal Section 6410 thereof, all relating to corporations.

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 3301 of the Corporations Code is amended to read:

Statement of officers, principal office, agent

3301. Every domestic corporation shall file with the Secretary of State a statement of the names of its president or other head, its secretary, its treasurer (if any), and any other officers desired to be named, together with a statement of the location and address of its principal office. If desired, the statement may designate, as the agent of such corporation for the purpose of service of process, any natural person residing in this State or any corporation which has complied with Section 3301.5 or Section 6403.5 and whose capacity to act as such agent has not terminated. If a natural person be designated, the statement shall set forth his complete business or residence address. If a corporate agent be designated, the statement shall set forth the state or place under the laws of which such agent was incorporated and the name of the city, town or village wherein it has the office at which the corporation designating it as such agent may be served, as set forth in the certificate filed by such corporate agent pursuant to Section 3301.5, 3301.6, 6403.5 or 6403.6.

In the event of any change in the location or address of its principal office or the stated address of a natural person whom it has designated as such agent or the city, town or village wherein it may be served by delivery of a copy of any process to a corporate agent, a domestic corporation shall forthwith file with the Secretary of State a statement of such new location or address or such new city, town or village, which statement shall also include the names of the then officers, the names of whom are required above to be stated.

A corporation may at any time file a new designation of agent for the purpose of service of process and such filing shall be deemed to revoke any prior designation of agent.

Valid service

Delivery by hand of a copy of any process against the corporation (a) to any natural person designated by it as agent, or (b), if the corporation has designated a corporate agent, at the office of such corporate agent in the city, town or village named in the statement filed by the corporation pursuant to this section to any person at such office named in the certificate of such corporate agent filed pursuant to Section 3301.5 or 6403.5, if such certificate has not been superseded, or otherwise to any person at such office named in the last certificate filed pursuant

to Section 3301.6 or 6403.6, shall constitute valid service on the corporation.

No fee shall be charged or collected for the filing of any statement of the names of officers and of the location and address of the principal office of a corporation, but for any designation of agent for the purpose of service of process the Secretary of State shall charge and collect the fee prescribed in the Government Code.

SEC. 2. Section 3301.5 is added to the Corporations Code, to read:

Corporation as agent for service

3301.5. Any domestic corporation, before it may be designated as the agent for the purpose of service of process of any corporation pursuant to Section 3301 or 6403, shall file with the Secretary of State a certificate executed in its name by its president or a vice president and by its secretary or an assistant secretary setting forth all of the following:

(a) The complete address of its office in each city, town or village named in any statement filed pursuant to Section 3301, 6403, 6406 or 6407 wherein it is designated as such agent, and which shall be the office where the corporation designating it as such agent may be served with process.

(b) The name of each person employed by it at each such office to whom it authorizes the delivery of a copy of any such process.

(c) Its consent that delivery thereof to any such person at the office where he is employed shall constitute delivery of any such copy to it, as such agent.

SEC. 3. Section 3301.6 is added to the Corporations Code, to read:

Same Supplemental certificates

3301.6. Any corporation which has filed the certificate provided for in Section 3301.5 may file with the Secretary of State any number of supplemental certificates executed in the same manner as is required by said section, containing all the statements provided for in said section, which, upon the filing thereof, shall supersede the statements contained in the original or in any supplemental certificate previously filed.

SEC. 4. Section 3301.7 is added to the Corporations Code, to read:

Resignation of agent

3301.7. An agent designated by a domestic corporation for the service of process may file with the Secretary of State a written statement of resignation as such agent which shall be signed and execution thereof shall be duly acknowledged by the agent. Thereupon the authority of the agent to act in such capacity shall cease and the Secretary of State forthwith shall give written notice of the filing of the statement by mail to the corporation addressed to its principal office.

SEC. 5. Section 3301.8 is added to the Corporations Code, to read:

Designation of new agent

3301.8. If a natural person who has been designated by a domestic corporation as its agent for the service of process dies or resigns or removes his residence from the State or if the corporate agent for such purpose resigns, dissolves, with-

draws from the State, forfeits its right to transact intrastate business in the State, has its corporate rights, powers and privileges suspended or ceases to exist, the principal shall forthwith file with the Secretary of State a designation of a new agent conforming to the requirements of Section 3301

SEC. 6. Section 3305 of the Corporations Code is amended to read:

Dissolved corporation: Service

3305. Summons or other process against a corporation dissolved on or after August 14, 1929, may be served by delivering a copy thereof to an officer, director, or person having charge of its assets, or if no such person can be found, to any agent upon whom process might be served at the time of dissolution. If none of such persons can be found with due diligence and it is so shown by affidavit to the satisfaction of the court or judge, then the court or judge may make an order that summons or other process be served upon the dissolved corporation by delivering a copy thereof, together with a copy of the order, to the Secretary of State or an assistant or deputy secretary of state.

Corporations dissolved prior to August 14, 1929, may be served in the manner prescribed in the Code of Civil Procedure.

SEC. 7. Section 6403 of the Corporations Code is amended to read:

Statement by foreign corporation

6403. A foreign corporation shall not transact intrastate business in this State until it has also filed with the Secretary of State a statement setting forth all of the following:

(a) The location and address of its main office.

(b) The location and address of its principal office within this State.

(c) The name of an agent upon whom process directed to the corporation may be served within this State. The agent may be a natural person residing within the State in which case his complete business or residence address shall be set forth, or it may be a domestic corporation which has filed the certificate provided for in Section 3301.5 or a foreign corporation which has filed the certificate provided for in Section 6403 5. If a corporate agent be designated, the statement shall set forth the state or place under the laws of which such agent was incorporated and the name of the city, town or village wherein it has the office at which the corporation designating it as such agent may be served, as set forth in the certificate filed by such corporate agent pursuant to Section 3301.5, 3301.6, 6403.5 or 6403.6.

(d) Its irrevocable consent to service of process directed to it upon the agent designated, and to service of process on the Secretary of State if the agent so designated or the agent's successor is no longer authorized to act or cannot be found at the address given.

SEC. 8. Section 6403.5 is added to the Corporations Code, to read:

Statement by foreign corporation agent

6403.5. Before it may be designated by any corporation as its agent for service of process, any foreign corporation which, as shown by the records of the Secretary of State, is

authorized to transact intrastate business in this State shall file with the Secretary of State a certificate executed in its name by its president or a vice president and by its secretary or an assistant secretary setting forth all of the following:

(a) The date of its incorporation and the state or place under the laws of which it was created and the date on which it last qualified for the transaction of intrastate business in this State.

(b) The location and address of its main office.

(c) The complete address of its office in each city, town or village named in any statement filed pursuant to Section 3301, 6403, 6406 or 6407 wherein it is designated as such agent, and which shall be the office where the corporation designating it as such agent may be served with process.

(d) The name of each person employed by it at each such office to whom it authorizes the delivery of a copy of any such process.

(e) Its consent that delivery thereof to any such person at the office where he is employed shall constitute delivery of any such copy to it, as such agent.

SEC. 9. Section 6403.6 is added to the Corporations Code, to read:

Same Supplemental certificates

6403.6. Any corporation which has filed the certificate provided for in Section 6403.5 may file with the Secretary of State any number of supplemental certificates executed in the same manner as is required by said section, containing all the statements provided for in said section, which, upon the filing thereof, shall supersede the statements contained in the original or in any supplemental certificate previously filed.

SEC. 10. Section 6405 of the Corporations Code is amended to read:

Resignation of agent Foreign corporation

6405. An agent designated by a foreign corporation for the service of process may file with the Secretary of State a written statement of resignation as such agent which shall be signed and execution thereof shall be duly acknowledged by the agent. Thereupon the authority of the agent to act in such capacity shall cease and the Secretary of State forthwith shall give written notice of the filing of the statement by mail to the corporation addressed to its main or principal office or principal place of business, as stated in the designation.

SEC. 11. Section 6406 of the Corporations Code is amended to read:

Designation of new agent

6406. If a natural person who has been designated by a foreign corporation as its agent for the service of process dies or resigns or removes his residence from the State or if a corporate agent for such purpose resigns, dissolves, withdraws from the State, forfeits its right to transact intrastate business in the State, has its corporate rights, powers and privileges suspended, or ceases to exist, the principal shall forthwith file with the Secretary of State a designation of a new agent conforming to the requirements of Section 6403 and such filing shall be deemed to revoke any prior designation of agent.

SEC. 12. Section 6407 of the Corporations Code is amended to read:

Same As revocation

6407. Any foreign corporation may designate a new agent for the service of process by filing with the Secretary of State a statement setting forth all matters required by Section 6403 and such filing shall be deemed to revoke any prior designation of agent.

SEC. 13. Section 6409 of the Corporations Code is amended to read:

Change of address

6409. If a foreign corporation qualified for the transaction of intrastate business pursuant to this chapter changes the location or address of its principal office in this State, or the location or address of its main office, or if the stated address of a natural person whom it has designated as agent for the service of process be changed, or in the event of a change in the city, town or village wherein it may be served by delivery of a copy of any process to a corporate agent, then such foreign corporation, or the agent on its behalf, shall forthwith file with the Secretary of State a statement of such change of location or address or such change in such city, town or village.

Repeal

SEC. 14. Section 6410 of the Corporations Code is repealed.

SEC. 15. Section 6500 of the Corporations Code is amended to read:

Valid service

6500. Delivery by hand of a copy of any process against a foreign corporation (a) to the president or other head of the corporation, a vice president, a secretary, an assistant secretary, the general manager in this State, or if the corporation be a bank to a cashier or an assistant cashier, (b) to any natural person designated by it as agent for the service of process, or (c), if the corporation has designated a corporate agent, at the office of such corporate agent in the city, town or village named in the statement filed by the corporation pursuant to Section 6403 to any person at such office named in the certificate of such corporate agent filed pursuant to Section 3301 5 or 6403 5, if such certificate has not been superseded, or otherwise to any person at such office named in the last certificate filed pursuant to Section 3301.6 or 6403.6, shall constitute valid service on the corporation.

A copy of the designation, certified by the Secretary of State, is sufficient evidence of the appointment of an agent for the service of process.

SEC. 16. Section 6501 of the Corporations Code is amended to read:

Service on Secretary of State

6501. If the agent designated for the service of process be a natural person and cannot be found with due diligence at the address stated in the designation or if such agent be a corporation and no person can be found with due diligence to whom the delivery authorized by Section 6500 may be made for the purpose of delivery to such corporate agent, or if the agent designated is no longer authorized to act, or if no agent has been designated and if no one of the officers or agents of the corpora-

tion specified in Section 6500 can be found after diligent search and it is so shown by affidavit to the satisfaction of the court or judge, then the court or judge may make an order that service be made by personal delivery to the Secretary of State or to an assistant or deputy secretary of state of two copies of the process together with two copies of the order, except that if the corporation to be served has not filed the statement required to be filed by Section 6403 then only one copy of the process and order need be delivered but the order shall include and set forth an address to which such process shall be sent by the Secretary of State.

SEC. 17. Section 6502 of the Corporations Code is amended to read:

Same
Forwarding

6502. Upon receipt of the process and order and his fee therefor the Secretary of State forthwith shall give notice to the corporation of the service of the process by forwarding by registered air mail, charges prepaid, with request for return receipt, a copy of the process and order to the address specified in the order if the corporation has not filed the statement required by Section 6403, otherwise to the two offices of the corporation the addresses of which are set forth in such statement or in statements subsequently filed

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CHAPTER 629

An act to add Article 9 to Chapter 5 of Part 3 of Division 5 of the Health and Safety Code, relating to revenue bonds.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Article 9 is added to Chapter 5 of Part 3 of Division 5 of the Health and Safety Code, to read:

Article 9. Annexation and Exclusion

Use of works
Annexed territories

5070. Territory which has become annexed to a district which has authorized the issuance of bonds pursuant to this chapter, and which territory shall use the works, shall become subject to the rates and charges imposed by the district for the use and maintenance of the works.

Same
Excluded territories

5071. Territory which has been withdrawn from a district which has authorized the issuance of bonds pursuant to this chapter, and which territory continues to use the works, shall remain liable for the payment of its pro rata share of the rates and charges imposed by the district for the use and maintenance of the works.

Same
Territories annexed to cities

5072. A city to which any territory has been annexed, whether or not said territory has been withdrawn from a district which has authorized the issuance of bonds pursuant to this chapter, and which territory continues to use the works, may

contract with the district to pay the district annually or at lesser intervals a sum or sums in lieu of the payment by the owners or residents within said territory of the rates and charges imposed by the district for the use and maintenance of the works.

CHAPTER 630

An act to add Article 12 to Chapter 6 of Division 2 of Title 5 of the Government Code, relating to revenue bonds.

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 24, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Article 12 is added to Chapter 6 of Divis on 2 of Title 5 of the Government Code, to read:

Article 12. Annexation and Exclusion

Use of works Annexed territories

54670. Territory which has become annexed to a local agency which has authorized the issuance of bonds pursuant to this chapter, and which territory shall use the services, facilities, or water of the enterprise, shall become subject to the rates and charges imposed by the local agency for such use

Same Excluded territories

54671. Territory which has been withdrawn from a local agency which has authorized the issuance of bonds pursuant to this chapter, and which territory shall continue to use the services, facilities, or water of the enterprise, shall remain liable for the payment of the rates and charges imposed by the local agency for such use.

Same Territories annexed to cities

54672. A city to which any territory has been annexed, whether or not said territory has been withdrawn from a local agency which has authorized the issuance of bonds pursuant to this chapter, and which territory shall continue to use the services, facilities, or water of the enterprise, may contract with the local agency to pay the local agency annually or at lesser intervals a sum or sums in lieu of the payment by the owners or residents within said territory of the rates and charges imposed by the local agency for such use

CHAPTER 631

An act to amend Section 788 of the Fish and Game Code, relating to crabs.

In effect September 22, 1951

[Approved by Governor May 24, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 788 of the Fish and Game Code is amended to read:

Crab season

788. Crabs may be taken in Districts 6, 7, 8, and 9 between December 15th and July 31st. Crabs may be taken in all other districts between November 15th and July 31st.

CHAPTER 632

An act making an appropriation in augmentation of the appropriation in Item 5 of the Budget Act of 1950, for expenses of Members of the Senate, to take effect immediately.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 25, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. The sum of three thousand five hundred six dollars ($3,506) is hereby appropriated out of the General Fund in the State Treasury in augmentation of Item 5 of the Budget Act of 1950, for expenses of Members of the Senate Appropriation Expenses of Senators

SEC. 2. This act makes an appropriation for the usual current expenses of the State within the meaning of Article IV of the Constitution and shall go into immediate effect. Current expense

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CHAPTER 633

An act relating to the determination of the population of cities or cities and counties for purposes of allocation of moneys from the State Highway Fund and from the Motor Vehicle License Fee Fund, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 24, 1951. Filed with Secretary of State May 25, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. During the effective period of this act its provisions shall control over any inconsistent provisions of law. Application

SEC. 2. Any city or city and county whose population has been substantially increased since the last federal census may apply to the United States Bureau of Census to determine the increase in population. Upon receipt from the bureau of its determination of population, the city or city and county shall file a certified copy of such determination with the Department of Public Works and with the State Controller. Population increase Determination

SEC. 3. All allocations made under Section 194 of the Streets and Highways Code and all payments made under Section 11005 of the Revenue and Taxation Code for any allocation made subsequent to the filing with the respective departments of such determination shall be based upon the population so determined. The respective departments in making the computations required by said sections shall add to the total population of all cities and cities and counties in the State all increases of population over the population of the last federal census which are shown by such determination. For the purposes of this section, a written or telegraphic certification from the Director of the Census to the Department of Public Works and the State Controller covering a determination of population Use of determination

may be accepted by said department and State Controller in lieu of the filing by the city or city and county of the certified copy of the determination referred to in Section 2 of this act.

Cost of investigation

SEC. 4. The cost of any investigation by the United States Bureau of Census shall be a proper charge against the city or city and county applying therefor and shall be paid by it to the bureau.

Counties exempted

SEC. 5. This act does not apply to counties.

Purposes of act

SEC. 6. The purposes of this act are as follows:

The defense activities of the United States Government again are causing tremendous increases in the number of persons employed by defense plants and industries and increases in the population of a number of cities in California. This increase in population is creating grave and serious problems for the affected cities and cities and counties. This act is intended to provide relief for this situation without upsetting or delaying the allocation of such state funds to the cities and cities and counties of the State, and to provide the necessary continuity of the relief heretofore provided for this situation by the Legislature during and following World War II. Cities and cities and counties will be better able to take care of the greatly expanded traffic and law enforcement problems brought about as a result of such increases in population.

Use of preliminary population figures

SEC. 7. All allocations made under Section 194 of the Streets and Highways Code and all payments made under Section 11005 of the Revenue and Taxation Code for any allocation to cities and cities and counties made subsequent to May 31, 1951, and prior to official publication of the 1950 determination of population by the United States Bureau of Census shall be based upon the population determined by said bureau in its publication, "1950 Census, Preliminary Counts, September 28, 1950 Series PC-2, No. 48," except as otherwise provided in Section 8.

Same

SEC. 8. Allocations under Section 7 to cities the population of which is not determined by the United States Bureau of Census in its publication, "1950 Census, Preliminary Counts, September 28, 1950 Series PC-2, No. 48," shall be based upon the preliminary 1950 population figures of the United States Bureau of Census for incorporated cities having less than 1,000 inhabitants.

Operative date

SEC. 9. Sections 7 and 8 of this act shall cease to be effective upon official publication of the 1950 determination of population by the United States Bureau of Census. Sections 1 to 6 of this act shall not become operative until the United States Bureau of Census has made official publication of the final figures for the 1950 determination of population.

Urgency

SEC. 10. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

The defense activities of the United States Government again are causing tremendous increases in the number of persons employed by defense plants and industries and increases in the population of a number of cities in California This increase in population is creating grave and serious problems for the affected cities and cities and counties. If this act be made effective prior to the fiscal year beginning July 1, 1951, it will provide immediate relief for this situation without upsetting or delaying the allocation of such state funds to cities and cities and counties of the State. If this act be made effective immediately, it will provide the necessary continuity of the relief heretofore provided for this situation by the Legislature during and following World War II. Cities and cities and counties will be better able to take care of the greatly expanded traffic and law enforcement problems brought about as a result of such increase in population. It is therefore necessary that this act go into immediate effect.

CHAPTER 634

An act making an appropriation to the Emergency Fund in augmentation of the appropriation in Item 277, Budget Act of 1950, to take effect immediately

[Approved by Governor May 25, 1951 Filed with Secretary of State May 25, 1951]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Out of any money in the General Fund not otherwise appropriated, the sum of four million seventy-nine thousand seven hundred fifteen dollars ($4,079,715) is hereby appropriated for Emergency Fund in augmentation of Item 277 of the Budget Act of 1950.

Appropriation Emergency fund

SEC. 2. This act, inasmuch as it makes an appropriation for the usual current expenses of the State, shall, under the provisions of Section 1, Article IV of the Constitution, take effect immediately.

Current expenses

CHAPTER 635

An act to amend Section 203 of the Welfare and Institutions Code, relating to establishment and operation of county hospitals.

[Approved by Governor May 25, 1951 Filed with Secretary of State May 25, 1951]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 203 of the Welfare and Institutions Code is amended to read:

203. The board of supervisors in each county may establish and maintain a county hospital, prescribe rules for the government and management thereof, appoint a county

Powers of supervisors

physician and other necessary officers and employees thereof, who shall hold office during the pleasure of the board and authorize said hospital to be a member of and maintain membership in any local, state or national group or association organized and operated for the promotion of the public health and welfare or the advancement of the efficiency of hospital administration and in connection therewith to use tax funds for the payment of dues and fees.

CHAPTER 636

An act to amend Section 1719 of, and to add Section 9709 to, the Elections Code, relating to municipal elections.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1719 of the Elections Code is amended to read:

Submission of proposition to repeal, etc., ordinance to people

1719. The legislative body of the city may submit to the voters, without a petition therefor, a proposition for the repeal or amendment of any ordinance, or for the enactment of a new ordinance, to be voted upon at any succeeding regular or special city election, and if the proposition so submitted receives a majority of the votes cast thereon at such election, the ordinance shall be repealed, amended or enacted accordingly. A proposition may be submitted, or a special election may be called for the purpose of voting on a proposition, by ordinance or resolution.

SEC. 2. Section 9709 is added to said code, to read:

Regular, special election

9709. A proposition may be submitted at a regular election, or a special election may be called for the purpose of voting on a proposition, by ordinance or resolution.

CHAPTER 637

An act to amend Section 226 of the Civil Code, relating to adoption of children.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 226 of the Civil Code is amended to read:

Proceedings for adoption

226. Any person desiring to adopt a child may for that purpose petition the superior court of the county in which the petitioner resides and the clerk of the court shall immediately notify the State Department of Social Welfare at Sacramento in writing of the pendency of the action and of any subsequent action taken. In all cases in which consent is required, except in the case of an adoption by a stepparent where one natural or

adoptive parent retains his or her custody and control of the child, unless an agency licensed by the State Department of Social Welfare to find homes for children and place children in homes for adoption joins in the petition for adoption, the consent of the natural parent or parents to the adoption by the petitioners must be signed in the presence of an agent of the State Department of Social Welfare or of a licensed county adoption agency on a form prescribed by such department and filed with the clerk of the superior court, in the county of the petitioner's residence. Same

Such consent, when reciting that the person giving it is entitled to the sole custody of the minor child, shall, when duly acknowledged before such agent, be prima facie evidence of the right of the person making it to the sole custody of the child and such person's sole right to consent.

In all cases of adoption in which no agency licensed to place children for adoption is a party, except in the case of an adoption by a stepparent where one natural or adoptive parent retains his or her custody and control of the said child, it shall be the duty of the Department of Social Welfare or of the licensed county adoption agency to accept the consent of the natural parents to the adoption of the child by the petitioners and to ascertain whether the child is a proper subject for adoption and whether the proposed home is suitable for the child, prior to filing report with the court.

In all cases in which the consent of the natural parent or parents is not necessary and an agency licensed to place children for adoption is not a party to the petition, the State Department of Social Welfare or the licensed county adoption agency shall, prior to the hearing of the petition, file its consent to the adoption with the clerk of the superior court of the county in which the petition is filed. Such consent shall not be given by the Department of Social Welfare or the licensed county adoption agency unless the child's welfare will be promoted by the adoption.

Except in the case of the adoption of a child by a stepparent where one natural or adoptive parent retains his or her custody and control of the child, it shall be the duty of the Department of Social Welfare or of the licensed county adoption agency to submit to the court a full report of the facts disclosed by its inquiry with a recommendation regarding the granting of the petition within 180 days after the filing of the petition; provided, however, that the court may allow such additional time for the filing of said report as in its discretion it may see fit. The report required of the Department of Social Welfare or of the licensed county adoption agency may be waived by the department in all cases in which an agency, licensed by the Department of Social Welfare to place children in homes for adoption, is a party or joins in the petition for adoption. Such waiver may be issued by the department at any time, either before or after the filing of the petition for adoption.

Same

Whenever any report or findings are submitted to the court by the Department of Social Welfare or by a licensed county adoption agency under any provision of this section, a copy of such report or findings, whether favorable or unfavorable, shall be given to the attorney for the petitioner in the proceedings, if the petitioner has an attorney of records, or to the petitioner.

If the findings of the State Department of Social Welfare or the county adoption agency are that the home of the petitioners is not suitable for the child and it recommends that the petition be denied, the county clerk upon receipt of the report of the State Department of Social Welfare or the county adoption agency shall immediately refer it to the superior court for review.

In case of an adoption of a child by a stepparent where one natural or adoptive parent retains his or her custody and control of said child, the consent of either or both parents must be signed in the presence of a county clerk or probation officer of any county of this State on a form prescribed by the State Department of Social Welfare and the county clerk or probation officer before whom such consent is signed shall immediately file said consent with the clerk of the superior court of the county where the petition is filed and said clerk shall immediately file a certified copy of such consent to adoption with the State Department of Social Welfare.

If the father or mother of a child to be adopted is outside the State of California at the time of signing consent, his or her consent may be signed before a notary or other person authorized to perform notarial acts, and in such case the consent of the Department of Social Welfare or of a licensed county adoption agency will also be necessary, but such consent shall not be necessary where the adoption is by a stepparent and one natural parent retains custody and control of the child.

A parent who is a minor shall have the right to sign a consent for the adoption of his or her child and such consent shall not be subject to revocation upon such parent reaching his or her majority.

If for a period of 180 days from the date of filing the petition, or upon the expiration of any extension of said period granted by the court, the Department of Social Welfare or the licensed county adoption agency fails or refuses to accept the consent of the natural parent or parents to the adoption, or if said department or agency fails or refuses to file or to give its consent to an adoption in those cases where its consent is required by this chapter, either the natural parent or parents or the petitioner may appeal from such failure or refusal to the superior court of the county in which the petition is filed, in which event the clerk shall immediately notify the Department of Social Welfare of such appeal and the department or agency shall within 10 days file a report of its findings and the reasons for its failure or refusal to consent to the adoption or to accept the consent of the natural parent. After the filing of

said findings, the court may, if it deems that the welfare of the child will be promoted by said adoption, allow the signing of the consent by the natural parent or parents in open court, or if the appeal be from the refusal of said department or agency to consent thereto, grant the petition without such consent. Same

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CHAPTER 638

An act to amend Sections 224, 224p, 226a, and 226b of the Civil Code, and to add Section 227d thereto, relating to the adoption of children.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 224 of the Civil Code is amended to read:

224. A legitimate child cannot be adopted without the consent of its parents if living; however, after the custody of any child has by any judicial decree, been given to the mother, and the father for a period of one year shall wilfully fail to pay for the care, support and education of such child when able to do so, then the mother alone may consent to such adoption, but only after the father has been personally served with a copy of a citation requiring him to appear at the time and place set for the appearance in court under Section 227 of this code; if the father cannot be located for personal service, the same may be made by publication as provided for the publication of summons in Section 413 of the Code of Civil Procedure; nor an illegitimate child without the consent of its mother if living; except that the consent of a father or mother is not necessary in the following cases: Consent of parents

1. When such father or mother has been judicially deprived of the custody and control of such child (a) by order of the juvenile court, declaring such child to be free from the custody and control of either or both of his parents as provided in the Welfare and Institutions Code, adopted May 25, 1937, or any act or acts superseding or amending the same, or (b) by similar order of a court of another jurisdiction, pursuant to any law of that jurisdiction authorizing such order; or when such father or mother has, in a judicial proceeding in another jurisdiction, voluntarily surrendered his right to the custody and control of such child pursuant to any law of that jurisdiction providing for such surrender.

2. Where such father or mother of any child has deserted the child without provision for its identification.

3. Where such father or mother of any child has relinquished said child for adoption as provided in Section 224m of this code, or where such father or mother has relinquished said child for adoption to a licensed or authorized child placing

agency in another jurisdiction pursuant to the law of that jurisdiction.

SEC. 2. Section 224p of said code is amended to read:

Advertising without license Penalty

224p. Any person or organization that, without holding a valid and unrevoked license or permit to place children for adoption issued by the State Department of Social Welfare, advertises in any periodical or newspaper, by radio, or other public medium, that he or it will place children for adoption, or accept, supply, provide or obtain children for adoption, or that causes any advertisement to be published in or by any public medium soliciting, requesting, or asking for any child or children for adoption is guilty of a misdemeanor.

SEC. 3. Section 226a of said code is amended to read:

Withdrawal of consent

226a. Once given, consent of the natural parents to the adoption of the child by the person or persons to whose adoption of the child the consent was given, may not be withdrawn except with court approval. Request for such approval may be made by motion, or a natural parent seeking to withdraw such consent may file with the clerk of the superior court where the petition is pending, a petition for approval of withdrawal thereof, without the necessity of payment of any fee for the filing of such petition. The petition shall be in writing, and shall set forth the reasons for withdrawal of consent, but otherwise may be in any form.

The clerk of the court shall set the matter for hearing, and shall give notice thereof to the State Department of Social Welfare, to the persons to whose adoption of the child the consent was given, and to the natural parent or parents, in the manner provided in Section 1200 of the Probate Code.

The State Department of Social Welfare or the licensed county adoption agency shall, prior to the hearing of the motion or petition for withdrawal, file a full report with the court and shall appear at the hearing to represent the interests of the child.

At the hearing, the parties may appear in person or with counsel. The hearing shall be held in chambers, but the court reporter shall report the proceedings and his fee therefor shall be paid from the county treasury on order of the court. If the court finds that withdrawal of the consent to adoption is reasonable in view of all the circumstances, and that withdrawal of the consent will be for the best interests of the child, the court shall approve the withdrawal of the consent; otherwise the court shall withhold its approval. If the court approves the withdrawal of consent, the adoption proceeding shall be dismissed.

Any order of the court granting or withholding approval of a withdrawal of a consent to an adoption may be appealed from in the same manner as an order of the juvenile court declaring any person to be a ward of the juvenile court.

SEC. 4. Section 226b of said code is amended to read:

Same Notice to Department of Social Welfare

226b. Whenever, in any adoption proceeding, the petitioners desire to withdraw the petition for the adoption or to dismiss the proceeding, the clerk of the court in which the pro-

ceeding is pending shall immediately notify the State Department of Social Welfare of such action. The State Department of Social Welfare or the licensed county adoption agency shall file a full report with the court recommending a suitable plan for the child in every such case or where the department or county agency recommends that the petition for adoption be denied and shall appear before the court for the purpose of representing the child. Notwithstanding such withdrawal or dismissal by the petitioners, the court may retain jurisdiction over the child for the purpose of making such order or orders for its custody as the court may deem to be in the best interests of the child.

This section shall not apply to any adoption proceeding in which the reason or cause for the withdrawal of the petition or dismissal of the proceeding is the withdrawal of the consent of the natural parent or parents.

SEC. 5. Section 227d is added to said code, to read:

227d. Any action or proceeding of any kind whatsoever to vacate, set aside, or otherwise nullify a decree of adoption on the ground of any defect or irregularity of procedure in the adoption proceeding must be commenced within three years after entry of the decree. Any action or proceeding of any kind whatsoever to vacate, set aside, or otherwise nullify a decree of adoption on any ground other than a defect or irregularity of procedure must be commenced within five years after entry of the decree. In any case in which the decree of adoption was entered before the effective date of this section, the period of limitation prescribed in this section shall run from and after such effective date. Limitation

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CHAPTER 639

An act to authorize the exchange by the State Park Commission with the Forest Service, United States Department of Agriculture, of certain lands in the Pfeiffer Big Sur State Park for lands of at least equal value adjacent to said state park.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. In order to acquire lands for state park purposes for the use and enjoyment of the public in extension of an existing state park, the State Park Commission is authorized to exchange with the Forest Service, United States Department of Agriculture, certain lands in the Pfeiffer Big Sur State Park, now occupied as a fire suppression station by the Forest Service under permit from the State Park Commission, for lands of at least equal value, as determined by resolution of the State Park Commission, adjacent to said state park containing stands of coast redwoods. In making the exchange the State Park Commission may comply with the provisions of federal statutes con- Exchange of lands

trolling the Forest Service in such disposition of national forest lands. A copy of each deed of conveyance executed and delivered by the commission, and of each deed conveying lands to the State, pursuant to this act shall be delivered to the State Lands Commission.

CHAPTER 640

An act to amend Section 1025 of the Agricultural Code, relating to statements of chemical analysis of agricultural minerals.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1025 of the Agricultural Code is amended to read:

Agricultural mineral analysis Contents

1025. The chemical analysis as to agricultural minerals shall state the percentages represented to be therein as follows:

(a) Limestone, limerock, chalk, dolomite, marl, oyster shells, shells and every other agricultural mineral the principal constituent of which is calcium carbonate, the percentage of calcium carbonate therein.

(b) Burnt lime, quicklime and every agricultural mineral the principal constituent of which is calcium oxide, the percentage of calcium oxide therein.

(c) Hydrated lime, slacked lime and every agricultural mineral the principal constituent of which is calcium hydroxide, the percentage of calcium hydroxide therein.

(d) By-products in the manufacture of sugar or acetylene, and every other agricultural mineral obtained as a by-product, the principal constituent of which is a compound of calcium, the percentage of calcium in terms of calcium carbonate, calcium hydroxide, or of calcium oxide therein.

(e) Gypsum, land plaster, plaster, and every agricultural mineral the principal constituent of which is calcium sulphate, the percentage of calcium sulphate therein; provided, that calcium sulphate present in the form of gypsum may be stated in terms of gypsum.

(f) Sulphur, brimstone and every agricultural mineral the principal ingredient of which is sulphur, the percentage of sulphur therein.

(g) Phosphate rock, and every other agricultural mineral the principal constituent of which is calcium phosphate, the percentage of available phosphoric acid therein. If in addition a percentage of total phosphoric acid is stated, the percentage of insoluble phosphoric acid must also be stated. The term and percentage of available phosphoric acid shall be shown as prominently as any other terms and percentages on the tag.

(h) In the case of any agricultural mineral not specifically mentioned herein, the percentage of all constituents claimed to be therein in terms or equivalents prescribed by the director.

(i) In the case of any mixture of two or more agricultural minerals, the percentage of each principal constituent as above prescribed.

CHAPTER 641

An act to amend Section 1061 of the Agricultural Code, relating to definitions of economic poisons.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1061 of the Agricultural Code is amended to read:

1061. As used in this article: Definitions

(a) "Economic poisons" includes any substance, or mixture of substances intended to be used for defoliating plants or for preventing, destroying, repelling, or mitigating any and all insects, fungi, bacteria, weeds, rodents, predatory animals or any other form of plant or animal life which is, or which the director may declare to be, a pest, which may infest or be detrimental to vegetation, man, animals or households, or be present in any environment whatsoever.

(b) "Insect" means any of the animals known as "Insecta" and similar animals such as centipedes, spiders, mites, ticks and lice.

(c) "Weed" means any plant which grows where not wanted.

(d) "Rodent" means all members of the order Rodentia and all rabbits and hares.

(e) "Registrant" means a person who has registered an economic poison and has obtained a certificate of registration or license from the department.

(f) "Defoliating" includes killing or artificially accelerating the drying of plant tissues, with or without causing abscission.

CHAPTER 642

An act to repeal Sections 186.5 and 206 of the Streets and Highways Code, relating to state highways and the State Highway Fund.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 186.5 of the Streets and Highways Code is repealed. Repeal

SEC. 2. Section 206 of the Streets and Highways Code is repealed. Repeal

CHAPTER 643

An act to add Section 20983.1 to the Government Code, relating to retirement of local members of the State Employees' Retirement System, declaring the urgency hereof, to take effect immediately.

In effect immediately

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 20983.1 is added to the Government Code, to read:

Retirement of elected officer

20983.1. Notwithstanding any provision of law to the contrary, any local member who is elected to hold an office of a contracting agency shall not be retired for service during the time he holds such office except upon his written application to the board. Upon receipt of his application for retirement or termination of such service he shall be retired and receive a retirement allowance computed as of his actual age of retirement.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The actions involving the use of armed force in Korea and elsewhere in which the United States is now engaged have, by reason of the induction of large numbers of men into the armed forces and the employment of additional numbers in war industries, resulted in a shortage of manpower throughout the Nation which is already serious, and may soon become acute. This shortage makes difficult or impossible the recruitment of qualified persons to fill essential positions in governmental service. To prevent the occurrence of numerous vacancies in important positions in governmental service, and the breakdown of the administration of the essential services, it is essential to retain in governmental service those qualified and experienced officers capable of performing their duties who will reach the age of compulsory retirement during the existing national defense emergency and who are willing to continue their governmental service and are fully qualified and capable of doing so. It is therefore necessary that this act take effect immediately.

CHAPTER 644

An act to amend Section 51550 of the Government Code, relating to municipal taxes.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 51550 of the Government Code is amended to read:

51550. Annually on or before the third Monday in August, the county auditor shall transmit to the city legislative body a written statement showing separately the total assessed valuation of all property within the city, the total assessed valuation of property within the limits of the city as originally incorporated, and the total assessed valuation of all property in each body of new territory added to the city subsequent to the original incorporation. The value shall be ascertained from the county assessment roll as equalized and corrected. Statement of assessed valuation

CHAPTER 645

An act to amend Sections 51510 and 51511 of the Government Code, relating to municipal taxes.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 51510 of the Government Code is amended to read:

51510. Annually on or before the third Monday in August, the county auditor shall transmit to the city legislative body a written statement, showing separately the total value of all property within the city and the total value of all property in each district or portion of the city in which a different rate of taxation is to be levied. The value shall be ascertained from the assessment books of the county for the year, as equalized and corrected. Statement of values

SEC. 2. Section 51511 of the Government Code is amended to read:

51511. Annually, before September 1st, the city legislative body shall fix the rate of taxes, or rates of taxes, if different portions or districts require different rates, designated in the number of cents upon each one hundred dollars ($100), using as a basis the value of the property as assessed and equalized. The rates shall be sufficient to raise the amount fixed by ordinance and the expense of collection. The city legislative body shall immediately transmit to the county auditor a statement of the rates fixed. Tax rate

CHAPTER 646

An act to amend Section 4753 of the Labor Code, relating to workmen's compensation and insurance, in respect to deductions in the computation of subsequent injuries payments.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4753 of the Labor Code is amended to read:

Reduction to extent of other payments

4753. Such additional compensation is not in addition to but shall be reduced to the extent of any monetary payments the employee is receiving from any federal or state fund to which he has not directly contributed, except as to payments being made to the employee or to which he is entitled as a pension or other compensation for disability incurred in service in the armed forces of the United States, and except as to payments being made to him or to which he is entitled as assistance under the provisions of Chapter 1 of Part 2 of Division 2, or Chapter 1 of Division 3, or Chapter 2 of Division 4, or Division 5, of the Welfare and Institutions Code.

CHAPTER 647

An act to amend Section 771 of the Probate Code, relating to surrender of securities for redemption or conversion by executors and administrators.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 771 of the Probate Code is amended to read:

Sale, etc., of securities Court order

771. Stocks, bonds, investment certificates and shares of building and loan associations, voting trust certificates, stock warrants or subscription rights, land trust certificates, certificates of beneficial interest in trusts, investment trust certificates, mortgage participation certificates, or any other securities, or certificates of deposit for any of the foregoing, may be sold, or may be surrendered for redemption or conversion, and title thereto passed without the necessity for confirmation, upon obtaining an order of the court. A petition for such an order shall be filed with the clerk, who shall set the same for hearing by the court and shall give notice thereof for the period and in the manner required by Section 1200 of this code, but the court or judge may order the notice to be given for a shorter period or dispensed with. The order shall fix the terms and conditions of sale, and when the minimum selling price is fixed or when the securities are to be sold upon an established stock or bond exchange, or surrendered for redemption or conversion, no notice of sale or of such redemption or conversion need be given.

Condition

This section shall not be applicable to the sale of note or notes secured by a mortgage or deed of trust unless such note or notes have been authorized or permitted to be issued by the Commissioner of Corporations, or have been made by a public utility subject to the provisions of the Public Utilities Act.

CHAPTER 648

An act to add Section 485b to the Civil Code and Section 7659 to the Public Utilities Code, relating to railroad crossings.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 485b is added to the Civil Code, to read:

485b. Notwithstanding any city or county or city and county ordinance to the contrary, no railroad conductor or engineer, who, while operating a train, obstructs a railroad crossing, shall be subject to any criminal penalty, where he has no control over the situation causing the obstruction or where the train cannot be moved without endangering the safety of the passengers or freight

Conductor, engineer Obstruction of crossing

NOTE: The section of the Public Utilities Code affected by this chapter appears in its proper place in that code, Chapter 764 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 3. Section 2 of this act becomes operative only if Division 4 of the Public Utilities Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 4 takes effect, at which time Section 485b added to the Civil Code by this act is repealed.

Effect Stats. 1951, Ch. 764

CHAPTER 649

An act authorizing a suit or suits against the State of California to quiet title against it to certain real property in the County of Napa, State of California, and the disposal of any right, title, or interest of the State of California therein.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Any person or persons owning or claiming any interest in or to that certain real property situated in the County of Napa, State of California, and described in this act, may bring suit against the State of California, in accordance with law, in any court of competent jurisdiction of the State of California, to quiet title to the said property and to prosecute the action to final judgment. If the judgment is given against the State in the suit, no costs shall be recovered against the State.

Permission to sue

SEC. 2. Any action brought under the provisions of this act shall be commenced within one year from the effective date of this act.

Commencement of suit

Service

SEC. 3. Service of summons in any such suit shall be made upon the Chairman of the State Lands Commission and Attorney General, and it shall be the duty of the Attorney General to represent the State in such suit.

Property involved

SEC. 4. The real property referred to in Section 1 of this act is described as follows:

All that real property in the County of Napa, State of California, described as follows:

Commencing at the southeast corner of Lot 8 as shown on that certain Map entitled, "Map of Coombsville," of record in the office of the County Recorder, Napa County, California; thence south 55 degrees west 98 feet to the northerly line of the Wild Horse Valley Road, leading from Napa to the Vallejo Lakes; thence along the said Northerly line of said road south 60¼ degrees east 105 feet, south 79¼ degrees east 163.68 feet and north 83 degrees east 169.53 feet; thence north 0 degrees 53 minutes east 319 32 feet; thence north 43 degrees 29 minutes west 458.05 feet to the center of a small creek; thence down the center of Creek south 58¼ degrees west 46 82 feet; thence south 2 degrees west 54 feet; thence south 39 degrees east 42.60 feet; thence south 2 degrees west 422 feet to the point of commencement.

Containing 3.91 acres of land, more or less, and being a portion of the northeast quarter of the southwest quarter of Section 8, Township 5 North, Range 3 West, Mount Diablo Base and Meridian.

Authority to convey

SEC. 5. The Department of Finance with the approval of the Attorney General is authorized to dispose of any right, title, or interest of the State of California in and to the real property described in this act by quitclaim deed or otherwise.

CHAPTER 650

An act authorizing a suit or suits against the State of California to quiet title against it to certain real property in the County of Napa, State of California, and the disposal of any right, title, or interest of the State of California therein.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

Permission to sue

SECTION 1. Any person or persons owning or claiming any interest in or to that certain real property situated in the County of Napa, State of California, and described in this act, may bring suit against the State of California, in accordance with law, in any court of competent jurisdiction of the State of California, to quiet title to the said property and to prosecute the action to final judgment. If the judgment is given against the State in the suit, no costs shall be recovered against the State.

SEC. 2. Any action brought under the provisions of this act shall be commenced within one year from the effective date of this act. Commencement of suit

SEC. 3. Service of summons in any such suit shall be made upon the Chairman of the State Lands Commission and Attorney General, and it shall be the duty of the Attorney General to represent the State in such suit. Service

SEC. 4. The real property referred to in Section 1 of this act is described as follows: Property involved

All that real property in the County of Napa, State of California, described as follows:

Commencing on the Northern line of the Wild Horse Valley Road, at the Southeastern corner of the 3.91 acre tract of land described in the deed to Homer C. Denney and wife of record in Book 238 of Official Records, page 489, said Napa County Records; running thence Northerly and Northwesterly, along the Eastern line of said 3.91 acre tract, to the most Northern corner thereof; thence Northeasterly, Southeasterly, and Easterly, along the Southern line of the 10.09 acre tract of land described in the deed to Edward G. Manasse and wife of record in Book 202 of Official Records, page 493, said Napa County Records; to the Northwestern line of the Wild Horse Valley Road; thence Southwesterly, and Westerly, along the Northwestern and Northern lines of said Road, to the point of commencement.

SEC. 5. The Department of Finance with the approval of the Attorney General is authorized to dispose of any right, title, or interest of the State of California in and to the real property described in this act by quitclaim deed or otherwise. Authority to convey

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CHAPTER 651

An act authorizing a suit or suits against the State of California to quiet title against it to certain real property in the County of Napa, State of California, and the disposal of any right, title, or interest of the State of California therein.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Any person or persons owning or claiming any interest in or to that certain real property situated in the County of Napa, State of California, and described in this act, may bring suit against the State of California, in accordance with law, in any court of competent jurisdiction of the State of California, to quiet title to the said property and to prosecute the action to final judgment. If the judgment is given against the State in the suit, no costs shall be recovered against the State. Permission to sue

Commencement of suit

SEC. 2. Any action brought under the provisions of this act shall be commenced within one year from the effective date of this act.

Service

SEC. 3. Service of summons in any such suit shall be made upon the Chairman of the State Lands Commission and Attorney General, and it shall be the duty of the Attorney General to represent the State in such suit.

Property involved

SEC. 4. The real property referred to in Section 1 of this act is described as follows:

All that real property in the County of Napa, State of California, described as follows:

All that portion of the North half of the South half of Section 8, Township 5 North, Range 3 West, M. D B. & M., that lies North of the County Road known as Wild Horse Valley Road, and South of a line running Easterly, at right angles to the West line of said Section 8, from a point on said West line that is 300 yards North of the center of Spencer Creek.

Authority to convey

SEC. 5. The Department of Finance with the approval of the Attorney General is authorized to dispose of any right, title, or interest of the State of California in and to the real property described in this act by quitclaim deed or otherwise

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CHAPTER 652

An act authorizing a suit or suits against the State of California to quiet title against it to certain real property in the County of Napa, State of California, and the disposal of any right, title, or interest of the State of California therein.

In effect September 22 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

Permission to sue

SECTION 1. Any person or persons owning or claiming any interest in or to that certain real property situated in the County of Napa, State of California, and described in this act, may bring suit against the State of California, in accordance with law, in any court of competent jurisdiction of the State of California, to quiet title to the said property and to prosecute the action to final judgment. If the judgment is given against the State in the suit, no costs shall be recovered against the State.

Commencement of suit

SEC. 2 Any action brought under the provisions of this act shall be commenced within one year from the effective date of this act.

Service

SEC 3. Service of summons in any such suit shall be made upon the Chairman of the State Lands Commission and Attorney General, and it shall be the duty of the Attorney General to represent the State in such suit.

Property involved

SEC. 4 The real property referred to in Section 1 of this act is described as follows:

All that real property in the County of Napa, State of California, described as follows:

Commencing at the southeast corner of the northwest quarter of Section 8, Township 5 North, Range 3 West, M. D. B. & M.; thence along the South line of the said Northwest quarter of said Section 8, West 685 feet to the intersection thereof with the Eastern line of the County Road that leads to the Wild Horse Valley Road; thence along the said Eastern line of the County Road South 16½ degrees West 21 9 feet; thence East 35 feet; thence South 2 degrees West 131 feet to the center of a small creek; thence up the center of the creek, North 58¼ degrees East 54.11 feet, and North 18 degrees 11 minutes East 44 51 feet; thence leaving the Creek South 76 degrees 47 minutes East 25 80 feet; thence South 47 degrees 36 minutes East 368.19 feet; thence East 1012 89 feet to the Western line of the County Road leading to the Vallejo Lakes; thence along the said Western line of the County Road North 57¾ degrees East 98 24 feet, North 3¾ degrees East 135.33 feet, North 25½ degrees East 124 46 feet, and North 2 degrees East 35 60 feet to the intersection thereof with the South line of the Northeast quarter of said Section 8; thence along the South line of said Northeast quarter of said Section 8, West 855.85 feet to the point of commencement.

Containing 10.09 acres of land, more or less, and being portions of the Northeast quarter of the Southwest quarter and the Northwest quarter of the Southeast quarter of said Section 8, Township 5 North, Range 3 West, M. D. B. & M.

SEC. 5. The Department of Finance with the approval of the Attorney General is authorized to dispose of any right, title, or interest of the State of California in and to the real property described in this act by quitclaim deed or otherwise. Authority to convey

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CHAPTER 653

An act to amend Section 1311 of the Fish and Game Code, relating to fur-bearing mammals.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1311 of the Fish and Game Code is amended to read:

1311. Fur-bearing mammals may be taken between November 16th and the day before the last day of February; provided, however, that any person who has first procured a license as provided in Section 1316 of this code may take muskrat at any time and in any manner in the agricultural districts of the following described areas: (a) All that area within the following boundaries beginning at the junction of Highway 99 and Season Fur-bearing mammals Muskrats

Highway 140 in the City of Merced; thence easterly following Highway 140 to its junction with the Burns Creek Dam Road; thence northerly following Burns Creek Dam Road to its junction with Bear Creek Drive Route 17; thence easterly following Bear Creek Drive Route 17 to its junction with Waltz Road Route 15; thence northerly following Waltz Road Route 15 to its junction with Cathay-Hornitas Road; thence northwesterly following Cathay-Hornitas Road to its junction with Merced Falls Road; thence northerly following Merced Falls Road to its junction with Snelling-LaGrange Road; thence northerly following Snelling-LaGrange Road to its junction with Cooperstown-Knights Ferry Road; thence northerly following Cooperstown-Knights Ferry Road to its junction with Knights Ferry-Farmington Road; thence northwesterly following Knights Ferry-Farmington Road to its junction with Escalon-Bellota Road; thence northerly following Escalon-Bellota Road to its junction with State Highway No. 8; thence southwesterly following State Highway No. 8 to its junction with Clements Road; thence northerly following Clements Road to its junction with State Highway No. 12; thence southwesterly following State Highway No. 12 to its junction with Lockeford Road; thence northwesterly following Lockeford Road to its junction with Elliott Road; thence northerly following Elliott Road to its junction with State Highway No. 104; thence southwesterly following State Highway No. 104 to its junction with Highway No. 99; thence northerly following Highway No. 99 to its junction with Highway No. 99E; thence northeasterly following Highway No. 99E to its junction with Marysville-Oroville Highway No. 24; thence northerly following Marysville-Oroville Highway No. 24 to its junction with Oroville-Pentz-Magalia Highway; thence northwesterly following Oroville-Pentz-Magalia Highway to its junction with Oroville-Chico Highway; thence northwesterly following Oroville-Chico Highway to its junction with Highway No. 99E; thence northerly following Highway No. 99E to its junction with Chico-Orland Highway No. 32; thence following Chico-Orland Highway No. 32 to its junction with State Highway No. 99W; thence southerly following State Highway No. 99W to its junction with Highway No 40; thence southeasterly following Highway No. 40 to its junction with Highway No. 21; thence southerly following Highway No. 21 to its junction with Highway No. 50; thence easterly following Highway No. 50 to its junction with Highway No. 33; thence southerly following Highway No 33 to its junction with Highway No. 180; thence easterly following Highway No. 180 to its junction with Highway No. 99; thence northerly following Highway No. 99 to point of beginning.

(b) Fish and Game District No. 22.

Muskrat hides

The hides of such muskrat may be possessed at any time but may be sold only during the regular trapping season as provided by this section and for a period of fifteen (15) days next following.

lowing Highway No. 99E to its junction with Chico-Orland Highway No. 32; thence following Chico-Orland Highway No. 32 to its junction with State Highway No. 99W; thence southerly following State Highway No. 99W to its junction with Highway No. 40; thence southeasterly following Highway No. 40 to its junction with Highway No. 21; thence southerly following Highway No. 21 to its junction with Highway No. 50; thence easterly following Highway No. 50 to its junction with Highway No. 33, thence southerly following Highway No. 33 to its junction with Highway No. 180; thence easterly following Highway No. 180 to its junction with Highway No. 99; thence northerly following Highway No. 99 to point of beginning.

(b) Fish and Game District No. 22.

Hides

The hides of such beaver must be inspected and tagged with the official tag of the Division of Fish and Game by a representative of the Fish and Game Commission before removal from the above described areas.

CHAPTER 655

An act to consolidate and revise the law relating to the organization, operation, and maintenance of a system of state and local government, by adding Sections 22, 22.1, 22.2, and 23 to 23 6, inclusive, to the Civil Code; by adding Chapter 2.5, comprising Sections 39 to 39.6, inclusive, to Title 1, Part 1 of the Code of Civil Procedure; by adding Sections 12b, 41, 58 to 58.8, inclusive, 59 to 59.8, inclusive, 60 to 60 4, inclusive, 61 to 61.8, inclusive, 62, 62.1, 65 1, 65.2, 78, 78.1, 79 to 79.58, inclusive, 98 to 98.7, inclusive, 196 and 196.1, 262 to 262.10, inclusive, 268, 304 to 304.4, inclusive, 537.5, 577.5, and 1885 to 1885.2, inclusive, to the Code of Civil Procedure; by adding Sections 1225 and 1227 to the Government Code; by adding Chapter 7, comprising Sections 6700 to 6706, inclusive, Chapter 8, comprising Sections 6800 to 6807, inclusive, and Chapter 9, comprising Sections 6850 to 6851, inclusive, to Division 7, Title 1 of the Government Code; by adding Article 8, comprising Sections 13240 and 13241, to Chapter 2, Part 3, Division 3, Title 2 of the Government Code; by adding Chapter 2, comprising Sections 15100 to 15105, inclusive, to Part 6, Division 3, Title 2 of the Government Code; by adding Part 9, comprising Sections 15600 to 15645, inclusive, to Division 3, Title 2 of the Government Code; by adding Section 24350.5 to the Government Code; by adding Section 8154 1 to the Education Code; by adding Sections 29, 30, and 31 to the Revenue and Taxation Code; by adding Part 12, comprising Sections 28001 to 28208, inclusive, to Division 2 of the Revenue and Taxation Code; by adding Sections 1039 and 1039.1 to the Penal Code; by adding Section 6210.1 to the Public Resources Code; by adding Sections 32 to 37, inclusive, to the Municipal Court

Stats 1925, p 648, amended

Act of 1925; and by repealing an act entitled "An act creating an additional district court of appeal known as the District Court of Appeal for the Fourth Appellate District, redividing the State into appellate districts, providing for the maintenance and operation of said court, and making an appropriation therefor," approved June 5, 1929, and sections of the Political Code specified herein.

Stats 1929, p 1202, repealed

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Sections 22, 22.1 and 22.2 are added to the Civil Code, to read:

DEFINITIONS AND SOURCES OF LAW

22. Law is a solemn expression of the will of the supreme power of the State.

Law

22.1. The will of the supreme power is expressed:

Expression of will of supreme power

(a) By the Constitution.

(b) By statutes.

22.2. The common law of England, so far as it is not repugnant to or inconsistent with the Constitution of the United States, or the Constitution or laws of this State, is the rule of decision in all the courts of this State.

Common law Application

SEC. 2. Sections 23 to 23.6, inclusive, are added to the Civil Code, to read:

EFFECT OF THE 1872 CODES

23. With relation to the laws passed at the 1872 Session of the Legislature, the Political Code, Civil Code, Code of Civil Procedure, and Penal Code, shall be construed as though each had been passed on the first day of the session.

Date passed

23.1. The provisions of any law passed at the 1872 Session of the Legislature which contravene or are inconsistent with the provisions of any of the four codes passed at the 1872 Session prevail.

Inconsistent statutes of 1872 Session

23.2. With relation to each other, the provisions of the four codes shall be construed as though all such codes had been passed at the same moment of time and were parts of the same statute.

Construction

23.3. If the provisions of any title conflict with or contravene the provisions of another title, the provisions of each title shall prevail as to all matters and questions arising out of the subject matter of the title

Conflicting provisions Within titles

23.4. If the provisions of any chapter conflict with or contravene the provisions of another chapter of the same title, the provisions of each chapter shall prevail as to all matters and questions arising out of the subject matter of the chapter.

Same Within chapters

23.5. If the provisions of any article conflict with or contravene the provisions of another article of the same chapter,

Same Within articles

the provisions of each article shall prevail as to all matters and questions arising out of the subject matter of the article.

Same Within sections

23.6. If conflicting provisions are found in different sections of the same chapter or article, the provisions of the sections last in numerical order shall prevail, unless such construction is inconsistent with the meaning of the chapter or article.

SEC. 3. Chapter 2 5, comprising Sections 39 to 39.6, inclusive, is added to Title 1, Part 1 of the Code of Civil Procedure, to read:

CHAPTER 2.5. THE JUDICIAL COUNCIL

Officers employees compensation

39. The Judicial Council may appoint and employ, during its pleasure, such officers, assistants, and other employees as it deems necessary for the performance of the duties and exercise of the powers conferred by law upon it and its members. It may determine the duties and fix and provide for the compensation of all such officers, assistants, and other employees.

Committees

39.1. The Chairman of the Judicial Council may appoint committees composed of justices or judges of the several courts to advise with the Judicial Council in studying the condition of business in the several courts and the means for simplifying and improving the administration of justice and in the performance of any other duties of the council authorized or imposed by law.

Same Powers

39.2. The committees may assemble information and make recommendations to the Judicial Council, but shall not exercise any of the powers vested in the council.

Same Compensation, expenses

39.3. Members of such committees shall receive no compensation from the State for their services. When called into session by the Chairman of the Judicial Council, they shall receive their actual and necessary expenses for travel, board, and lodging, which shall be paid from the funds appropriated to the use of the council. Such expenses shall be approved in such manner as the council directs, and shall be audited by the Controller in accordance with the rules of the Board of Control.

Notice of death, etc

39.4. Upon the death, removal, or resignation of any justice of the Supreme Court or of the district courts of appeal, or a judge of the superior court, the Secretary of the Judicial Council shall immediately give the Controller written notice of such death, removal, or resignation.

Cooperation of clerks

39.5. The county clerks, clerks of all courts of record, and clerks of such inferior courts as have clerks, shall cooperate with the Judicial Council. They shall keep such records and make such reports to the council, in such manner and at such times, as the chairman of the council requires, respecting the condition and manner of disposal of judicial business in their respective courts.

Salaries expenses Payment

39.6. All salaries and expenses incurred by the council pursuant to this chapter, including the necessary expenses for travel, board, and lodging of the members of the council and

its officers, assistants, and other employees incurred in the performance of the duties and business of the council, shall be paid from the funds appropriated for the use of the council. Such salaries and expenses shall be approved in such manner as the council directs, and shall be audited by the Controller in accordance with the rules of the Board of Control.

SEC. 4. Section 41 is added to the Code of Civil Procedure, to read:

Supreme Court Salaries

41. The annual salary of the Chief Justice of the Supreme Court is seventeen thousand dollars ($17,000) and the annual salary of each of the associate justices of the Supreme Court is sixteen thousand dollars ($16,000). Such salaries shall be payable monthly by the State.

SEC. 5. Sections 58 to 58.8, inclusive, are added to the Code of Civil Procedure, to read:

Employees

58. The Supreme Court may appoint and employ during its pleasure such phonographic reporters, assistants, secretaries, librarian, and other employees as it deems necessary for the performance of the duties and exercise of the powers conferred by law upon it and its members. Except as in this chapter otherwise provided, it shall determine the duties and fix and pay the compensation of all such officers and employees

Payment of salaries expenses

58.1. All salaries and expenses incurred under the provisions of this chapter by the Supreme Court shall be paid from the funds appropriated for its use, when approved by the order or orders of the court, and audited by the Controller.

Clerk

58.2. The Clerk of the Supreme Court shall perform such duties as are prescribed in this code and the Penal Code and such duties as are required of him by the rules and practices of the court.

Deputy clerks

58.3. The Clerk of the Supreme Court shall appoint six deputy clerks of the Supreme Court. He shall also appoint a chief deputy clerk of the Supreme Court who shall act as clerk of the court, in the absence of the clerk The chief deputy clerk and deputy clerks of the Supreme Court shall be civil executive officers. The Supreme Court shall fix and pay the compensation of such officers.

Fees

58.4. The Clerk of the Supreme Court shall collect in advance the following fees:

(a) For filing the transcript on appeal, in each civil case appealed to the Supreme Court, ten dollars ($10), in full of all services rendered in each case up to the rendering of the judgment or the issuing of the remittitur, when no petition for a rehearing has been filed.

(b) For filing a petition for a rehearing, and for all services to the issuing of remittitur to the court below, two dollars and fifty cents ($2.50).

(c) For filing petition for hearing in the Supreme Court, after decision in a district court of appeal, two dollars and fifty cents ($2.50).

(d) For filing motion or stipulation to dismiss appeal on clerk's certificate, two dollars and fifty cents ($2.50).

(e) For filing petitions for writs of mandate, review, prohibition, and other original proceedings, seven dollars and fifty cents ($7.50).

(f) For filing order extending time to file transcript, fifty cents ($0.50).

(g) For filing each paper in proceedings in certiorari or appeal to the Supreme Court of the United States, twenty-five cents ($0.25).

(h) For making record in proceedings in certiorari or appeal to the Supreme Court of the United States, and for copies of any record or document in his office, per folio, ten cents ($0.10), except that the Supreme Court by order may waive the charge for copies of opinions furnished to parties to the litigation.

(i) For comparing any document requiring a certificate, per folio, five cents ($0.05), except that when the document to be compared was printed or typewritten from the same type or at the same time as the original on file, and has been corrected in all respects to conform therewith, such charge shall be one cent ($0.01) per folio.

(j) For each certificate under seal, one dollar ($1).

(k) He shall administer oaths for verification of claims against the State without charge.

(l) For all other services not herein specified he must charge and collect the same fees as are prescribed by law for similar services by notaries public.

Disposition of fees

58.5. The fees collected by the Clerk of the Supreme Court shall be paid into the State Treasury to the credit of the General Fund. The clerk is responsible and in his settlement with the Controller shall account for, and be charged with, the full amount of all fees collected or chargeable, and accruing in causes brought into the court, for services rendered therein up to the time of each settlement. At the end of every month he shall pay the full amount into the State Treasury. At the end of every month he shall also render to the Controller, in such form as that officer prescribes, an account in detail, under his own oath, of all fees chargeable and accruing in causes brought into court and not included in his previous accounts rendered. His salary shall not be allowed or paid until all fees so accruing, and for which he is chargeable, have been accounted for and paid over.

Salary of clerk

58.6. The annual salary of the Clerk of the Supreme Court and ex officio secretary of the Judicial Council is ten thousand dollars ($10,000).

Bond

58.7. The Clerk of the Supreme Court shall execute an official bond in the sum of ten thousand dollars ($10,000).

Office hours of clerk

58.8. The offices of the Clerk of the Supreme Court shall be open for the transaction of business continuously from 9 a.m. until 5 p.m., every day in the year, holidays and Saturdays excepted, and on Saturdays the offices shall be so open from 9 a.m. until 12.30 p.m.

SEC. 6. Sections 59 to 59.8, inclusive, are added to the Code of Civil Procedure, to read:

Reporter, assistants

59. The reporter of the decisions of the Supreme Court and of the district courts of appeal and not more than three assistant reporters shall be appointed by the Supreme Court. The Supreme Court shall also appoint a clerk and a secretary to the reporter. Each of these officers shall be removable at the pleasure of the Supreme Court.

Same Salaries

59.1. The salary of the reporter of the decisions of the Supreme Court and of the district courts of appeal is six thousand three hundred sixty dollars ($6,360) a year. The salaries of the assistant reporters of decisions of the Supreme Court and of the district courts of appeal are one at four thousand eight hundred dollars ($4,800) a year and two at four thousand two hundred dollars ($4,200) a year each. The salary of the clerk of the reporter is three thousand three hundred seventy-two dollars ($3,372) a year. The salary of the secretary to the reporter is two thousand forty dollars ($2,040) a year.

Same Duties

59.2. The reporter of the decisions of the Supreme Court shall prepare a report of such cases decided as the court directs.

Same Record

59.3. From the notes delivered to him by the phonographic reporter, he shall prepare a report of each of the cases included therein. After preparing the report, he shall submit it to the court for correction and approval.

Reports Manner, form

59.4. Each report shall be made in such manner and form as the court directs.

Same Publication

59.5. The reports shall be published under the general supervision of the Supreme Court. The court may correct clerical errors in the opinion as filed, or authorize them to be corrected. It shall not in any manner alter the written opinion as to substance, argument, or authority cited, or omit any portion of the opinion as filed. All opinions filed shall be printed in full in the law reports. Proof sheets of the opinions shall be furnished by the official reporter to the Supreme Court from time to time as the cases are set up in galleys and corrections made.

Correction of proof

59.6. Within 30 days after the proof sheets are received by the Supreme Court, the justices shall return them to the official reporter with such corrections as they may desire, and the official reporter shall make the corrections accordingly. Before sending proof of any opinion to the Supreme Court or to the justices thereof, the official reporter shall carefully read the proof and cause all clerical errors to be corrected. He shall carefully verify all code citations found in the opinion, and in case of error or mistake in the citation in the opinion as filed, he shall call the attention of the court to the error by noting the proper section and code on the margin of the proof. The court or a justice thereof shall authorize the proper corrections to be made.

Original documents

59.7. The reporter may take the original opinions and papers in each case from the clerk's office, and retain them in his possession not exceeding 60 days.

Publication

59.8. The reports shall be published in well-bound volumes and printed on good book-paper, in small pica leaded and brevier, equal in quality of paper and binding to volumes 33 to 39, inclusive, of California Reports

SEC. 7. Sections 60 to 60.4, inclusive, are added to the Code of Civil Procedure, to read:

Same Contract

60. The reporter shall have no pecuniary interest in the volumes of reports, but they shall be published under the supervision of the court and reporter, by contract, to be entered into by the reporter, Secretary of State, and Attorney General, with the person or persons who shall agree to publish and sell the reports, for a period of five years, on the terms most advantageous to the State and the public, and at a rate not to exceed four dollars ($4) a volume of 700 pages.

Contract Bids

60.1. Before entering into any such contract, the Secretary of State shall advertise for proposals for the publication of the reports in one daily paper in Sacramento, one daily paper in San Francisco, and one daily paper in Los Angeles. The reporter, Secretary of State, and Attorney General shall consider all proposals for the publication of the reports which may be made to them and award the contract to the person who agrees to publish and sell them on the terms most advantageous to the State and public.

Same Terms

60.2. The contract shall require the publisher:

(a) To print and publish each volume in the style required by Section 59.8 within 60 days after the manuscript is delivered by the reporter.

(b) To sell copies to the State for official use only at the price fixed in the contract.

(c) To keep on hand and for sale at the price stipulated in the contract a sufficient number of each volume to supply all demands for six years after the publication

(d) To give bonds in the sum of ten thousand dollars ($10,000) for the fulfillment of the terms of the contract

State Printer

60.3. If after advertising the Secretary of State receives no proposals agreeing to print, publish, and sell the volumes at a price not exceeding four dollars ($4) a volume, the State Printer shall print and bind 1,200 copies of each volume, and deliver them to the Secretary of State The Secretary of State shall keep the copies of the edition on sale at four dollars ($4) a volume, at retail, and at such wholesale price as is fixed by the Governor, Controller, and Secretary of State At the end of each month he shall pay into the State Treasury the proceeds of all sales made by him.

Sale of copies

60.4. The Secretary of State may sell for official use only, at not less than cost, such copies of the bound volumes of the Decisions of the Supreme Court and of the District Courts of Appeal as have been purchased pursuant to Section 60.2.

SEC. 8. Sections 61 to 61.8, inclusive, are added to the Code of Civil Procedure, to read:

61. The annual salary of each of the justices of the district courts of appeal is fifteen thousands dollars ($15,000). Such salaries shall be payable monthly by the State. District Courts of Appeal Salary

61.1. The State is divided into four district courts of appeal districts designated and constituted as follows, subject to the power of the Supreme Court to remove one or more counties from one appellate district to another as provided in the Constitution: Four districts

1. The Counties of San Francisco, Marin, Contra Costa, Alameda, San Mateo, Santa Clara, Santa Cruz, Monterey, and San Benito shall constitute the First Appellate District.

2. The Counties of San Luis Obispo, Santa Barbara, Ventura, and Los Angeles, shall constitute the Second Appellate District

3 The Counties of Del Norte, Siskiyou, Modoc, Humboldt, Trinity, Shasta, Lassen, Tehama, Plumas, Mendocino, Lake, Colusa, Glenn, Butte, Sierra, Sutter, Yuba, Nevada, Sonoma, Napa, Yolo, Placer, Solano, Sacramento, El Dorado, San Joaquin, Amador, Calaveras, Stanislaus, Mariposa, Madera, Merced, Tuolumne, Alpine, and Mono shall constitute the Third Appellate District.

4. The Counties of Fresno, Tulare, Kings, Kern, Inyo, San Bernardino, Riverside, Orange, San Diego, and Imperial shall constitute the Fourth Appellate District.

61.2. The District Court of Appeal for the Second Appellate District shall consist of three divisions, each of which shall have and exercise all of the powers of the district court of appeal. Second District Divisions

61.3 The District Court of Appeal for the Fourth Appellate District consists of one division having three justices. Fourth District Division

61.4. The District Court of Appeal for the Fourth Appellate District shall hold its regular sessions at Fresno during the months of February, March, April and May, at San Diego during the months of June, July, August and September, and at San Bernardino during the months of January, October, November and December of each calendar year The court shall always be open for the transaction of business Same Sessions

61.5. Each justice of the Fourth Appellate District shall receive actual and necessary traveling expenses while engaged in the duties of the court in only two of any of the cities in which sessions of the court are held. Same Traveling expenses

61.6. Each district court of appeal may appoint and employ a clerk at a salary per month within the following range: four hundred eighty-one dollars ($481), five hundred five dollars ($505), five hundred thirty dollars ($530), five hundred fifty-six dollars ($556), and five hundred eighty-four dollars ($584). Clerks

61.7. The district courts of appeal may appoint and employ during their pleasure such phonographic reporters, assistants, secretaries, librarians, and other employees as they deem necessary for the performance of the duties and exercise of the powers conferred by law upon such courts and the members thereof, and, except as in this chapter otherwise provided, may determine the duties and, subject to Section 18004 of the Other employees

Government Code, fix and pay the compensation of all such officers and employees.

All salaries and expenses incurred under this section shall be paid from the funds appropriated for the use of such courts, when approved by order or orders of the courts.

Phonographic reporter

61 8. The District Courts of Appeal of the Third and Fourth Appellate Districts and each division of the District Courts of Appeal of the First and Second Appellate Districts may employ and appoint a phonographic reporter, who shall be competent to write shorthand at the rate of at least 150 words a minute and to transcribe them correctly. His duties shall be to take down in shorthand the proceedings of the court, and to act as secretary to the judges in the discharge of their official duties. The phonographic reporter shall hold office during the pleasure of the court making the appointment.

SEC. 9. Sections 62 and 62.1 are added to the Code of Civil Procedure, to read:

Fees

62. The clerk of each of the district courts of appeal shall collect in advance the following fees:

(a) For filing the transcript on appeal in each civil case appealed to the district court of appeal, of which he is clerk, ten dollars ($10), in full of all services rendered in each case up to the rendering of the judgment, or the issuing of the remittitur, when no petition for hearing has been filed.

(b) For filing petition for rehearing, and for all services to the issuing of the remittitur to the court below, two dollars and fifty cents ($2.50).

(c) For filing motion to dismiss on appeal clerk's certificate, two dollars and fifty cents ($2 50).

(d) For filing petitions for writs of mandate, review, prohibition, and other original proceeding, seven dollars and fifty cents ($7 50), in full for all services rendered in each case.

(e) For filing order extending time to file transcript, fifty cents ($0 50).

(f) For certificate of admission of attorney or counselor, ten dollars ($10).

(g) For filing each paper in proceedings for a hearing in the Supreme Court, twenty-five cents ($0.25).

(h) For making a record upon hearing before the Supreme Court, and for copies of any record or document in his office, per folio, ten cents ($0.10), but this fee shall not be taxed against parties to suit for any paper, or copy of paper, up to and including remittitur.

(i) For comparing any document requiring certificate, per folio, five cents ($0.05).

(j) For each certificate under seal, one dollar ($1).

Disposition of fees

62.1 All fees collected by the clerks of the district courts of appeal shall be paid into the State Treasury to the credit of the General Fund. The provisions of Section 58 5 relating to settlements by the Clerk of the Supreme Court are applicable to the clerks of the district courts of appeal.

SEC. 10. Sections 65.1 and 65.2 are added to the Code of Civil Procedure, to read:

Superior courts Duties of judges

65.1. Each judge of the superior court shall perform such duties as are prescribed by the laws of the State and in this chapter.

Same Re grand juries

65.2. Whenever a grand jury is impaneled, the judge of the superior court of each county, in addition to other matters requiring action, shall call its attention to the provisions of Chapter 1, Division 1, Title 3, and Sections 24053, 24054, and 26525 of the Government Code, and instruct it to ascertain by a careful and diligent investigation whether the provisions thereof have been complied with, and to note the result of such investigation in its report.

SEC. 11. Sections 78 and 78.1 are added to the Code of Civil Procedure, to read:

County clerk

78. The county clerk is ex officio clerk of the superior court in and for his county.

Same Duties

78.1. The clerk shall:

(a) Attend each session of the superior court in his county, or city and county, and upon the judge or judges thereof in chambers when required.

(b) Keep such indexes as will insure ready reference to any action or proceeding filed in the court. There shall be separate indexes of plaintiffs and defendants in civil actions and of defendants in criminal actions. The name of each plaintiff and defendant shall be indexed and there shall appear opposite each name indexed the number of the action or proceeding and the name or names of the adverse litigant or litigants, if any.

(c) Issue all process and notices required to be issued.

(d) Keep the minutes and other records of the court, entering at length any order, judgment, and decree of the court which is required to be entered.

(e) Keep a register of actions in which shall be entered the title of each cause, with the date of its commencement and a memorandum of every subsequent proceeding therein, with date thereof.

(f) Safely keep or dispose of according to law all papers and records filed or deposited in any action or proceeding before the court.

(g) Perform such other duties as are required of him by law.

SEC. 12. Sections 79 to 79.58, inclusive, are added to the Code of Civil Procedure, to read:

Salary of judges

79. The annual salary of each of the judges of the superior court of the State shall be the amount fixed by this chapter, of which amount the State shall pay five thousand seven hundred fifty dollars ($5,750) and the remainder shall be paid by the county or city and county in and for which the judge is elected or appointed.

The provisions of this code prescribing salaries do not effect an appropriation of money and shall not be construed as making appropriations for that purpose. Such salaries shall be

payable only from such funds as may be made available therefor under other provisions of law.

Alameda County

79.1. The annual salary of each judge of the Superior Court in and for the County of Alameda is fifteen thousand dollars ($15,000).

Alpine County

79.2. The annual salary of the judge of the Superior Court in and for the County of Alpine is seven thousand dollars ($7,000).

Amador County

79.3. The annual salary of the judge of the Superior Court in and for the County of Amador is eight thousand five hundred dollars ($8,500).

Butte County

79.4. The annual salary of each judge of the Superior Court in and for the County of Butte is ten thousand dollars ($10,000).

Calaveras County

79.5 The annual salary of the judge of the Superior Court in and for the County of Calaveras is eight thousand five hundred dollars ($8,500).

Colusa County

79.6. The annual salary of the judge of the Superior Court in and for the County of Colusa is eight thousand five hundred dollars ($8,500).

Contra Costa County

79.7. The annual salary of each judge of the Superior Court in and for the County of Contra Costa is twelve thousand dollars ($12,000).

Del Norte County

79.8. The annual salary of the judge of the Superior Court in and for the County of Del Norte is nine thousand dollars ($9,000).

El Dorado County

79.9. The annual salary of the judge of the Superior Court in and for the County of El Dorado is eight thousand five hundred dollars ($8,500).

Fresno County

79.10. The annual salary of each judge of the Superior Court in and for the County of Fresno is twelve thousand five hundred dollars ($12,500).

Glenn County

79.11. The annual salary of the judge of the Superior Court in and for the County of Glenn is eight thousand five hundred dollars ($8,500).

Humboldt County

79.12. The annual salary of each judge of the Superior Court in and for the County of Humboldt is twelve thousand dollars ($12,000).

Imperial County

79.13. The annual salary of each judge of the Superior Court in and for the County of Imperial is eleven thousand dollars ($11,000).

Inyo County

79.14. The annual salary of the judge of the Superior Court in and for the County of Inyo is eight thousand five hundred dollars ($8,500).

Kern County

79.15. The annual salary of each judge of the Superior Court in and for the County of Kern is ten thousand five hundred dollars ($10,500).

Kings County

79.16. The annual salary of the judge of the Superior Court in and for the County of Kings is twelve thousand dollars ($12,000).

79.17. The annual salary of the judge of the Superior Court in and for the County of Lake is nine thousand dollars ($9,000). Lake County

79.18. The annual salary of the judge of the Superior Court in and for the County of Lassen is nine thousand two hundred fifty dollars ($9,250). Lassen County

79.19. The annual salary of each judge of the Superior Court in and for the County of Los Angeles is fifteen thousand dollars ($15,000). Los Angeles County

79.20. The annual salary of the judge of the Superior Court in and for the County of Madera is ten thousand dollars ($10,000). Madera County

79.21. The annual salary of each judge of the Superior Court in and for the County of Marin is twelve thousand dollars ($12,000). Marin County

79.22. The annual salary of the judge of the Superior Court in and for the County of Mariposa is eight thousand five hundred dollars ($8,500). Mariposa County

79.23. The annual salary of the judge of the Superior Court in and for the County of Mendocino is eight thousand five hundred dollars ($8,500). Mendocino County

79.24 The annual salary of each judge of the Superior Court in and for the County of Merced is ten thousand dollars ($10,000). Merced County

79.25. The annual salary of the judge of the Superior Court in and for the County of Modoc is eight thousand five hundred dollars ($8,500). Modoc County

79 26. The annual salary of the judge of the Superior Court in and for the County of Mono is eight thousand five hundred dollars ($8,500). Mono County

79.27. The annual salary of each judge of the Superior Court in and for the County of Monterey is twelve thousand dollars ($12,000). Monterey County

79.28. The annual salary of the judge of the Superior Court in and for the County of Napa is twelve thousand dollars ($12,000). Napa County

79.29. The annual salary of the judge of the Superior Court in and for the County of Nevada is eight thousand seven hundred dollars ($8,700). Nevada County

79 30. The annual salary of each judge of the Superior Court in and for the County of Orange is twelve thousand five hundred dollars ($12,500). Orange County

79 31. The annual salary of the judge of the Superior Court in and for the County of Placer is eleven thousand dollars ($11,000). Placer County

79.32. The annual salary of the judge of the Superior Court in and for the County of Plumas is nine thousand dollars ($9,000). Plumas County

79.33. The annual salary of each judge of the Superior Court in and for the County of Riverside is ten thousand five hundred dollars ($10,500). Riverside County

Sacramento County

79.34. The annual salary of each judge of the Superior Court in and for the County of Sacramento is thirteen thousand dollars ($13,000).

San Benito County

79.35. The annual salary of the judge of the Superior Court in and for the County of San Benito is eight thousand five hundred dollars ($8,500).

San Bernardino County

79.36. The annual salary of each judge of the Superior Court in and for the County of San Bernardino is twelve thousand dollars ($12,000).

San Diego County

79.37. The annual salary of each judge of the Superior Court in and for the County of San Diego is fifteen thousand dollars ($15,000).

San Francisco County

79.38. The annual salary of each judge of the Superior Court in and for the City and County of San Francisco is fifteen thousand dollars ($15,000).

San Joaquin County

79.39. The annual salary of each judge of the Superior Court in and for the County of San Joaquin is ten thousand dollars ($10,000).

San Luis Obispo County

79.40. The annual salary of the judge of the Superior Court in and for the County of San Luis Obispo is ten thousand dollars ($10,000).

San Mateo County

79.41. The annual salary of each judge of the Superior Court in and for the County of San Mateo is twelve thousand dollars ($12,000).

Santa Barbara County

79.42. The annual salary of each judge of the Superior Court in and for the County of Santa Barbara is twelve thousand dollars ($12,000).

Santa Clara County

79.43. The annual salary of each judge of the Superior Court in and for the County of Santa Clara is twelve thousand five hundred dollars ($12,500).

Santa Cruz County

79.44. The annual salary of the judge of the Superior Court in and for the County of Santa Cruz is twelve thousand dollars ($12,000).

Shasta County

79.45. The annual salary of the judge of the Superior Court in and for the County of Shasta is nine thousand dollars ($9,000).

Sierra County

79.46. The annual salary of the judge of the Superior Court in and for the County of Sierra is eight thousand dollars ($8,000).

Siskiyou County

79.47. The annual salary of the judge of the Superior Court in and for the County of Siskiyou is ten thousand dollars ($10,000).

Solano County

79.48 The annual salary of each judge of the Superior Court in and for the County of Solano is twelve thousand dollars ($12,000).

Sonoma County

79.49. The annual salary of each judge of the Superior Court in and for the County of Sonoma is twelve thousand dollars ($12,000).

Stanislaus County

79.50. The annual salary of each judge of the Superior Court in and for the County of Stanislaus is ten thousand dollars ($10,000).

79.51. The annual salary of the judge of the Superior Court in and for the County of Sutter is ten thousand dollars ($10,000). Sutter County

79.52. The annual salary of the judge of the Superior Court in and for the County of Tehama is eight thousand five hundred dollars ($8,500). Tehama County

79.53. The annual salary of the judge of the Superior Court in and for the County of Trinity is nine thousand dollars ($9,000). Trinity County

79.54. The annual salary of each judge of the Superior Court in and for the County of Tulare is twelve thousand five hundred dollars ($12,500). Tulare County

79.55. The annual salary of the judge of the Superior Court in and for the County of Tuolumne is eight thousand five hundred dollars ($8,500). Tuolumne County

79.56 The annual salary of each judge of the Superior Court in and for the County of Ventura is twelve thousand dollars ($12,000). Ventura County

79.57. The annual salary of the judge of the Superior Court in and for the County of Yolo is twelve thousand dollars ($12,000). Yolo County

79.58. The annual salary of the judge of the Superior Court in and for the County of Yuba is ten thousand dollars ($10,000). Yuba County

SEC. 13. Sections 98 to 98.7, inclusive, are added to Article 3, Chapter 5, Title 1, Part 1 of the Code of Civil Procedure, to read:

98. No person shall be eligible to the office of justice of the peace of any city, city and county, town, or judicial township having a population of 30,000 or more, unless he has been admitted to practice before the Supreme Court of the State. This section does not apply to any person holding such office on August 14, 1929, and during such time as he continuously holds office after that date. Justice of the peace Qualifications

98.1. Each justice of the peace shall prepare, and keep posted in a conspicuous place in his office, a plain and legible statement of the fees allowed by law to justices of the peace and constables. For failure so to do, he shall forfeit fifty dollars ($50), to be recovered, with costs, by any person, before any other justice of the peace of the county. Statement of fees

98.2. When any money is paid into his court, each justice of the peace shall issue forthwith a receipt therefor in triplicate upon a form prescribed by the auditor of the county in which the court is situated. The receipts shall be numbered in numerical sequence and the original copy shall be delivered to the payor, the duplicate copy shall be filed with the county auditor at the time such money is deposited in the county treasury and the triplicate copy shall be filed in the office of the justice. Receipts

98.3. Each justice of the peace shall keep posted in a conspicuous place in his office, a plain and legible notice reading substantially as follows: "Notice to Public—Each justice of the peace is required by law to forthwith give official receipts Required notice

for any money paid into his court. Secure your receipt when payment is made."

Same Non-compliance

98.4. Failure, refusal, or neglect on the part of any justice of the peace to comply with the provisions of Sections 98.2 and 98.3 constitutes misconduct in office and is ground for removal therefrom.

Penalty

98.5. Any justice of the peace who fails, refuses or neglects to comply with the provisions of Sections 98.2 and 98.3 is guilty of a misdemeanor.

Application

98.6. Sections 98.2, 98.3, 98.4, and 98.5 do not apply to any city justice's court or other inferior court maintained and operated by a municipality.

Fees

98.7. Justices of the peace, except as otherwise provided by law, shall charge for all services to be performed by them in civil actions the following fees:

(a) For filing the complaint, or other first paper, four dollars ($4), to be paid before complaint is filed, and to include all proceedings before trial and all services to be performed in a judgment by default or for the trial of either a question of law or fact, and all proceedings subsequent thereto, including all affidavits, swearing witnesses and jury, entry of judgment, issuance of execution thereon, and other proceedings supplemental thereto.

(b) For filing the papers transmitted from another court on a transfer of a civil action or proceeding, and all proceedings thereon, four dollars ($4).

(c) For certificate and transmitting transcript and papers on appeal, one dollar ($1).

(d) For copies of papers on docket, per folio, ten cents ($0.10).

(e) When the venue in a case in the justice's court is changed, for making up and transmission of the transcript and papers, one dollar ($1); and a further sum equal to the fee for filing in the court to which the case is transferred. The justice shall transmit such filing fee, with the papers in the case, to the clerk or justice of the court to which the case is transferred.

(f) For taking an acknowledgment of any instrument, for the first name, fifty cents ($0.50); for each additional name, twenty-five cents ($0.25).

(g) For taking depositions, per folio, fifteen cents ($0.15).

(h) For issuing a commission to take testimony, fifty cents ($0.50).

(i) For all services connected with the posting of estrays, one dollar ($1).

(j) For issuing a transcript of the docket, one dollar ($1).

(k) For issuing an abstract of judgment, one dollar ($1).

(*l*) For certifying a copy of any paper, record, or proceeding in his office, twenty-five cents ($0.25).

(m) For receiving and filing an abstract of judgment rendered by a justice or judge of another court, and for subsequent services based thereon, four dollars ($4).

(n) For performing the duties of coroner, when the coroner fails to act, the same fees and mileage as are allowed the coroner in all cases.

(o) For issuing each process, writ, order or paper required by law to be issued not otherwise in this section provided for, twenty-five cents ($0.25).

(p) For administering an oath or affirmation not otherwise in this section provided for, twenty-five cents ($0.25).

(q) For each certificate or affidavit not otherwise in this section provided for, twenty-five cents ($0.25).

(r) For taking and approving a bond or undertaking, including the justification of sureties, fifty cents ($0.50).

SEC. 14. Sections 262 to 262.10, inclusive, are added to the Code of Civil Procedure, to read:

Sheriff Written authority

262. No direction or authority by a party or his attorney to a sheriff, in respect to the execution of process or return thereof, or to any act or omission relating thereto, is available to discharge or excuse the sheriff from a liability for neglect or misconduct, unless it is contained in a writing, signed by the attorney of the party, or by the party, if he has no attorney.

Execution of process, etc., valid on face

262.1. A sheriff or other ministerial officer is justified in the execution of, and shall execute, all process and orders regular on their face and issued by competent authority, whatever may be the defect in the proceedings upon which they were issued.

Duty to show process

262.2. The officer executing process shall then, and at all times subsequent, so long as he retains it, upon request, show the process, with all papers attached, to any person interested therein.

Execution by successor

262.3. When any process remains with the sheriff unexecuted, in whole or in part, at the time of his death, resignation of office, or at the expiration of his term of office, such process shall be executed by his successor or successors in office.

Sale under execution

262.4. When the sheriff sells real estate, under and by virtue of an execution or order of court, he or his successors in office shall execute and deliver to the purchaser or purchasers all such deeds and conveyances as are required by law and necessary for the purpose, and such deeds and conveyances shall be as valid in law as if they had been executed by the sheriff who made the sale.

Service of paper

262.5. Service of a paper, other than process, upon the sheriff may be made by delivering it to him or to one of his deputies, or to a person in charge of the office during office hours, or, if no such person is there, by leaving it in a conspicuous place in the office.

Party to action

262.6. When the sheriff is a party to an action or proceeding, the process and orders therein, which it would otherwise be the duty of the sheriff to execute, shall be executed by the coroner of the county.

Action against sheriff

262.7. When any action is begun against the sheriff, all process and orders may be served by any person, a citizen of

the United States over the age of 18 years, in the manner provided in this code.

Execution

262.8. Process or orders in an action or proceeding may be executed by a person residing in the county, designated by the court, or the judge thereof, and denominated an elisor, in the following cases:

(a) When the sheriff and coroner are both parties.

(b) When either of these officers is a party, and the process is against the other.

(c) When either of these officers is a party, and there is a vacancy in the office of the other, or where it appears, by affidavit, to the satisfaction of the court in which the proceeding is pending, or the judge thereof, that both of these officers are disqualified, or by reason of any bias, prejudice, or other cause would not act promptly or impartially.

Same By an elisor

262.9. When process is delivered to an elisor, he shall execute and return it in the same manner as the sheriff is required to execute similar process.

Same Compensation

262.10. Whenever process is executed, or any act performed by a coroner or elisor, he shall receive a reasonable compensation, to be fixed by the court, to be paid by the plaintiff in case of the summoning of jurors to complete the panel, and by the person or party requiring the service in all other cases in private action. If rendered at the instance of the people, it shall be audited and paid as a county charge.

SEC. 15. Section 268 is added to Chapter 3, Title 4, Part 1 of the Code of Civil Procedure, to read:

Official reporter

268. The official reporter shall perform the duties required of him by law.

SEC. 16. Sections 304 to 304.4, inclusive, are added to Chapter 2, Title 5, Part 1, of the Code of Civil Procedure, to read:

Bonds Application

304. The provisions of this chapter apply to the bonds of receivers, executors, administrators, and guardians.

Same Form, prosecution

304.1. All bonds or undertakings given by trustees, receivers, assignees, or officers of a court in an action or proceeding for the faithful discharge of their duties, where it is not otherwise provided, shall be in the name of and payable to the State of California; and upon the order of the court where such action or proceeding is pending may be prosecuted for the benefit of any and all persons interested therein.

Same Action to enforce

304.2. When an action is commenced in any court in this State for the benefit of the State, to enforce the penalty of or to recover money upon an official bond or obligation, or any bond or obligation executed in favor of the State of California, or of the people of this State, the attorney or other person prosecuting the action may file with the court in which the action is commenced an affidavit, stating either positively or on information and belief that such bond or obligation was executed by the defendant or one or more of the defendants (designating whom), and made payable to the people of the State, or to the State of California, and that the defendant or defendants have

real estate or interest in lands (designating the county or counties in which the same is situated), and that the action is prosecuted for the benefit of the State. Thereupon the clerk receiving such affidavit shall certify to the recorder of the county in which such real estate is situated the names of the parties to the action, the name of the court in which the action is pending, and the amount claimed in the complaint, with the date of the commencement of the suit.

Interpreters', translators' fees

304.3. Interpreters' and translators' fees, except as otherwise provided by statute are as follows:

(a) For each day's actual attendance at a coroner's inquest, when legally required to attend, five dollars ($5) a day.

(b) For each day's actual attendance upon a court, when legally required to attend, such fee as may be allowed by the court, not to exceed ten dollars ($10) a day.

The aggregate amount of fees that may be allowed to any one person under this section shall not exceed ten dollars ($10) a day.

Same Payment

304.4. Interpreters' and translators' fees shall be paid:

(a) In criminal cases and in coroners' cases, from the county treasury upon warrants drawn by the county auditor, when so ordered by the court or by the coroner, as the case may be.

(b) In civil cases, by the litigants, in such proportions as the court may direct, to be taxed and collected as other costs. The county's proportion, if any, of such fees so ordered to be paid in any civil suit to which the county is a party shall be paid in the same manner as such fees are paid in criminal cases.

SEC. 17. Sections 196 and 196.1 are added to the Code of Civil Procedure, to read:

Jurors' fees Civil

196. Jurors' fees in civil cases, except as by statute otherwise provided, are:

(a) For attending, as a grand juror or juror in the superior court or municipal court, for each day's attendance, per day, two dollars ($2).

(b) For attending city courts of cities of the fifth and sixth class, for each juror sworn to try the cause, per day, two dollars ($2).

(c) For each mile actually traveled in attending court as a juror, in going only, per mile, fifteen cents ($0.15).

(d) For attending justices' courts, for each juror sworn, three dollars ($3) per day. In addition each juror attending a justice's court shall be entitled to fifteen cents ($0.15) per mile, for each mile actually traveled in attending as a juror, in going only, together with meals and lodging.

Same Criminal

196.1. The jurors' fees to be paid in criminal cases in justice and municipal courts are county charges where the cause is tried in a municipal or township court. In any criminal case in an inferior court in which any fine or forfeiture which would accrue would be payable to the treasurer of the county in which the court is located, the sums required by law to be paid to the trial jurors in the case, are county charges. In all other cases

the fees are proper charges against the municipality in which the court is located.

SEC. 18. Sections 1885 to 1885.2, inclusive, are added to the Code of Civil Procedure, to read:

Witness' fees

1885. Witness' fees, except as by statute otherwise provided, are:

(a) For each day's actual attendance, when legally required to attend upon the superior court, two dollars ($2) a day in civil cases and one dollar and fifty cents ($1.50) in criminal cases and mileage actually traveled, one way only, per mile, ten cents ($0.10). In criminal cases such per diem and mileage shall only be allowed upon a showing to the court, by the witness, that the allowances are necessary for the expenses of the witness in attending, and the court shall determine the necessity for the allowances, and may disallow any fees to a witness unnecessarily subpenaed

(b) For each day's actual attendance, when legally required to attend before a grand jury, one dollar and fifty cents ($1.50) per day and mileage for each mile actually traveled in attendance as such witness, one way only, ten cents ($0.10).

(c) For each day's actual attendance, when legally required to attend, or in the event the witness attends voluntarily and is called to testify, before a coroner's jury, one dollar ($1) a day and mileage for each mile actually traveled in attendance as a witness, one way only, ten cents ($0.10). Such per diem and mileage shall be a county charge.

(d) For each day's attendance upon a justice's court, in civil cases only, when legally required to attend, one dollar ($1) a day and mileage for each mile actually traveled, in going only, ten cents ($0.10).

Same Civil cases

1885.1. Witnesses in civil cases may demand the payment of their mileage and fees for one day, in advance, and when so demanded shall not be compelled to attend until the allowances are paid.

Same Criminal, inferior courts

1885.2. Witness' fees in criminal cases in inferior courts are charges against the same funds as jurors' fees in such cases.

SEC. 19. Section 24350 5 is added to the Government Code, to read:

Fees in advance

24350.5. County officers shall, and township officers may, demand the payment of all fees in civil cases, in advance

SEC. 20. Section 537.5 is added to the Code of Civil Procedure, to read:

Attachment· Secrecy

537.5. In cases of attachment the clerk of the court with whom the complaint is filed shall not make public the fact of the filing of the complaint, or of the issuance of the attachment, until after the filing of the return of service of the writ of attachment.

SEC. 21. Section 577.5 is added to the Code of Civil Procedure, to read:

Judgment Computation

577.5. In any judgment, or execution upon such judgment, the amount shall be computed and stated in dollars and cents, rejecting fractions.

SEC. 22. Section 1225 is added to the Government Code, to read:

1225. Every executive and judicial officer may administer and certify oaths. Oaths Administration, etc

SEC. 23. Section 1227 is added to the Government Code, to read:

1227. The public records and other matters in the office of any officer, except as otherwise provided, are at all times during office hours open to inspection of any citizen of the State. Records open to public

SEC. 24. Chapter 7, comprising Sections 6700 to 6706, inclusive, is added to Division 7, Title 1, of the Government Code, to read:

CHAPTER 7. HOLIDAYS

6700. The holidays in this State are: State holidays

(a) Every Sunday.
(b) January 1st.
(c) February 12th, known as "Lincoln Day."
(d) February 22d.
(e) May 30th.
(f) July 4th.
(g) First Monday in September.
(h) September 9th, known as "Admission Day."
(i) October 12th
(j) November 11th, known as "Armistice Day."
(k) December 25th.
(l) Good Friday from 12 noon until 3 p m.
(m) Every day on which an election is held throughout the State.
(n) Every day appointed by the President or Governor for a public fast, thanksgiving, or holiday.

6701 If January 1st, February 12th, February 22d May 30th, July 4th, September 9th, October 12th, November 11th, or December 25th falls upon a Sunday, the Monday following is a holiday. Following Monday

6702. Every Saturday from noon to midnight is a holiday as regards the transaction of business in the public offices of the State and political divisions where laws, ordinances, or charters provide that public offices shall be closed on holidays. This section shall not be construed to prevent or invalidate the issuance, filing, service, execution, or recording of any legal process or written instrument during such period. Saturday

6703. Public offices of the State, state institutions, and the University of California shall be closed on Admission Day. Public offices of the State and state institutions, except the University of California, shall be closed on Armistice Day. Admission, Armistice Days

6704. The legislative body of any city or district may, by ordinance or resolution, provide that every Saturday is a holiday as respects the transaction of business in the public offices of such cities or districts except that provision shall be made for the continuance of essential public services such as Saturday Cities, districts

police and fire protection. The office of the clerk of a municipal court established under the provisions of the Municipal Court Act of 1925 is excluded from the provisions of this section.

Special, etc., holidays

6705. A special or limited holiday is a holiday applying only to a special class or classes of business, or a special class or classes of persons, and not appointed to be generally observed throughout the State by all classes of business and all classes of persons.

On any special or limited holiday appointed by the President or Governor, all courts and public offices of the State, any political subdivision, or any city, shall be open and function in their normal and usual manner. All other public functions shall be performed as on days which are not holidays, and all contracts shall be performed and business transacted as usual, except only as to or by the particular class of business or persons expressly limited or restricted by the provisions of the proclamation appointing or declaring such special or limited holiday.

Performance on holiday

6706. Whenever any act of a secular nature, other than a work of necessity or mercy, is appointed by law or contract to be performed upon a particular day which falls upon a holiday, such act may be performed upon the next business day with the same effect as if it had been performed upon the day appointed

SEC. 24.5. Section 8154.1 is added to the Education Code, to read:

Public schools Special, etc., holidays

8154.1. The public schools shall continue in session on all special and limited holidays declared by the President or by the Governor.

SEC. 25. Section 12b is added to the Code of Civil Procedure, to read:

Closing considered holiday

12b. If any city, county, state, or public office, other than a branch office, is closed for the whole of any day, insofar as the business of that office is concerned, that day shall be considered as a holiday for the purposes of computing time under Sections 12 and 12a.

SEC. 26. Chapter 8, comprising Sections 6800 to 6807, inclusive, is added to Division 7 of Title 1 of the Government Code, to read:

CHAPTER 8. COMPUTATION OF TIME

First, last day

6800. The time in which any act provided by law is to be done is computed by excluding the first day, and including the last, unless the last day is a holiday, and then it is also excluded.

Year

6801. Time is computed according to the Gregorian or new style; and January 1st, in every year, after 1752 is reckoned as the first day of the year.

Leap year

6802. The years 1900, 2100, 2200, 2300, or any other future hundredth year, of which the year 2000 is the first, except only every fourth hundredth year, are not leap years, but common years of 365 days. The years 2000, 2400, 2800, and every

other fourth hundredth year after 2000 and every fourth year, except as provided in this section, which, by usage in this State is considered a leap year, is a leap year consisting of 366 days.

6803. "Year" means a period of 365 days; "half year," 182 days; "quarter of a year," 91 days. The added day of a leap year, and the day immediately preceding, if they occur in any such period, shall be reckoned together as one day. "Year," "half," "quarter"

6804. "Month" means a calendar month, unless otherwise expressed. "Month"

6805. A week consists of seven consecutive days. Week

6806 A day is the period of time between any midnight and the midnight following. Day

6807. "Daytime" is the period of time between sunrise and sunset. "Nighttime" is the period of time between sunset and sunrise. "Daytime," "nighttime"

SEC. 27. Chapter 9, comprising Sections 6850 and 6851, is added to the Government Code, to read:

CHAPTER 9. MONEY OF ACCOUNT

6850 The money of account of this State is the dollar, cent, and mill Public accounts and all proceedings in courts shall be kept and had in conformity with this section. Dollar, cent, mill

6851. This chapter does not vitiate or affect any account, charge, or entry originally made, or any note, bond, or other instrument expressed in any other money of account; but such account, charge, or entry shall be reduced to dollars, or parts of dollars, in any suit upon it. Other money

SEC. 28 Article 8, comprising Sections 13240 and 13241, is added to Chapter 2, Part 3, Division 3, Title 2 of the Government Code, to read:

Article 8. State Teletype System

13240. The Director of Finance shall fix the charge to be paid by any state department, officer, board, or commission, or any city, county, city and county, or other public agency to the State Bureau of Criminal Identification and Investigation for transmitting messages over the State's Teletype System. Charge

13241. In the case of a state agency, the charge shall be paid from the money available by law for the support of the state agency using the system. Payment State agencies

SEC. 29. Chapter 2, comprising Sections 15100 to 15105, inclusive, is added to Part 6, Division 3, Title 2 of the Government Code, to read:

CHAPTER 2 STATE'S TELETYPE SYSTEM

15100 The State's Teletype System shall be operated by the State Bureau of Criminal Identification and Investigation. Operation

15101. The system shall be used exclusively for the official business of the State, and the official business of any city, county, city and county, or other public agency. Use

Charges

15102. The charges for transmitting messages over the system shall be fixed pursuant to Section 13240.

Receipts

15103. The bureau shall file with the Controller a monthly report of all money received for the use of the system, and at the same time deposit all such money with the Treasurer.

Credit

15104. All sums so deposited shall be credited by the Controller to the current appropriation for the support of the bureau, and shall be used by the bureau for the same purposes for which the appropriation was made.

Other agencies

15105. This chapter does not prohibit the use of the State's Teletype System by any other state or public agency thereof when connection is made to the State's Teletype System at or within the boundaries of this State and when the messages transmitted relate to the enforcement of the criminal laws

SEC. 30. Part 9, comprising Sections 15600 to 15645, inclusive, is added to Division 3, Title 2, of the Government Code, to read:

PART 9. STATE BOARD OF EQUALIZATION

CHAPTER 1. GENERAL

Equalization districts

15600. The State is divided into four equalization districts designated and constituted as follows:

(a) The Counties of San Mateo, Santa Cruz, Santa Clara, San Benito, Monterey, San Luis Obispo, and the City and County of San Francisco constitute the First Equalization District.

(b) The Counties of Alameda, Contra Costa, San Joaquin, Sacramento, Stanislaus, Merced, Madera, Fresno, Kings, Tulare, Kern, Inyo, Mono, Mariposa, Tuolumne, Calaveras, Amador, and Alpine constitute the Second Equalization District.

(c) The Counties of Del Norte, Siskiyou, Modoc, Lassen, Shasta, Trinity, Humboldt, Mendocino, Tehama, Plumas, Sierra, Butte, Glenn, Lake, Colusa, Sutter, Yuba, Nevada, Placer, El Dorado, Yolo, Solano, Napa, Sonoma, and Marin constitute the Third Equalization District.

(d) The Counties of Los Angeles, Santa Barbara, Ventura, Orange, Riverside, San Diego, Imperial, and San Bernardino constitute the Fourth Equalization District.

Members' Qualification

15601. A person shall not be a member of the State Board of Equalization unless he has been an inhabitant of the district for which he is chosen for the one year preceding his election or appointment and unless he is an inhabitant of the district for which he is chosen during his incumbency.

Same: Disqualification

15602 If a person who is chosen as a member of the State Board of Equalization is not an inhabitant of the district for which he is chosen, or if a member of that board ceases to be an inhabitant of the district for which he is chosen, a vacancy occurs in the board, but a member duly qualified at the time of his election or appointment shall not during his term of

office become disqualified because of any change which the Legislature makes in the boundaries of the equalization districts.

Same salary

15603. The annual salary of each member of the State Board of Equalization representing one of the equalization districts of the State is twelve thousand dollars ($12,000). He shall devote his entire time to the services of the State in performing the duties imposed upon the board and its members by the Constitution and Statutes of this State.

Secretary, other assistants

15604. The board may appoint its secretary and prescribe and enforce his duties. The secretary shall hold office during the pleasure of the board and shall receive such compensation as the board prescribes. It may employ such expert and clerical assistants as it deems necessary in the performance of its powers and duties.

Secretary Duties

15605. The secretary shall keep an accurate record of the proceedings of the board in a book specially provided for such purpose. When required by the board or the chairman he shall visit the several counties, collect data and information relative to the assessment of property or railway property in the county, consult and advise with all officers charged with enforcement of the revenue laws, and report such data and information to the board. Annually he shall prepare the report of the board to the Governor, and when printed shall distribute the report as required by law and as directed by the board. He shall do and perform all other acts and things enjoined by law or required by the board. The secretary is a civil executive officer and is authorized to administer and certify oaths in any county in the State.

Board Duties

15606. The State Board of Equalization shall:

(a) Prescribe rules for its own government and for the transaction of its business.

(b) Keep a record of all its proceedings.

(c) Prescribe rules and regulations to govern local boards of equalization when equalizing, and assessors when assessing.

(d) Prescribe and enforce the use of all forms for the assessment of property for taxation and the collection of state and local taxes, except as provided by Section 158 of the Revenue and Taxation Code.

(e) Prepare and issue instructions to assessors designed to promote uniformity throughout the State and its local taxing jurisdictions in the assessment of property for the purposes of taxation. It may adapt such instructions to varying local circumstances and to differences in the character and conditions of property subject to taxation as in its judgment is necessary to attain such uniformity.

Meeting of assessors

15607. The board shall summon assessors to meet with it or its duly authorized representatives at least once annually, at places within the State it designates, to study or discuss problems of administration of assessment and taxation laws and to promote uniformity of procedure in tax matters throughout the State. The expenses, including any registration fees for institutes or conferences, of any assessor or member of his staff

attending these sessions is a charge against his county or city, to be paid in the same manner as other county or city charges. The governing body of the county or city shall provide for the payment of such expenses.

Instruction of assessors tax collectors

15608. The board shall instruct, advise, and direct assessors and tax collectors as to their duties under the laws, except as provided in Section 158 of the Revenue and Taxation Code. It may obtain the opinion of the Attorney General upon any questions of law relating to such duties in such cases as it deems necessary.

Board Meetings

15609. The board shall hold regular meetings at the State Capitol each month, and may hold special meetings at such times and places within the State as the chairman directs. At any meeting the board may transact any and all business and perform all duties imposed upon it and give and enter any and all orders and decrees within its jurisdiction, except that the final action of the board in assessing state assessed property shall be performed only at the State Capitol.

Same Conferences

15610. The board may confer, in this State or elsewhere, either as a board, individually, or through its staff, with officers or employees of this State, its political subdivisions, other states, their political subdivisions, or the United States, or such other persons as may be of assistance to the board in its work.

Same Visits

15611. Whenever the board deems it necessary, it may visit as a board or by its individual members, or may send its secretary or duly appointed representative to, the several counties and cities to inspect property, learn its value, and collect information to enable it to equalize assessments and levy the taxes as required by law.

Same Inspections

15612 The board may inspect, either as a board, individually, or by its duly appointed representative, the work of any local officers whose duties relate to the assessment of property for taxation and the collection of taxes. It may require such officers to produce any public records in their custody and give testimony with reference to such matters of assessment and tax collecting as it deems useful to it in its investigations.

Same Subpenas

15613. The board may issue subpenas for the attendance of witnesses or the production of books, records, accounts, and papers before it, its secretary, any of its members, or any representative designated by it Such subpenas shall be signed by a member of the board or its secretary, and may be served by any person.

Penalty

15614. Any person duly subpenaed who refuses or neglects to attend as a witness, or to produce any books, records, accounts, or papers in his possession, custody, or control, in response to such subpena, or who refuses to answer any question pertinent to the matter under investigation by the board put to him by any member of the board, its secretary, or designated representative, is guilty of contempt, and may be punished by a court of competent jurisdiction by a fine not exceeding five hundred dollars ($500), or by imprisonment in the county jail

not exceeding five (5) days, or by both such fine and imprisonment.

Penalty

15615. Every person served with a subpena who fails or neglects without just excuse to obey it, and every officer who refuses to obey the rules prescribed by the board or to perform the duties prescribed in the rules, forfeits to the State five hundred dollars ($500), to be recovered by action in the name of the board. Such action may be commenced and tried in any county of the State.

Annual report

15616. The board shall report annually to the Governor, the report to be printed at state expense. The report shall show:

(a) The aggregate value of all real estate within an incorporated city or town.

(b) The aggregate value of all real estate in the State.

(c) The kinds of personal property in each county, and the value of each kind.

(d) The aggregate value of all personal property in the State.

(e) Any information relative to the assessment of property and the collection of revenue.

(f) Such further suggestions as it shall deem proper.

Investigation of books, etc

15617. The board may require anybody having knowledge of the business of any person who is or whose property is subject to assessment by it, or having the custody of the books, accounts, and papers of such person, to attend before it, or any of its members, and bring with him for inspection any books, accounts, or papers, of such person in his possession and under his control, and to testify under oath touching any matter relating to the organization or business of such person.

Same

15618. The board may examine, as a board, individually, or through its staff, the books, accounts, and papers of all persons required to report to it, or having knowledge of the affairs of those required so to report.

Confidential information

15619. Any member or ex-member of the State Board of Equalization, or any agent employed by it, or the Controller, or ex-Controller, or any person employed by him, or any person who has at any time obtained such knowledge from any of the foregoing officers or persons shall not divulge or make known in any manner not provided by law, any of the following items of information concerning the business affairs of companies reporting to the board:

(a) Any information concerning the business affairs of any company which is gained during an examination of its books and accounts or in any other manner, and which information is not required by law to be reported to the State Board of Equalization.

(b) Any information, other than the assessment and the amount of taxes levied, obtained by the State Board of Equalization in accordance with law from any company other than one concerning which such information is required by law to be made public.

(c) Any particular item of information relating to the disposition of its earnings contained in the report of a quasi-public corporation which such corporation, by written communication specifying the items and presented at the time when it files its report, requests shall be treated as confidential.

The Governor may authorize examination of such reports by other state officers. In such event the information obtained by the officers shall not be made public. The Governor may also direct that any of the information referred to in this section shall be made public.

Penalty

Any violation of this section is a misdemeanor and punishable by a fine not to exceed five hundred dollars ($500), or by imprisonment not to exceed six months, or both, at the discretion of the court.

Extension of time

15620. By order entered upon its minutes and for good cause shown, the board may extend for not exceeding 30 days the time fixed for filing any report required by it.

Rental, lease of property

15621. The board may hire or lease upon the written approval of the Department of Finance any property, real or personal, for its occupancy or use in the performance of its duties.

Sale of documents

15622. The board may sell at prices to be approved by the Department of Finance copies of compilations of the revenue laws of the State, maps, and other documents.

Duties of members

15623. Each member of the State Board of Equalization elected by the voters of an equalization district shall investigate the administration, enforcement, and operation within the district from which he is elected of all laws, the administration and enforcement of which are vested in the board.

Deputy

Each such member may appoint a deputy to assist him in the performance of his duties under this section. The deputy shall be so appointed as to be exempt from civil service under paragraph (6), subdivision (a), Section 4, Article XXIV of the Constitution, and not otherwise.

Advisory, other services

15624. When requested by the legislative body of any county, city, or city and county to render advisory or other service, other than those services specified in this chapter, the board may contract, at not less than cost and subject to regulations approved by the Director of Finance, to render such services.

All money received by the Board of Equalization pursuant to such contracts shall be paid into the State Treasury to the credit and in augmentation of the current appropriation of the board.

CHAPTER 2. SURVEYS OF LOCAL ASSESSMENT PROCEDURES

Surveys

15640. The State Board of Equalization shall make surveys in each county and city and county to determine the adequacy of the procedures and practices employed by the county assessor in the valuation of property for the purposes of

taxation and in the performance generally of the duties enjoined upon him by law.

Research

15641. The board shall send members of its staff to the several counties and cities and counties of the State for the purpose of conducting such research as it deems essential for completion of a report with respect to each county and city and county showing the nature and extent of its taxable resources, the volume of assessing work to be done as measured by the various types of property to be assessed and the number of individual assessments to be made, the responsibilities devolving upon the county assessor, his requirements for maps, records, and other equipment and supplies essential to the adequate performance of his duties, the number and classification of personnel needed by him for the adequate conduct of his office, and the fiscal outlay required to secure for that office sufficient funds to ensure the proper performance of its duties.

Survey of procedure, etc

15642. The board shall proceed with the surveys of the assessment procedures and practices in the several counties and cities and counties in such order as in its judgment is best adapted to fulfill the most urgent needs for these surveys. The work shall be done as rapidly as feasible, and the board shall repeat or supplement the surveys from time to time as in its judgment the exigencies require for the maintenance of adequate current data on the needs of the offices of the several county assessors throughout the State.

Reviews, recommendations

15643. The surveys shall incorporate reviews of existing assessment procedures and practices as well as recommendations for their improvement in conformity with the data developed in the surveys as to what is required to afford the most efficient assessment of property for tax purposes in the counties or cities and counties concerned.

Copies to counties

15644. As the surveys are completed, copies shall be filed with the assessors and the boards of supervisors of the counties to which they relate.

Copies to Legislature

15645. The board shall file a copy of the surveys with the Senate and the Assembly on the opening day of each regular session.

SEC. 31. Sections 29, 30, and 31 are added to the Revenue and Taxation Code, to read:

Venue of revenue action

29. Whenever any official is authorized to commence an action for the violation of any law relating to revenue or to compel the specific performance of such a law, he may designate the county in which the action shall be commenced and prosecuted, unless otherwise provided by law.

Taxes of other states

30. The courts of this State shall recognize and enforce liabilities for taxes lawfully imposed by other states which extend a like comity to this State.

Tax suits

31. The Attorney General may bring suits in the courts of other states to collect taxes legally due this State. The officials of other states which extend a like comity to this State are empowered to sue for the collection of such taxes in the courts of this State. A certificate by the Secretary of State under the

Great Seal of the State that such officers have authority to collect the tax is conclusive evidence of such authority.

SEC. 32. Part 12, comprising Sections 28001 to 28208, inclusive, is added to Division 2 of the Revenue and Taxation Code, to read:

PART 12. PROPERTY TAXES

CHAPTER 1. GENERAL

Property to be assessed, etc

28001. Any tax required by law to be levied for state purposes to meet any deficiency in the state revenue shall be assessed, levied, and collected on all property in the State, not exempt from taxation including the classes of property enumerated in any section of Article XIII of the Constitution, under the provisions of the Political Code relating to the assessment, levy, and collection of state and county taxes as such provisions were in force on November 7, 1910.

Prior laws Effect

28002. All laws in force prior to November 8, 1910, relating to taxation, so far as necessary for the assessment, levy, and collection of state, county, city and county, municipal, or district taxes, or so far as necessary for the assessment, levy, and collection of taxes for state purposes, on all property in the state not exempt from taxation, to meet a deficiency in the revenues for the support of the State Government, or to pay the principal and interest of any bonded indebtedness created and outstanding by any city, city and county, county, town, township, or district shall remain in effect for the purposes of this chapter.

Notice of insufficient revenues

28003. If the State Board of Control at any time deems all state taxes and other state revenues insufficient to meet all of the annual expenditures of the State, including all appropriations made by the Budget Bill, all appropriations made by law other than the Budget Bill, and all appropriations or expenditures made or authorized by the Constitution, it shall notify the State Board of Equalization as to the amount of the deficiency.

Rate of state tax

28004. On the third Monday in August of each year the State Board of Equalization shall determine the rate of state tax to be levied and collected upon the assessed valuation of the property of the State. It shall allow 5 percent for delinquencies in collection of taxes. The rate shall be sufficient to raise the specific amount of revenue directed to be raised by the Legislature for state purposes.

Transmission of rate

28005. Immediately after such determination, the board shall transmit a statement of the rate to the board of supervisors and county auditor of each county.

Notice of receipt

28006. Upon receipt of the statement, the clerk of the board of supervisors and county auditor each shall give the State Board of Equalization written notice of such receipt.

Effect of fixing

28007. The action of the State Board of Equalization in fixing the rate of taxation for state purposes is, in the absence of action by the board of supervisors, a valid levy of the rate so fixed, and imposes upon the auditor, tax collector, and all

other officers charged with the performance of any duties under the revenue law, the same obligations as if the board of supervisors had made the levy at the proper time.

Tax collector

28008. On delivering the assessment-book to the tax collector the auditor shall charge the tax collector with the full amount of the taxes levied and forthwith mail to the State Controller, in such form as the Controller prescribes, a statement of the amount charged.

Report

28009. Within 10 days after the final settlement by the tax collector with the auditor of the taxes and penalties levied pursuant to this part, the auditor shall transmit by mail or express a statement to the State Controller, in such form as the Controller requires, of each kind of property assessed and delinquent and the total amount of delinquent taxes.

Verification

28010. The auditor shall verify by his affidavit attached thereto all statements made by him pursuant to this code.

Penalty

28011. If the auditor fails to transmit any statement required by this chapter in the time prescribed, he shall forfeit to the State one thousand dollars ($1,000), to be recovered in an action brought by the Attorney General in the name of the Controller.

CHAPTER 2. INVALID ASSESSMENT

Reassessment, equalization

28201. Every assessment of property made after November 8, 1910, pursuant to Section 14, Article XIII of the Constitution and under any law enacted to carry that section into effect which is adjudged to be invalid by reason of any illegality, invalidity, or irregularity in the assessment of such property, or in the mode of assessment provided, shall be remade and the property reassessed and equalized for each year for which the assessment is invalid.

Same officers, etc

28202 Reassessment and equalization shall be made by the same officers and boards, at the same time or times, as prescribed for the assessment and equalization of property of the same classes or kinds.

Entry on rolls

28203. The assessment and equalized assessment of such property shall be entered on the several assessment-rolls or books in the same manner that assessments of such property are or were required to be entered for the year or years for which the reassessments are made.

Same rates

28204. The same rates of taxation for state purpose are hereby levied for each year as were levied for state purpose upon such property for each year for which the reassessment is made.

Proper officers, etc Reassessment

28205. All property reassessed shall be reassessed and equalized by the proper officers and boards at the value at which and to the person to whom it ought to have been assessed for each of such years, under such rules of notice and at the times and in the modes prescribed for the assessment and equalization of like classes of property.

Same Levy, collection

28206. The assessment and equalization and the levy and collection of taxes shall be made by the proper officers at the

time, upon like notice and in the manner provided for making and equalizing assessments and for the levy and collection of taxes on like classes of property.

Delinquency

28207. If the taxes relevied become delinquent there shall be added to the amount the same percentage as a penalty for such delinquency as is added to other delinquent taxes on like classes of property. The delinquent taxes and penalties shall be collected by the proper officers in the manner provided for the collection of delinquent taxes and penalties upon like classes of property. The collectors shall allow as credits all payments previously made on the tax as first levied

Application

28208. An action for the collection of taxes levied pursuant to this chapter is not barred by any statute of limitations. All laws relating to assessments, equalization, levy, and collection of taxes apply to reassessments, equalization, and relevies and collections of taxes made pursuant to this chapter.

SEC. 33. Sections 1039 and 1039.1 are added to the Penal Code, to read:

Costs of removal, trial

1039. When a criminal action is removed before trial, the costs accruing upon such removal and trial are a charge against the county in which the indictment or information was found.

Same Procedure for payment

1039 1. The clerk of the county to which the action is removed shall certify the amount of costs allowed and certified by the court to the auditor of his county. The auditor shall audit the account and draw his warrant therefor upon the treasury of the county from which the action was removed and forward to the treasurer and auditor of the county from which the action was transferred a certified copy of the total amount of costs allowed by the court, giving each item as certified to him by the county clerk and the court The auditor receiving the certified copy of the costs allowed shall enter them in his book as a charge against the treasury of his county. The treasurer of the county from which the action was removed shall immediately upon presentation pay the warrant out of the general fund of his county. If at the date of presentation there is not sufficient money in the general fund to pay the warrant, he shall endorse upon it "Not paid for want of funds," and the warrant shall be registered and draw interest at the same rate and be paid in the same manner as though it had been drawn by the auditor of the county where the indictment was found

SEC. 34. Section 6210.1 is added to the Public Resources Code, to read:

Place, etc., for taking testimony

6210 1. When the commission desires to take testimony under the provisions of the act of Congress to quiet land titles in California, passed July 23, 1866, or any act amendatory or supplementary thereof, it shall request the United States Supervisor of Surveys to fix a place, convenient of access by the witnesses, and the time for taking such testimony.

It may require the Attorney General to attend and represent the State at the taking of such testimony Not more than one thousand five hundred dollars ($1,500) shall be allowed in any one year for traveling expenses pursuant to this section.

SEC. 35. Sections 32 to 37, inclusive, are added to the Municipal Court Act of 1925, to read: Stats 1925, p. 648

Sec. 32. The clerk of each municipal court, except as otherwise provided by law, shall charge for all services to be performed, the following fees: Municipal court fees

(a) For filing the complaint, or other first paper, four dollars ($4), to include all proceedings before trial and all services to be performed in a judgment by default or for the trial of either a question of law or fact, including all affidavits, swearing witnesses and jury, and entry of judgment.

(b) For filing the first paper on behalf of any party (other than plaintiff) one dollar ($1), for each such party.

(c) For filing the papers transmitted from another court, on the transfer of a civil action or proceeding, and all proceedings before trial and all services, four dollars ($4).

(d) When the venue in a case in a municipal court shall be changed, for making up and transmission of transcript and papers, one dollar ($1), and a further sum equal to the fee for filing in the court to which the case is to be transferred. The clerk shall transmit such filing fee, with the papers in the case, to the clerk or justice of the court to which the case is transferred.

(e) For receiving and filing an abstract of judgment rendered by a justice or judge of another court and for subsequent services based thereon, five dollars ($5).

(f) For certificate and transmitting transcript and papers on appeal, one dollar ($1).

(g) For issuing a transcript of the register of actions, one dollar ($1).

(h) For issuing an abstract of judgment, fifty cents ($0.50).

(i) For taking an acknowledgment of any instrument, for each signature, fifty cents ($0.50).

(j) For administering an oath and certifying thereto, fifty cents ($0.50).

(k) For issuing a writ of execution, a writ of restitution, a writ of possession, or any writ for the enforcement of any order or judgment, one dollar ($1).

(*l*) For issuing an order of sale, one dollar ($1).

(m) For exemplification of record or other paper on file, besides the charges allowed for copying or comparing, one dollar ($1).

(n) For filing any notice of intention to move for a new trial of any cause, two dollars ($2).

(o) For preparing a first copy, other than a carbon copy, of any record, proceeding, or paper on file in his office, per folio, twelve cents ($0.12).

(p) For preparing a carbon copy of any record, proceeding or paper on file in his office, made at the time of preparing a first copy thereof, per folio, five cents ($0.05).

(q) For certifying a copy of any paper, record or proceeding on file in his office, fifty cents ($0.50).

(r) For comparing with the original on file in his office, the copy of any paper, record or proceeding by another and presented for his certificate, two cents ($0 02) per folio.

(s) No fees shall be charged by the clerk for services rendered in any criminal action except for making or certifying to a copy of any filed paper, record or proceeding when not otherwise specified by law; nor shall any charge be made for any service to the United States of America or any officer thereof acting in his official capacity.

Storage charges

Sec. 33. Marshals of municipal courts, except as otherwise provided by law, shall charge and collect the fees provided in Article 7, Chapter 2, Part 3, and Chapter 2, Part 4, Division 2, Title 3, of the Government Code, except that for keeping property taken under legal process they shall collect the actual amount charged by any reputable warehouse or storage house for safely keeping and storing such property; but if such property shall be placed in the care of a keeper, the fee for such keeper shall be five dollars ($5) per day.

Application

Sec. 34. Sections 24350 to 24356, inclusive, and Sections 29350 and 29351 of the Government Code shall apply to officers of municipal courts and to the disposition of fees collected by such officers.

Witnesses' fees

Sec. 35. Witnesses in municipal courts, except as otherwise provided by law, shall be paid the fees provided to be paid to witnesses in the superior court in the county or city and county in which any such municipal court is situated.

Jurors' fees

Sec. 36. Jurors in municipal courts, except as otherwise provided by law, shall be paid the fees provided to be paid to trial jurors in the superior court in the county or city and county in which any such municipal court is situated.

Same (criminal cases)

Sec. 37. Witnesses and jurors in criminal cases shall be paid by the county in the manner provided for the payment of such fees in the county or city and county in which any such municipal court is situated.

Repeals

SEC. 36. The following act is repealed:

1929 :691 :1202

Same

SEC. 37. The following sections of the Political Code are repealed:

Secs.	Secs.	Secs.	Secs.
1	11	350 5	726
2	12	363e	726 5
3	13	364f	727
4	14	373g	730
5	15	676	736
6	16	681	736a
7	17	689a	736b
8	18	694b	737
9	19	694c	737a
10	20	694e	737b
10.1	125	694f	737c
10.2	135	694g	737d

Secs.	Secs.	Secs.	Secs.
737e	737xx	1028	3701
737f	737yy	1032	3702
737g	737zz	2319	3703
737h	737aaa	2319g	3713
737i	737bbb	2319h	3715
737j	737ccc	2319k	3734
737k	737ddd	2319*l*	3735
737*l*	737eee	2321	3763
737m	737fff	2322i	3900
737n	749	2322j	4150
737o	750	2346	4151
737p	751	2553	4152
737q	752	2609	4152a
737r	753	2610	
737s	754	(Ad. 1933:50:1277)	
737t	755	2610	
737u	757	(Ad. 1935:992:2555)	
737v	757a	3079	4166
737w	758	3182	4168
737x	758.5	3183	4169
737y	758b	3184	4171
737z	759	3255	4172
737aa	759.1	3256	4173
737bb	760	3257	4180
737cc	761	3258	4185
737dd	767	3259	4185a
737ee	771	3260	4186
737ff	772	3272	4300e
737gg	773	3273	4300e½
737hh	774	3274	4300f
737ii	775	3412	4300g
737jj	776	3413	4300k
737kk	777	3667c	4300*l*
737*ll*	778	3669b	4300m
737mm	779	3669e	4308
737nn	780	3671c	4309
737oo	782	3671d	4466
737pp	827	3671e	4467
737qq	828	3692	4468
737rr	829	3692.5	4478
737ss	830	3693	4484
737tt	831	3694	4494
737uu	981	3696	4504
737vv	982	3697	4505
737ww	983	3700	4506

CHAPTER 656

An act to repeal Chapter 6, comprising Sections 3136 to 3158, inclusive, of Title 7, Part 3 of the Political Code and to add Chapter 4, comprising Sections 2080 to 2082, inclusive, to Title 6, Part 4, Division 3 of the Civil Code, consolidating and revising the law relating to lost and unclaimed property.

In effect September 22 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 6, comprising Sections 3136 to 3158, inclusive, of Title 7, Part 3 of the Political Code is repealed.

SEC. 2. Chapter 4, comprising Sections 2080 to 2082, inclusive, is added to Title 6, Part 4, Division 3 of the Civil Code, to read:

CHAPTER 4. LOST AND UNCLAIMED PROPERTY

Article 1. Lost Money and Goods

Restitution to owner

2080. Any person who finds any money, goods, things in action, or other personal property, or saves any domestic animal from drowning or starvation, when such property is of the value of ten dollars ($10) or more, shall inform the owner if known and make restitution without compensation, except a reasonable charge for saving and taking care of the property.

Unknown owner Affidavit

2080.1. If the owner is unknown the person saving or finding the property shall within five days make an affidavit before a justice of the peace of the county, stating when and where he found or saved the property, particularly describing it. If the property was saved, he shall state:

(a) From what and how it was saved.

(b) Whether the owner of the property is known to him.

(c) That he has not secreted, withheld, or disposed of any part of the property.

Appraisal

2080.2. The justice shall summon three disinterested householders to appraise the property.

Valuation lists

2080.3. The appraisers, or any two of them, shall make two lists of the valuation and description of the property, and sign and make oath to the list. They shall deliver one list to the finder and the other to the justice of the peace.

Filing, posting

2080.4. The justice shall file the list, and the finder shall within 15 days transmit the copy to the county recorder, who shall record it in a book known as the "estray and lost property book" or in the "official records." The finder shall also immediately post copies of the list at the courthouse door and four other public places in the township or city.

2080.5. If no owner appears and proves the property within six months, and its value does not exceed twenty dollars ($20), title vests in the finder. Disposition of property Value under $20

2080.6. If the value exceeds twenty dollars ($20), within 30 days after posting the list the finder shall cause a copy of the description to be published for three weeks in a newspaper printed in the county if there is one, or if there is no such newspaper, in a newspaper printed in the state. If the owner does not prove the property within one year after the publication it vests in the finder. Same Value over $20

2080.7. If the owner appears within one year, proves the property, and pays all reasonable charges, including fees of officers, the finder shall restore the property to him. If the finder fails to restore the property or its appraised value on being tendered the charges and fees, the owner may recover the property or its value by civil action in any court having jurisdiction. Restoration

2080.8. If any person finds any money, property, or other valuable thing, and fails to make discovery of it pursuant to this article, he shall forfeit to the owner double its value. Forfeiture

2080.9. The proof required by this article shall be made before the clerk with whom the list is filed, and if he is satisfied that the person claiming it is the owner, he shall certify the fact under his hand and the seal of the court. Proof

Article 2. Unclaimed Property

2081. When any goods, merchandise, or other property has been received by any railroad or express company, other common carrier, commission merchant, innkeeper, or warehouseman, for transportation or safekeeping, and is not delivered to the owner, consignee, or other authorized person, the carrier, commission merchant, innkeeper, or warehouseman may hold or store the property with some responsible person until the freight and all just and reasonable charges are paid. Storage of bailee

2081.1. If within 60 days after its receipt no person calls for the property and pays the freight and charges upon it, the carrier, commission merchant, innkeeper, or warehouseman may sell the property, or so much of it as will pay freight and charges, to the highest bidder at public auction, after first causing such notice of sale to be given as is customary in sales of goods by auction at the place where the goods are held or stored. Auction

2081.2. If any surplus remains after paying the freight, storage, expenses of sale, and other reasonable charges, the sum remaining shall be paid over to the owner of the property, upon his demand at any time within 60 days after the sale. Surplus

2081.3. If the owner or his agent fails to demand the surplus within 60 days after the sale, it shall be paid into the county treasury, subject to the order of the owner. Failure to demand

Liability for damage, loss

2081.4. After the storage of the property the responsibility of the carrier, commission merchant, innkeeper, or warehouseman ceases. The person with whom the property is stored is not liable for loss or damage on its account unless the loss or damage results from his negligence or want of proper care.

Advances

2081.5. When any commission merchant or warehouseman receives produce, merchandise, or other property on consignment and makes advances upon it, either to the owner or for freight and charges, if the advances are not paid to him within 60 days from the date made, he may cause the produce, merchandise, or property on which the advances were made, to be advertised and sold pursuant to this article.

Exemption

2081.6. All proceedings pursuant to this article are governed entirely by its provisions and are not controlled or affected by Article 2, Chapter 3, Title 7, Part 4, Division 3 of this code.

Article 3. Fees of Officers

Amount, payment

2082. The fees of officers under this chapter are the same allowed by law for similar services, and shall be paid by the taker up or finder and recovered from the owner.

CHAPTER 657

An act to repeal Sections 2620 and 2737 of the Political Code, to add Section 1805 to the Streets and Highways Code, and to add Section 374d to the Penal Code, relating to streets and highways.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Sections 2620 and 2737 of the Political Code are repealed.

SEC. 2. Section 1805 is added to the Streets and Highways Code, to read:

Minimum widths City streets, etc

1805. The width of all city streets, except state highways, bridges, alleys, and trails, shall be at least 40 feet. The width of all private highways and by-roads, except bridges, shall be at least 20 feet. This section does not require that the width of city streets established or used as such prior to September 15, 1935, be increased or diminished.

SEC. 3. Section 374d is added to the Penal Code, to read:

Dead animals

374d. Every person who knowingly allows the carcass of any dead animal which belonged to him at the time of its death to be put, or to remain, within 100 feet of any street, alley, public highway, or road in common use, and every person who puts the carcass of any dead animal within 100 feet of any street, alley, highway, or road in common use is guilty of a misdemeanor.

CHAPTER 658

An act to amend Section 684.5 of the Vehicle Code, relating to tank vehicles.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 684.5 of the Vehicle Code is amended to read:

684.5. No person shall transport any explosive substance, inflammable liquid having a flash point of 70 degrees Fahrenheit or below, liquefied petroleum gas, or poisonous gas in a tank truck, trailer, or semitrailer which is equipped with an external shutoff valve unless the vehicle is also equipped with a shutoff valve inside each tank which is so constructed and placed that any damage, displacement, or removal of the external shutoff valve, whether by accident or otherwise, will not of itself release or cause the escape of any part of the contents of the tank truck, trailer or semitrailer. Shutoff valves

The provisions of this section shall apply to new tank trucks, trailers or semitrailers first purchased or acquired after July 1, 1948, and on and after October 1, 1952, the provisions of this section shall apply to all tank trucks, trailers or semitrailers. Application

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CHAPTER 659

An act to amend Section 1065 of the Fish and Game Code, relating to sardines, declaring the urgency of this act, to take effect immediately.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 1065 of the Fish and Game Code is amended to read:

1065. Sardines may be taken for use in a reduction plant, or by a packer, only in accordance with the provisions of this article, as follows: in Districts 4, 4¾ and those portions of Districts 3½ and 18 lying south of a line running east and west through Point Arguello, 19, 20A and 21, between October 1st and February 1st, inclusive; elsewhere in the State, except in Districts 19A and 20, between August 1st and January 15th. Sardines may be taken at any time on or after but not prior to June 1, 1953, for the purpose of salting, curing, smoking or drying, or for the purpose of packing in cans commonly known as quarter-pound or square cans less than 10 ounces in net weight; provided, that in a 10-ounce can, fish of a size not Area, season

less than eight fish to the can may be used. Sardines may be packed in their own natural oil.

Urgency

SEC. 2. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

One of the most important sources of our food supply is the fishing industry. Canned sardines for many years have been among, if not the largest contributors of this source. Recently, there has been a serious shortage in the sardines available, the exact cause of which has not been determined.

Because of the past four years scarcity of sardines in the present northern fishing grounds, it has been necessary for sardine canneries located in Monterey and San Francisco to transport fish by truck from southern waters in order to continue in business. By extending the southern boundaries of the northern district a short distance southward, a more natural dividing line between the two districts is established. In so doing, it will enable the northern canneries to utilize potential fishing areas which are seldom, if ever, utilized by fishing boats engaged in delivering fish to southern canneries.

Therefore, immediate changes in the division line between northern and southern districts on the taking of sardines as provided in this act are necessary, and delay therein will increase the existing shortage and further diminish a valuable food supply of the people of this State.

CHAPTER 660

An act to amend Sections 11184 and 11272 of the Education Code, relating to textbooks.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11184 of the Education Code is amended to read:

Contracts for use of plates, etc. Term, bonds

11184. Whenever any plates, maps, or engravings of any publisher or author are adopted for use, or whenever any books are purchased, the State Board of Education shall enter into a contract for not less than six years nor more than eight years for their use in the elementary day and evening schools of the State, and shall require a good and sufficient bond of the owners of the books, plates, maps, or engravings under a written guarantee that they shall be kept, revised and free from all errors and up to date as may be required by the State Board of Education.

After an original adoption period has expired, the State Board of Education may readopt such books for not less than one year nor more than eight years in the same manner as prescribed by this section for original adoptions.

SEC. 2. Section 11272 of the Education Code is amended to read:

11272 When an order for the uniform use of a textbook has been given and published, it shall remain in force and effect for a term of not less than six nor more than eight years for the original adoption period of such textbook. When a textbook has been readopted by the State Board of Education, the order for its uniform use shall be extended for the period of readoption.

Order of uniform use
Term

CHAPTER 661

An act to add Sections 25031j and 25071t to the Revenue and Taxation Code, relating to bank and corporation taxes.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 25031j is added to the Revenue and Taxation Code, to read:

25031j. (A) In the case of property distributed in complete liquidation of a corporation, if—

Complete liquidation
Recognition of gain

(i) The liquidation is made in pursuance of a plan of liquidation adopted after December 31, 1950, whether the taxable year of the corporation began on, before, or after January 1, 1951; and

(ii) The distribution is in complete cancellation or redemption of all the stock, and the transfer of all the property under the liquidation occurs within some one calendar month in 1951—

then in the case of each qualified electing shareholder (as defined in subparagraph (C)) gain upon the shares owned by it at the time of the adoption of the plan of liquidation shall be recognized only to the extent provided in subparagraph (E).

(B) The term "excluded corporation" means a corporation which at any time between August 15, 1950, and the date of the adoption of the plan of liquidation, both dates inclusive, was the owner of stock possessing 50 per centum or more of the total combined voting power of all classes of stock entitled to vote on the adoption of such plan.

(C) The term "qualified electing shareholder" means a shareholder (other than an excluded corporation) of any class of stock (whether or not entitled to vote on the adoption of the plan of liquidation) who is a shareholder at the time of the adoption of such plan, and whose written election to have the benefits of subparagraph (A) has been made and filed in accordance with subparagraph (D), but in the case of a shareholder which is a corporation, only if written elections have been so filed by cor-

porate shareholders (other than an excluded corporation) which at the time of the adoption of such plan of liquidation are owners of stock possessing at least 80 per centum of the total combined voting power (exclusive of voting power possessed by stock owned by an excluded corporation and by shareholders who are not corporations) of all classes of stock entitled to vote on the adoption of such plan of liquidation.

(D) The written elections referred to in subparagraph (C) must be made and filed in such manner as to be not in contravention of regulations prescribed by the Franchise Tax Board. The filing must be within one month after the adoption of the plan of liquidation or within one month after the effective date of this section, whichever is later, and may be by the liquidating corporation or by the shareholder.

(E) In the case of a qualified electing shareholder which is a corporation the gain shall be recognized only to the extent of the greater of the two following—

(i) The portion of the assets received by it which consists of money, or of stock or securities acquired by the liquidating corporation after August 15, 1950; or

(ii) Its ratable share of the earnings and profits of the liquidating corporation accumulated after February 28, 1913, such earnings and profits to be determined as of the close of the month in which the transfer in liquidation occurred under subparagraph (A)(ii), but without diminution by reason of distributions made during such month; but by including in the computation thereof all amounts accrued up to the date on which the transfer of all the property under the liquidation is completed.

SEC. 2. Section 25071t is added to said code, to read:

Same Basis

25071t. If the property was acquired by a shareholder in the liquidation of a corporation in cancellation or redemption of stock with respect to which gain was realized, but with respect to which, as a result of an election made by it under Section 25031j of this code, the extent to which gain was recognized was determined under such paragraph, then the basis shall be the same as the basis of such stock canceled or redeemed in the liquidation, decreased in the amount of any money received by it, and increased in the amount of gain recognized to it.

CHAPTER 662

An act to add Section 17688 and Section 17758 to the Revenue and Taxation Code, relating to personal income taxes.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 17688 is added to the Revenue and Taxation Code, to read:

17688. (A) In the case of property distributed in complete liquidation of a corporation, if— Complete liquidation Recognition of gain

(i) The liquidation is made in pursuance of a plan of liquidation adopted after December 31, 1950, whether the taxable year of the corporation began on, before, or after January 1, 1951; and

(ii) The distribution is in complete cancellation or redemption of all the stock, and the transfer of all the property under the liquidation occurs within some one calendar month in 1951—

then in the case of each qualified electing shareholder (as defined in subparagraph (B)) gain upon the shares owned by him at the time of the adoption of the plan of liquidation shall be recognized only to the extent provided in subparagraph (D).

(B) The term "qualified electing shareholder" means a shareholder of any class of stock (whether or not entitled to vote on the adoption of the plan of liquidation) who is a shareholder at the time of the adoption of such plan, and whose written election to have the benefits of subparagraph (A) has been made and filed in accordance with subparagraph (C), but in the case of a shareholder other than a corporation, only if written elections have been so filed by shareholders (other than corporations) who at the time of the adoption of the plan of liquidation are owners of stock possessing at least 80 per centum of the total combined voting power (exclusive of voting power possessed by stock owned by corporations) of all classes of stock entitled to vote on the adoption of such plan of liquidation

(C) The written elections referred to in subparagraph (B) must be made and filed in such manner as to be not in contravention of regulations prescribed by the Franchise Tax Board. The filing must be within one month after the adoption of the plan of liquidation or within one month after the effective date of this section, whichever is later, and may be by the liquidating corporation or by the shareholder.

(D) In the case of a qualified electing shareholder other than a corporation—

(i) There shall be recognized, and taxed as a dividend, so much of the gain as is not in excess of his ratable share of the earnings and profits of the corporation accumulated after February 28, 1913, such earnings and profits to be determined as of the close of the month in which the transfer in liquidation occurred under subparagraph (A) (ii), but without diminution by reason of distributions made during such month; but by including in the computation thereof all amounts accrued up to the date on which the transfer of all the property under the liquidation is completed; and

(ii) There shall be recognized and taxed in accordance with the provisions of Section 17712 so much of the remainder of the gain as is not in excess of the amount by which the value of that portion of the assets received by him which consists of money, or of stock or securities acquired by the corporation after August 15, 1950, exceeds his ratable share of such earnings and profits.

SEC. 2. Section 17758 is added to the Revenue and Taxation Code, to read:

Same Basis

17758. If the property was acquired by a shareholder in the liquidation of a corporation in cancellation or redemption of stock with respect to which gain was realized, but with respect to which as the result of an election made by him under Section 17688 of this code, the extent to which gain was recognized was determined under such section, then the basis shall be the same as the basis of such stock canceled or redeemed in the liquidation, decreased in the amount of any money received by him and increased in the amount of any gain recognized to him.

CHAPTER 663

An act to amend Section 28125 of the Government Code, relating to public service in counties of the twenty-fifth class.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 28125 of the Government Code is amended to read:

Santa Cruz County Salaries

28125. In a county of the twenty-fifth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, five thousand dollars ($5,000) a year.

(b) The district attorney, five thousand dollars ($5,000) a year.

(c) The chairman of the board of supervisors, two hundred fifty dollars ($250) a month, and each other supervisor, two hundred dollars ($200) a month. Each supervisor shall also be furnished with necessary transportation while engaged in the business of the county. Whenever it is necessary for any supervisor to leave the county for the purpose of performing any of his duties, he shall be allowed his actual expenses. While acting as road commissioners, supervisors shall give their personal attention to the repair, maintenance, construction, and improvement of all roads under their supervision.

(d) Grand jurors and trial jurors in the superior court shall receive three dollars ($3) for each day's attendance, and ten cents ($0.10) for each mile actually and necessarily traveled from their residence to the county seat, in going only, to be allowed but once during each session the jurors are required to attend.

Any officer entitled to receive mileage for distances traveled by him in the discharge of his official duties shall receive mileage at the rate of five cents ($0.05) in a mile traveled.

The salaries and fees provided in this section are in full compensation for all services of every kind and description rendered by the officers named, either as officers or ex officio officers, their deputies and assistants. All fees, commissions, per diem, and expenses provided for by law, and all other money coming into the hands of the officers mentioned, no matter from what source derived or received, shall be the property of the county, and shall be paid into the county treasury by such officers at the same time and in the same manner that other money is required by law to be paid into the county treasury, except, that the district attorney is expressly exempted from this provision, and shall receive the salaries, fees, and commissions, provided by law.

The compensation provided by this section shall be payable to incumbent officers.

Operative date

SEC. 2 If it is not legally competent to pay the compensation provided by this act to incumbent officers on the effective date of this act, such increase in compensation shall nevertheless be payable to the officers designated in this act as soon as it is legally competent to do so.

CHAPTER 664

An act to amend Section 4656.4 of and to add Section 2152.5 to, the Revenue and Taxation Code, relating to the distribution and computation of property taxes.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 4656.4 of the Revenue and Taxation Code is amended to read:

Basis of distribution

4656.4 Taxes shall be distributed to each fund on the basis of the average tax rate established for the three fiscal years immediately preceding that in which distribution is made and in the same proportion as the average tax rate for each fund bears to the total average tax rate applicable

SEC. 2. Section 2152.5 is added to said code, to read:

Installment computation

2152.5. Notwithstanding the provisions of any other section of this code, if so ordered by resolution of the board of supervisors of any county, adopted prior to the time the county auditor is required to compute and enter on the secured roll the respective amounts due in installments as taxes for the assessment year in which such resolution shall become effective, the county auditor shall reject any cent not evenly divisible by two in the computation of taxes on any assessment.

The provisions of this section shall continue in effect in such county until otherwise ordered by resolution of the board of supervisors.

CHAPTER 665

An act to add Section 2181.05 to the Welfare and Institutions Code, relating to old age security, in respect to statements required concerning the granting of aid.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2181.05 is added to the Welfare and Institutions Code, to read:

Oath unnecessary

2181.05. Written statements of information required from responsible relatives of applicants need not be under oath, but shall contain a written declaration that they are made under the penalties of perjury, and any person so signing such statements who wilfully states therein as true any material matter which he knows to be false, is subject to the penalties prescribed for perjury in the Penal Code of this State.

CHAPTER 666

An act to amend Section 588 of the Vehicle Code, relating to additional parking regulations

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 588 of the Vehicle Code is amended to read:

Parallel parking in absence of local ordinance

588. Additional Parking Regulations. (a) Except as otherwise provided in this section every vehicle stopped or parked upon a roadway where there are adjacent curbs shall be so stopped or parked with the right-hand wheels of such vehicle parallel with and within 18 inches of the right-hand curb. Where no curbs or barriers bound any roadway, parallel parking is required unless otherwise indicated. This paragraph shall not apply to a commercial vehicle when loading or unloading merchandise or passengers.

(b) Local authorities may by ordinance permit parking of vehicles adjacent to and within 18 inches of the left-hand curb of a one-way roadway.

(c) Local authorities may by ordinance permit angle parking on any roadway, except that no such ordinance is effective with respect to any state highway until such proposed ordinance has been submitted to and approved in writing by the Department of Public Works.

(d) Local authorities may by ordinance provide for the establishment of parking meter zones and cause streets and highways to be marked with white lines designating parking spaces and requiring vehicles to park within such parking spaces, except that no such ordinance is effective with respect to any state highway until such proposed ordinance has been

submitted to and approved in writing by the Department of Public Works. Such proposed ordinance shall be submitted to the department only by action of the local legislative body and the proposed ordinance shall be submitted in complete draft form.

CHAPTER 667

An act to amend Section 45 of the Public Utility District Act, relating to debts in excess of limits being void except in cases where district finances water works by bond issue paying indebtedness out of revenues, by authorizing district to issue such bonds and to pledge revenues of such water works to payment thereof.

Stats 1921, p. 906, amended

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 45 of the Public Utility District Act is amended to read:

Sec. 45. The boards of directors or other officers of the district shall have no power to incur any debt or liability whatever, either by issuing bonds or otherwise, in excess of the express provisions of this act, and any debt or liability incurred in excess of such express provisions shall be and remain absolutely void, excepting that such debt limitations may be exceeded in cases where the district finances water works by means of a bond issue and makes provision to pay such indebtedness out of revenues received over a period not to exceed 30 years, which bonds the district is authorized to issue for the purpose of acquiring or constructing any water works necessary or proper for carrying out the objects and purposes of the district, in like manner as other bonds are authorized to be issued under this act, and to pledge the revenue, income, receipts and profits from the operation of said water works to the payment of the principal of and interest on said bonds and district may, if it so elects, declare the payment thereof shall be made solely from said revenue, income, receipts and profits.

Debt in excess of limits

CHAPTER 668

An act to amend Section 954 of the Fish and Game Code, relating to nets.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 954 of the Fish and Game Code is amended to read:

954. It is unlawful to take or possess more than 500 pounds of crabs on any boat when carrying or operating any type of trawl or dragnet.

Crab limit

CHAPTER 669

An act to amend Section 175 of the Vehicle Code, relating to signatures required when transferring title or interest in a vehicle.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 175 of the Vehicle Code is amended to read:

Endorsement of certificate

175. Endorsement of Certificate Upon a Transfer. (a) Upon transfer of the title or any interest of the legal owner or owner in or to a vehicle registered hereunder, the person whose title or interest is to be transferred shall write his signature, and the transferee shall write his signature and address, in the appropriate spaces provided upon the reverse side of the certificate of ownership issued for such vehicle.

(b) Upon transfer of the title or interest of the registered owner only in or to a vehicle registered hereunder such registered owner shall write his signature and address and the transferee shall write his signature and address in the appropriate spaces provided on the reverse side of the certificate of ownership for such vehicle, and the legal owner shall write his signature in the space provided for the new legal owner indicating that he is to retain his legal title and interest.

(c) When the required certificate of ownership is lost, stolen, damaged, or mutilated, application for transfer may be made upon a form provided by the department for a duplicate certificate of ownership under the provisions of Section 165 hereof. The person whose title and interest is to be transferred shall write his signature and address in the appropriate spaces provided upon the reverse side of such application and file same with the department, together with the proper fees for duplicate certificate of ownership and transfer. The department, when satisfied as to the correctness of such an application for duplicate certificate of ownership and transfer, shall issue a new certificate of ownership to the transferee entitled thereto. An application for duplicate certificate of ownership and transfer shall be certified by the applicant.

CHAPTER 670

An act to amend Section 176 of the Vehicle Code, relating to dating, endorsing, and delivering of certificates of ownership to motor vehicles.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 176 of the Vehicle Code is amended to read:

176. Delivery of Certificate. It is unlawful for any person to fail or neglect properly to endorse, date and deliver the certificate of ownership to a transferee who is lawfully entitled to a transfer of registration. Failure, neglect unlawful

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CHAPTER 671

An act to amend Sections 668, 3024, and 3045 of the Penal Code, relating to pleading and proof of prior convictions.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 668 of the Penal Code is amended to read:

668. Every person who has been convicted in any other state, government, country, or jurisdiction of an offense for which, if committed within this State, such person could have been punished under the laws of this State by imprisonment in a state prison, is punishable for any subsequent crime committed within this State in the manner prescribed in Sections 644, 666, and 667, and to the same extent as if such prior conviction had taken place in a court of this State. Conviction in other jurisdiction

SEC. 2. Section 3024 of said code is amended to read:

3024. The following shall be the minimum term of sentence and imprisonment in certain cases, notwithstanding any other provisions of this code, or any provision of law specifying a lesser sentence: Minimum terms

(a) For a person not previously convicted of a felony, but armed with a deadly weapon either at the time of his commission of the offense, or a concealed deadly weapon at the time of his arrest, five years;

(b) For a person previously convicted of a felony either in this State or elsewhere, and armed with a deadly weapon, either at the time of his commission of the offense, or a concealed deadly weapon at the time of his arrest, 10 years;

(c) For a person previously convicted of a felony either in this State or elsewhere, but not armed with a deadly weapon at the time of his commission of the offense, or a concealed deadly weapon at the time of his arrest, five years;

(d) For a person convicted at one trial of more than one felony, and upon whom are imposed cumulative or consecutive sentences the aggregate of the minimum terms of which exceed 10 years, 10 years;

(e) Such minimum penalties shall apply only when such possession of a deadly weapon or previous conviction of a felony as above specified has been charged and admitted or found to be true in the manner provided by law and the minimum terms specified in paragraphs (a) and (b) shall not apply in those cases wherein the property stolen or sought to be stolen is an

animal or animals and the manner in which such property is taken or attempted to be taken constitutes the crime of theft and the weapon used during the commission thereof is not used or intended to be used against a person or to resist arrest.

(f) The words "deadly weapon" as used in this section are hereby defined to include any instrument or weapon of the kind commonly known as a blackjack, slung shot, billy, sandclub, sandbag, metal knuckles, any dirk, dagger, pistol, revolver, or any other firearm, any knife having a blade longer than five inches, any razor with an unguarded blade and any metal pipe or bar used or intended to be used as a club.

(g) For the purpose of determining whether or not a conviction for a public offense in another jurisdiction is a previous felony conviction under this section, the word "felony" is defined as a public offense which, if committed in this State, could have been punished as a felony under the laws of this State. Where such an offense is punishable in this State either as a felony or as a misdemeanor, it may be deemed a felony for the purposes of this section.

SEC. 3. Section 3045 of said code is amended to read:

Effect of pardon

3045. Any sentence based on conviction of crime of which the person was previously pardoned on the express ground that he was not guilty shall not be counted as a previous conviction.

CHAPTER 672

An act to amend Sections 9036 and 9039 of the Business and Professions Code, relating to the fees of social workers.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9036 of the Business and Professions Code is amended to read:

Delinquent registration

9036. Every registration which has not been renewed before the last day of March of each calendar year shall be considered delinquent and a delinquency fee of five dollars ($5) shall be added to the renewal fee. Any person who permits the registration to become delinquent may have the registration restored only upon the payment of the renewal fee plus the delinquency fee. No registered social worker who permits the registration to become delinquent for more than three years may have his registration restored without a written examination, the scope of which shall be determined by the board.

SEC. 2. Section 9039 of said code is amended to read:

Fees

9039. The amount of the fees prescribed by this chapter is within the range fixed by the following schedule, the exact amount thereof to be determined annually by the board upon the basis of its needs for the proper enforcement of this chapter:

(a) The application fee is not less than five dollars ($5) nor more than ten dollars ($10).

(b) The annual renewal fee is not less than three dollars ($3) nor more than eight dollars ($8).

(c) The application fee for a student who has satisfactorily completed at least one year of full-time graduate study in an approved school of social work and who is enrolled full-time in an approved school of social work shall be five dollars ($5).

(d) The delinquent fee for failure to pay the annual renewal fee on or before the last day of March shall be five dollars ($5).

CHAPTER 673

An act to amend Section 1325 of the Penal Code, relating to immunity of witnesses from criminal prosecution.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1325 of the Penal Code is amended to read:

Required testimony, evidence

1325. A person sworn and examined for the people of the State of California in any action in which the defendant is charged with a violation of Section 274 of this code or a person sworn and examined before a grand jury investigating alleged charges of violation of said section, cannot be held to answer criminally or be subject to any penalty or forfeiture for any fact or act concerning which he is required to testify. Any statement made or paper produced by such witness is not competent evidence in any criminal proceeding against the witness. The witness cannot refuse to testify to any fact or to produce any paper concerning which he is examined in such proceeding for the reason that his testimony or the production of the paper may tend to disgrace him or render him infamous. Nothing in this section exempts any witness from prosecution and punishment for perjury committed by him on examination.

CHAPTER 674

An act to amend Section 28112 of the Government Code, relating to compensation for public service in counties of the twelfth class.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 28112 of the Government Code is amended to read:

Orange County Salaries

28112. In a county of the twelfth class the following shall receive as compensation for the services required of them by law or by virtue of their office the following sums:

(a) The auditor, seven thousand five hundred dollars ($7,500) a year.

(b) The district attorney eight thousand four hundred dollars ($8,400) a year for his full-time services. He shall not engage in the private practice of law.

(c) Each supervisor, four thousand two hundred dollars ($4,200) a year and the necessary and actual expenses incurred in the performance of the duties of his office.

(d) Grand jurors and trial jurors in superior courts shall receive for each day's attendance in court, upon regularly called jury meetings, committee meetings, or when appointed by the foreman of a grand jury to make individual investigations three dollars ($3) a day. In justices' courts in civil cases, jurors shall receive for each day's attendance, two dollars ($2). In justices' courts and city courts in criminal cases jurors shall receive for each day's attendance, one dollar and fifty cents ($1.50). All jurors shall receive ten cents ($0.10) for each mile actually and necessarily traveled from their residences to the places of service, in going only, mileage to be allowed but once in any one day, during any session of the court where the jurors serve. The fees of all trial jurors in civil cases shall be paid by the litigants as other costs are paid, and jurors in criminal cases in a city court shall be paid by the city in which the court is established.

The compensation provided by this section shall be payable to incumbent officers.

Operative date

SEC. 2. If it is not legally competent to pay the compensation provided by this act to incumbent officers on the effective date of this act, such increase in compensation shall nevertheless be payable to the officers designated in this act as soon as it is legally competent to do so.

CHAPTER 675

An act to validate the organization, boundaries, acts, proceedings and bonds of public bodies, as herein defined, declaring the urgency of this act, to take effect immediately.

In effect immediately

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. The following terms shall have the following meanings herein:

"Public body"

(a) The term "public body" means counties, cities and counties, cities, and public districts of any kind or class, including, without limiting the generality thereof, the following, to wit: School districts of any kind or class, junior college districts, irrigation districts, irrigation district improvement districts,

irrigation district distribution districts, reclamation districts, drainage districts, levee districts, county power pumping districts, public utility districts, municipal utility districts, municipal improvement districts, sanitary districts, sanitation districts, sewer maintenance districts, garbage disposal districts, air pollution control districts, unified air pollution control districts, county sewerage and water districts, municipal sewer districts, joint municipal sewage disposal districts, metropolitan water districts, county water districts, county waterworks districts, water districts, water storage districts, municipal water districts of any kind, water conservation districts, conservancy districts, pest control districts, weed abatement districts, horticultural improvement districts, mosquito abatement districts, soil conservation districts, county fire protection districts, bridge and highway districts, joint highway districts, highway districts, highway lighting districts, permanent road divisions, road districts, cemetery districts, airport districts, port districts, river port districts, harbor districts, recreational harbor districts, harbor improvement districts, municipal port districts, joint harbor improvement districts, flood control districts, storm water districts, library districts, fire protection districts, county maintenance districts, assessment districts, separation of grade districts, park recreation and parkway districts, recreation park and parkway districts, regional park districts, public cemetery districts, local hospital districts, local health districts, veterans' memorial districts, citrus pest control districts, county water authorities, zones of flood control districts, vehicle parking districts, parking authorities, housing authorities, and the California Toll Bridge Authority.

(b) The term "bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, and all instruments evidencing the borrowing of money in anticipation of taxes, revenues or other income of such body, and all instruments payable from revenues or special funds of such public bodies, and all instruments funding or refunding any thereof or any indebtedness.

Validation Organization, existence

SEC. 2. All public bodies heretofore organized or existing under, or under color of, any law are hereby declared to have been legally organized and to be legally functioning as such public body Every such public body shall have all the rights, powers, and privileges, and be subject to all the duties and obligations of such a public body regularly formed pursuant to law.

Same Boundaries

SEC. 3. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

Same Annexation, inclusion

SEC. 4. All acts and proceedings heretofore taken by any public body under any law, or under color of any law, for the annexation or inclusion of territory into any such public body are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing

board of such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the annexation or inclusion of such territory.

Same Bond proceedings

SEC. 5. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for the authorization, issuance, sale, or exchange of bonds of any such public body for any public purpose are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board or agency heretofore done or taken upon the question of the authorization, issuance, sale, or exchange of such bonds.

All bonds of any public body heretofore issued shall be, in the form and manner in which issued and delivered, the legal valid and binding obligations of the public body. All such bonds heretofore authorized to be issued and hereafter issued and delivered in accordance with such authorization shall be the legal, valid and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid and binding obligations of the public body.

Scope

SEC. 6. (a) This act shall operate to supply such legislative authorization as may be necessary to validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

(b) This act shall be limited to the validation of acts and proceedings to the extent to which the same can be effectuated under the State and Federal Constitutions.

(c) Nothing contained herein shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by said sections.

(d) This act shall not operate to confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding now pending and undetermined, and shall not operate to confirm, validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void or ineffective.

(e) This act shall not operate to confirm, validate, or legalize a contract between any district and the United States if a court determination of the validity of the contract is provided for by the state or federal laws under which the contract has been negotiated.

SEC. 7. Wherever bonds of any unified school district have heretofore been issued and sold and the notice of the election at which such bonds were authorized did not specify what portion, if any, of said bonds were to be issued for elementary school purposes, what portion, if any, for high school purposes, and what portion, if any, for junior college purposes, and the governing board of such unified school district has heretofore adopted and entered on its minutes a resolution determining what portion, if any, of such bonds were in fact issued and sold and the proceeds therefrom used for elementary school purposes, what portion, if any, of such bonds were in fact issued and sold and the proceeds therefrom used for high school purposes, and what portion, if any, of such bonds were in fact issued and sold and the proceeds therefrom used for junior college purposes, the action of such governing board making such determination is hereby confirmed, validated, and declared legally effective for the purpose of determining or applying the limitations on bonded debt set forth in Section 4714 and Section 4965 of the Education Code of the State of California. Unified school district bonds

SEC. 8. As used in this act, the word "now" means the date this act takes effect; the word "heretofore" means any time prior to such effective date; and the word "hereafter" means any time subsequent to such effective date. "Now," "heretofore," "hereafter"

SEC. 9. This act may be cited as the First Validating Act of 1951. Short title

SEC. 10. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are Urgency

The peace, health and safety of the citizens of the State require the orderly and unhampered functioning of public bodies and such functioning depends upon the validity of the organization, boundaries, and governing officers or boards of public bodies, and upon the validity of acts, proceedings, and bonds of public bodies, and it is therefore imperative and essential that such matters be validated so that during the period before this act would otherwise become effective:

(1) Citizens of the State can be afforded the protection of the police, fire, safety, sanitary and other regulations and protections provided by public bodies;

(2) Public works and construction by public bodies can be commenced and continued without delay or restriction, to provide sewers, water works, schools, storm drains, flood control works, sanitary facilities, electric and other utility works, fire houses and facilities, police stations and facilities, streets, hospitals, and other works, structures, improvements, and facilities required for the public peace, health, and safety, and immediately needed to provide for an increased population;

(3) Public bodies can issue and sell bonds heretofore authorized for the purpose of providing sewers, water works, schools, storm drains, flood control works, sanitary facilities,

electric and other utility works, fire houses and facilities, police stations and facilities, streets, hospitals, and other works, structures, improvements, and facilities required for the public peace, health and safety and immediately needed to provide for an increased population, which cannot now be sold because of defects in the organization or boundaries of some public body or in the authorization of such bonds, which defects will be cured by this act.

CHAPTER 676

An act to amend Section 678 of the Vehicle Code, relating to tire equipment.

In effect September 22 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 678 of the Vehicle Code is amended to read:

Solid tires Specifications

678. **Restrictions as to Tire Equipment.** (a) When any vehicle is equipped with any solid tire, such solid tire shall have a minimum thickness of resilient rubber as follows:

(1) Width of tire three inches but less than six inches, one inch thick.

(2) Width of tire six inches but not more than nine inches, one and one-fourth inches thick.

(3) Width of tire more than nine inches, one and one-half inches thick.

(b) Every solid tire shall meet the above requirements as to thickness of resilient rubber measured between the surface of the roadway and the nearest metal part of the base flange to which the tire is attached at the point where the concentrated weight of the vehicle bears upon the surface of the roadway and shall have said thickness of rubber upon the entire traction surface above the edge of the flange on its entire periphery. Furthermore, the entire solid tire shall be securely attached to the channel base and shall be without flat spots or bumpy rubber.

(c) With respect to dual solid rubber tires there shall not be an average difference greater than one-eighth inch between the outside diameters of each of the single tires composing said dual tire.

(d) No tire on any vehicle upon any state highway shall have on its periphery any block, stud, flange, cleat, ridge, bead or any other protuberance of metal or wood which projects beyond the tread of the traction surface of the tire. This subdivision shall not prohibit the use of tire chains of reasonable size to prevent skidding when upon wet surfaces or when upon snow or ice, nor to pneumatic tires which may have embedded therein wire not to exceed .075 inches in diameter and which are so constructed that under no conditions will the percentage

of metal in contact with the roadway exceed 5 percent of the total tire area in contact with the roadway; provided, however, that during the first 1,000 miles of use or operation of any such tires the metal in contact with the roadway may exceed 5 percent of such area but shall in no event exceed 20 percent of such area, nor shall the restrictions of this subdivision apply to vehicles operated upon unimproved roadways when necessary in the construction or repair of highways nor to traction engines or tractors when operated under the conditions of a permit first obtained from the State Department of Public Works.

CHAPTER 677

An act to amend Section 5511 of, and to add Section 5512.5 to, the Welfare and Institutions Code, relating to right to jury trial of persons committed as sexual psychopaths.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5511 of the Welfare and Institutions Code is amended to read:

5511. The alleged sexual psychopath shall be present at the hearing, and if he has no attorney, the judge may appoint an attorney to represent him.

Presence, attorney

SEC. 2. Section 5512.5 is added to said code, to read:

5512.5. Persons committed as sexual psychopaths to the department for placement in a state hospital following an observation placement under this chapter shall have the same rights to jury trial as provided in this code for mentally ill persons.

Right to jury trial

CHAPTER 678

An act to amend Section 1952 of the Code of Civil Procedure, relating to destruction of exhibits and depositions.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1952 of the Code of Civil Procedure is amended to read:

1952. The court, on its own motion, by a written order signed by the judge and an entry thereof made in the register of actions, may order destroyed or otherwise disposed of any exhibit or deposition introduced in the trial of a civil action or proceeding or filed in such action or proceeding which, if appeal has not been taken from the decision of the court in the said

Authorization

action or proceeding, remains in the custody of the court or clerk three years after time for appeal has expired, or, if appeal has been taken, remains in the custody of the court or clerk three years after final determination thereof; provided, no such order shall be made authorizing destruction or disposal of any exhibit which conveys title to or creates a lien on real property.

CHAPTER 679

An act to amend Section 14071 of the Education Code, relating to leaves of absence and vacations for noncertificated employees.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 14071 of the Education Code is to be amended as follows:

Power to grant leaves of absence

14071. The governing board of any school district may grant leaves of absence to employees in positions not requiring certification qualifications, in the same manner as is provided in Sections 13672 and 13841 for certificated employees and may grant vacation with pay to employees in positions not requiring certification qualifications.

CHAPTER 680

An act to amend Sections 6500 and 6502 of the Government Code, relating to the joint exercise of powers by public agencies.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6500 of the Government Code is amended to read:

"Public agency"

6500. As used in this article, "public agency" includes the Federal Government or any federal department or agency, this State, an adjoining state or any state department or agency, a county, city, public corporation, or public district of this State or an adjoining state.

SEC. 2. Section 6502 of said code is amended to read:

Joint exercise of powers

6502. If authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties, even though one or more of the contracting agencies may be located outside this State.

CHAPTER 681

An act to amend Sections 50013, 50101, 50110, 50152, 50332, 50401, 50600, 50601, 50602, 50603, 50609, 50631, 50654, 50657, 50659, 50700, 50730, 50731, 50901, 50951, 50953, 50954, 50958, 51324, 51337, 51338, 51339, 51340, 51341, 51346, 51347, 51348, 51349, 51360, 51362, 51364, 51365, 51424, 51480, 51513, 51601, 51661, 51850, 52223, 52224, 52302, 53072, and 53092 of, and to add Sections 50014, 51332.1, 51332.2 to, and to repeal Section 50733 of, the Water Code, relating to reclamation districts.

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 50013 of the Water Code is amended to read:

50013. "Reclamation works" means such public works and equipment as are necessary for the unwatering, watering, or irrigation of district lands and other district operations. "Reclamation works"

SEC. 2. Section 50014 is added to said code, to read:

50014. "Eligible person" means a landowner. "Eligible person"

SEC. 3. Section 50101 of said code is amended to read:

50101. All swamp and overflowed salt-marsh and tide-lands within one mile of the State Prison at San Quentin are excluded from the operation of this division. Exclusion San Quentin

SEC. 4. Section 50110 of said code is amended to read:

50110. Districts may be formed pursuant to this division for the reclamation of any land within any city, which land is subject in any manner, to overflow or incursions from the tide or inland waters of the State. Districts in cities

SEC. 5. Section 50152 of said code is amended to read:

50152. The negligence of a trustee in his official capacity or any employee or servant of a district shall be imputed to the district to the same extent as if the district were a private corporation. Imputed negligence

SEC. 6. Section 50332 of said code is amended to read:

50332. A copy of the petition and order of the board of supervisors approving the same, certified by the county clerk, shall be forwarded to the State Lands Commission which shall thereupon forward to the county treasurer a statement showing the names of purchasers of public land in the district who have paid in full therefor. Statement of purchasers

SEC. 7. Section 50401 of said code is amended to read:

50401. When the petition is granted, the district is organized and the owners of the lands have all the rights, immunities, privileges, and duties granted to boards and in all proceedings the names of the owners shall be used instead of the names of trustees. Effect of granting petition

SEC. 8. Section 50600 of said code is amended to read:

Election of trustees

50600. After the formation of the district and the adoption of by-laws, the board of supervisors, on the application of a landowner, shall call an election in compliance with the provisions of Part 4 of this division at which election there shall be elected three eligible persons, who shall constitute, when elected and qualified, the first board of trustees of the district.

SEC. 9. Section 50601 of said code is amended to read:

Number of trustees

50601. The by-laws of a district may provide, or be amended to provide, for a board of five or seven members, and, if the original by-laws so provide, five or seven eligible persons respectively shall be elected as trustees at each election, or, if the by-laws are amended, then five or seven persons shall be elected at the next district election held subsequent to the date of amendment, and at each election held thereafter.

SEC. 10. Section 50602 of said code is amended to read:

Term of trustees

50602. The by-laws of a district may provide, or be amended to provide, that members of the board shall be elected for a term of two or four years and shall serve until their successors are elected and qualified When the terms of the members are four years, the by-laws may provide that their terms be staggered.

SEC. 11. Section 50603 of said code is amended to read:

Legal entity

50603. After the first election of the board, the district is organized and has power to sue and be sued.

SEC. 12. Section 50609 of said code is amended to read:

Regular meetings

50609. Except as otherwise provided in the by-laws, any meeting of the board at which all members are present, or of which all members have received written notice at least one day prior thereto, is a regular meeting at which any business may be transacted.

SEC. 13. Section 50631 of said code is amended to read:

Secretary Duties

50631. The secretary shall have charge of the office of the board, keep the minutes of all meetings, attest all documents, other than bonds, requiring the signature of the president, and keep accounts of all expenditures made in behalf of the district.

SEC. 14. Section 50654 of said code is amended to read:

Distribution of surplus funds

50654. The board, pursuant to an order entered in its minutes, may distribute, among the landowners of the district, any surplus funds in the treasury belonging to the district not needed for reclamation purposes, in the proportion that the landowners were assessed on the last assessment made by the district and which assessment produced such surplus money by collections thereon or by rental or sale of delinquent land thereunder.

SEC. 15. Section 50657 of said code is amended to read:

Revolving fund

50657. The board may create a revolving fund by an order entered in its minutes and shall file a copy of the order, certified by the president, with the county treasurer.

Same Disbursements bond

SEC. 16. Section 50659 of said code is amended to read:

50659. A revolving fund shall be disbursed only by checks or drafts, signed by at least two members of the board, or by

some person who is authorized to do so by unanimous vote of the board. No person shall be so authorized until he has filed with the board, a bond in the amount required by the board and in no event less than double the amount of the fund. The bond shall be signed by such person, with sureties, and conditioned as security for the safety and proper disbursements of the fund.

SEC. 17. Section 50700 of said code is amended to read

50700. An election board consists of three landowners of the district who shall be appointed by the board of supervisors and shall consist of one inspector and two judges of election. Election board

SEC. 18. Section 50730 of said code is amended to read:

50730. There shall be an election in each district every two or four years as provided by the by-laws, and at such time and place in or near the district as designated by the board of supervisors. Elections

SEC. 19. Section 50731 of said code is amended to read:

50731. Upon receipt of a recommendation of the board of trustees or of a verified petition of 20 percent of the landowners who, together, own at least 20 percent in value of the lands in the district, as determined from the next preceding tax roll of the county, the board of supervisors shall appoint a time, not more than 60 days after receipt of the petition, and place for holding the election. Same Petition to call

SEC. 20. Section 50733 of said code is repealed. Repeal

SEC. 21. Section 50901 of said code is amended to read:

50901. If a district is in debt it has no power to impair or destroy any of its indebtedness without the consent of the creditors, but it may make any arrangement with the creditors for the surrender of such indebtedness at less than par, and may levy an assessment on the lands in the district for the payment thereof. Debts

SEC. 22. Section 50951 of said code is amended to read:

50951. A district may obtain such professional and other services as is necessary to accomplish the purposes of the district and may employ such assistance as the board deems necessary. Professional, other services

SEC. 23. Section 50953 of said code is amended to read:

50953. A district issuing warrants or levying or collecting assessments may employ a clerk who, under the direction of the county treasurer, shall attend to matters pertaining to the registration and payment of warrants and to the levying and collecting of assessments. Clerk

SEC. 24. Section 50954 of said code is amended to read:

50954. The clerk shall receive for his services a yearly sum equal to one and one-half cents ($0.015) per acre based on the net acreage of the district as indicated by the records of the district, or, if the net acreage is not obtainable from the records of the district, based upon the records of the county clerk or, if the district has outstanding bonds it shall pay the clerk three cents ($0.03) per acre. Same Compensation

SEC. 25. Section 50958 of said code is amended to read:

50958. No county officer shall charge or receive any fee for services which he is required to perform in relation to the County officers, Fees, expenses

registration and payment of warrants or the collection of assessments but reasonable and necessary expense actually incurred by a county treasurer in connection with such acts shall be paid out of the funds of the districts.

SEC. 26. Section 51324 of said code is amended to read:

Operation and maintenance roll

51324. The commissioners shall prepare an operation and maintenance assessment roll in duplicate containing the following information in separate columns:

(a) A description of each parcel assessed by legal subdivisions, swampland surveys, or other boundaries sufficient to identify the same.

(b) The number of acres in each parcel.

(c) The names of the owners of each parcel, if known, and if unknown, that fact.

(d) The assessment valuation per acre of each parcel assessed.

(e) The total assessment valuations of each parcel, exclusive of improvements situated thereon.

(f) A blank column for rate to be fixed as shown hereinafter.

(g) A blank column for amount of assessment to be computed as shown hereinafter.

SEC. 27. Section 51332.1 is added to said code, to read:

Order of approval

51332.1. The board of supervisors shall then make an order approving the assessment valuation or any modification thereof and shall endorse the order on the assessment roll. The endorsement shall be signed by the chairman of the board of supervisors and attested by the clerk thereof.

SEC. 28. Section 51332.2 is added to said code, to read:

Same Effect

51332.2. The decision of the board of supervisors in approving the assessment roll is final, and thereafter the endorsed assessment roll is conclusive evidence that the assessment valuations were determined and fixed according to law, except in an action commenced pursuant to Section 51333.

SEC. 29. Section 51337 of said code is amended to read:

Alternative procedure

51337. In lieu of completing the operation and maintenance assessment roll, the board may, following each levy of assessment, cause a supplement to be prepared and filed with the county treasurer setting forth the rate and total assessment as determined by the board, and when so filed it shall be deemed a part of the original operation and maintenance assessment roll to the same extent and purpose as if said rate and total assessment had actually been inserted in said original operation and maintenance assessment roll.

SEC. 30. Section 51338 of said code is amended to read:

Installment payments

51338. The board, by order entered upon its minutes and endorsed on or made a part of the operation and maintenance assessment roll or supplement, may direct that the payment of the assessment be made in one installment or in more than one annual or semiannual installment over a period not to exceed five years.

SEC 31. Section 51339 of said code is amended to read:

51339. If the board orders payment of the total assessment inserted in column (g) in installments over a period of years, the due date and the amount of each installment shall be endorsed by, or under the direction of, the board, on the operation and maintenance assessment roll or supplement. Same: Endorsement

SEC. 32. Section 51340 of said code is amended to read:

51340. When the operation and maintenance assessment roll or supplement has been completed by inserting the rate and assessment in columns (f) and (g), and an order has been entered providing for the payment of all or any part thereof, it shall be filed forthwith in the office of the county treasurer. Filing

SEC. 33. Section 51341 of said code is amended to read:

51341. An assessment levy is a lien upon the parcels against which it is levied from the date the completed operation and maintenance assessment roll or supplement is filed in the office of the county treasurer until paid, and bears interest until paid from a date 60 days after the date of such filing Lien

SEC. 34. Section 51346 of said code is amended to read:

51346. The operation and maintenance assessment roll shall be used for the purposes specified in Section 51326 until the board, or landowners representing at least 15 percent of the district lands, petition the board of supervisors for an order directing the valuation assessment commissioners who made the original operation and maintenance assessment roll or new valuation assessment commissioners, to be named in the order, to prepare a new operation and maintenance assessment roll. New roll

SEC. 35. Section 51347 of said code is amended to read:

51347. Valuation assessment commissioners appointed to prepare a new operation and maintenance assessment roll shall have the same qualifications and take the same oath as the original assessment commissioners. Same Commissioners

SEC. 36. Section 51348 of said code is amended to read:

51348. The new operation and maintenance assessment roll when prepared by the valuation assessment commissioners shall be filed with the clerk of the board of supervisors, and shall be subject to the same provisions as an original operation and maintenance assessment roll. Same Filing

SEC. 37. Section 51349 of said code is amended to read:

51349. No bonds shall be issued nor funds for the payment of the principal or interest of any bonded indebtedness of the district raised on the basis of operation and maintenance assessments. Bond issue prohibited

SEC. 38. Section 51360 of said code is amended to read:

51360. If the real property in the district is assessed to 500 or more different individual, joint, or corporate owners, and is located entirely within one county, the board may furnish to the board of supervisors, on or before the date set for consideration of the budget, an estimate in writing of the amount of money needed for payment of maintenance, repair, operation, Alternative procedure

incidental expenses, and supplemental construction and replacement expenses by the district in lieu of levying an operation and maintenance assessment as provided in Article 3 of this chapter.

SEC. 39. Section 51362 of said code is amended to read:

Tax limit

51362. The tax shall not exceed the rate of ten cents ($0.10) on each one hundred dollars ($100) of the value assessed on the county tax roll of all taxable land and improvements thereon within the district.

SEC. 40. Section 51364 of said code is amended to read:

Disposition of collections

51364. All money collected shall be paid into the county treasury to the credit of the maintenance fund of the district, and shall be held by the county treasurer for the benefit of the district and paid out by him upon warrants authorized by the board.

SEC. 41. Section 51365 of said code is amended to read:

Limitation

51365. No bonds shall be issued nor funds for the payment of the principal or interest of any bonded indebtedness of the district liquidated as of December 31, 1949, raised by, or based on, the method prescribed in this article.

SEC. 42. Section 51424 of said code is amended to read:

Same

51424. No action contesting the validity of any call of an installment of an assessment pursuant to this article may be commenced, unless commenced within six months from the due date of the call.

SEC. 43. Section 51480 of said code is amended to read:

Damages

51480. The district may levy assessments to pay any damage incurred through the negligent conduct of the trustees, employees or servants of the district which is imputed to the district under the provisions of Section 50152, and such damages are incidental expenses of the district.

SEC. 44. Section 51513 of said code is amended to read:

District in two or more counties

51513. When the district is situated in more than one county the county treasurers of each county wherein any of the lands assessed are situated shall report to the county treasurer of the principal county all payments of assessments on all parcels, whether in cash or warrants, immediately upon such payments being made and shall effect immediate transfer of all funds and warrants so paid into the treasurer of the principal county.

SEC. 45. Section 51601 of said code is amended to read:

Notice Content

51601. The notice shall contain:

(a) A description of the parcels assessed, as described in the assessment list or operation and maintenance assessment roll or by reference number as set forth in the assessment list or roll on file in the office of the county treasurer (stating the date and time the list or roll was so filed), or by other appropriate reference thereto sufficient to identify the parcel, and shall refer to the assessment list or roll for further particulars.

(b) The name of the person to whom the parcel is assessed or a statement that it is assessed to unknown owners if such is the fact.

(c) The amount of the delinquent installment, interest and penalty due on the parcel calculated from the date of the call to the date of the sale if the delinquency is on an original unbonded assessment or from the date of delinquency to the date of sale if the delinquency is on an installment of an operation and maintenance assessment.

(d) A notice that the parcel assessed will be sold by the county treasurer on the date therein stated, in front of the courthouse of the principal county to pay the amount of the installment with accrued interest and penalty.

SEC. 46 Section 51661 of said code is amended to read:

Consideration

51661. When the parcel has been purchased for delinquency of a bonded assessment, payment may be made in cash or in matured bonds and coupons issued on the assessment, taken at their face value. Any portion of the purchase price which accrues by reason of a delinquency of an unbonded assessment may be paid only in lawful money of the United States.

SEC. 47. Section 51850 of said code is amended to read:

Assessment insufficient

51850. When assessment commissioners have been appointed and an assessment has been partially or fully completed but has not been approved by the supervisors, and the board finds that the amount to be provided by the assessment is insufficient to pay the outstanding obligations or to pay for necessary new work, it may by resolution cancel all proceedings, and petition the board of supervisors to have prepared a new report and estimate, and appoint the same or new assessment commissioners to spread the assessment.

SEC. 48. Section 52223 of said code is amended to read:

Reduction cancellation of bonds

52223. When bonds have been authorized prior to payment of an assessment during the 30-day period allowed by Section 51510, the amount of bonds to be sold shall be reduced and canceled in an amount equal to the assessment paid during that period.

SEC. 49. Section 52224 of said code is amended to read:

Same Latest maturities, order

52224. The reduction and cancellation of bonds not to be sold shall be only in the latest maturities and the minute order directing such reduction and cancellation shall be entered by the board and a copy thereof, certified by the president, filed with the county treasurer.

SEC. 50. Section 52302 of said code is amended to read:

Replacement of bonds, coupons

52302. Bonds and interest coupons which are, without bad faith on the part of the holder, lost, destroyed, or so mutilated as to impair their value to the holder, may be replaced by the issuance of duplicates in the manner provided with respect to warrants in Part 9, Chapter 2, Article 3 of this division.

SEC. 51. Section 53072 of said code is amended to read:

Registration Demand warrants

53072. A demand warrant unpaid for want of funds at the time of presentation shall be registered by the county treasurer separately from other warrants of the district and shall bear interest from date of registration at the rate of 7 percent per year until paid, unless the board has adopted a lessor rate as authorized in Section 53300.

SEC. 52. Section 53092 of said code is amended to read:

Same Warrants on irrigation fund

53092. If there is insufficient money in the irrigation fund to pay a warrant when presented, endorsement of that fact shall be made thereon by the county treasurer, who shall register it separately from other warrants of the district, and it shall thereafter bear interest from date of registration at the rate of 7 percent per year until paid.

CHAPTER 682

An act to amend Section 656 of the Agricultural Code, relating to purchase of oleomargarine for state institutions.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 656 of the Agricultural Code is amended to read:

Government butter unobtainable

656. No imitation milk product shall be used in any of the charitable or penal institutions that receive assistance from the State; provided, however, that whenever the State is informed in writing that government holdings of butter cannot be purchased or acquired by the State the Department of Finance may purchase for use in state institutions colored oleomargarine when requested to do so by the director of the department having control of any state institutions for which such product is intended.

CHAPTER 683

An act to amend Section 28103 of the Government Code, relating to jurors' fees in counties of the third class.

In effect September 22, 1951

[Approved by Governor May 25, 1951. Filed with Secretary of State May 25, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 28103 of the Government Code is amended to read:

Alameda County Salaries, fees

28103. In a county of the third class each supervisor shall receive as compensation for the services required of him by law or by virtue of his office seven thousand eight hundred dollars ($7,800) a year. All other officers shall receive as compensation for the services required of them by law or by virtue of their offices the salaries and fees fixed pursuant to the charter of the county.

The fees of grand jurors and trial jurors in the superior court are five dollars ($5) and necessary common carrier fare for each day's attendance upon the court or a session of the grand jury and a charge against the county and paid from county funds unless deposited by litigants or otherwise provided for. Fees of jurors for services rendered in any calendar month are payable on or about the first day of the following month, as certified to by the district attorney as to grand

jurors and as certified to by the clerk of the superior court as to trial jurors.

CHAPTER 684

An act to amend Section 307 of the Vehicle Code, relating to suspension or revocation of drivers' licenses.

[Approved by Governor May 26, 1951. Filed with Secretary of State May 26, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 307 of said code is amended to read:

307. Suspension or Revocation of License Upon Conviction of Driving a Motor Vehicle While Under the Influence of Intoxicating Liquor. (a) The department shall immediately suspend or revoke the privilege of any person to operate a motor vehicle upon a highway upon receipt of a duly certified abstract of the record of any court showing that such person has been convicted of driving a motor vehicle while under the influence of intoxicating liquor. The suspension or revocation shall be as follows:

Driving while intoxicated

1. Upon a first such conviction other than under Section 501 such privilege shall be suspended for a period of 90 days, unless the court suspends the license under authority of Section 292 or recommends no such suspension.

2. Upon a first such conviction under Section 501 such privilege shall be suspended for one year and shall not be reinstated until such person gives proof of ability to respond in damages as provided in this code.

3. Upon a second conviction within seven years, of any offense involving driving a motor vehicle while under the influence of intoxicating liquor, such privilege shall be suspended for one year and shall not be reinstated unless and until such person gives proof of ability to respond in damages as provided in this code.

4. Upon a third or subsequent such conviction such privilege shall be revoked and shall not be reinstated for a period of three years and until such person files proof of ability to respond in damages as provided in this code.

(b) Every such suspension shall begin to run from the date the license is surrendered to the judge as hereinafter required or if for any reason the license is not surrendered to the judge at the time of conviction the suspension shall run from the date the licensee is notified of the suspension by the department.

(c) Any court in which any person is convicted of operating a motor vehicle while under the influence of intoxicating liquor, shall, unless the court recommends to the department that there be no license suspension, require the surrender to it of any operator's or chauffeur's license held by such person and the court shall thereupon forward any said license to the department.

CHAPTER 685

An act to add Section 737.5 to, the Vehicle Code, relating to procedure after arrest for a violation of the Vehicle Code.

In effect September 22, 1951

[Approved by Governor May 26, 1951. Filed with Secretary of State May 26, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 737.5 is added to said code, to read:

Arrest of nonresidents

737.5. Procedure When Offense Committed by Nonresident Driving Foreign Motor Vehicle and Unable to Give Address in This State. Whenever a nonresident is arrested for violating any section of this code while driving a foreign motor vehicle, and such person does not furnish satisfactory evidence of identity and an address within this State at which he can be located, such arrested person may, in the discretion of the arresting officer, be taken immediately before a magistrate within the county where the offense charged is alleged to have been committed, and who has jurisdiction over such offense and is nearest or most accessible with reference to the place where the arrest is made. If the magistrate is not available at the time of the arrest, and if the arresting officer does not have the authority or is not required to take the arrested person before a magistrate by some other provision of law, such arrested person shall be released from custody upon giving a written promise to appear as provided in Section 739 of this code.

CHAPTER 686

An act to amend Section 6813 of the Public Resources Code, relating to agreements with adverse claimants of oil and gas lands.

In effect September 22, 1951

[Approved by Governor May 26, 1951. Filed with Secretary of State May 26, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6813 of the Public Resources Code is amended to read:

Agreements with claimants

6813. For the purpose of this chapter, the commission may enter into agreements with any person, association of persons, corporation, city, or county, the United States or any agency thereof, or any of them, claiming the oil and gas in lands adversely to the State of California, which agreements may:

(a) Establish the respective interests of the parties to the agreement in the oil and gas underlying such land.

(b) Establish the boundary line between lands claimed by the State and other parties to the agreement in those cases in which oil or gas is known or believed to exist in such lands or in the vicinity thereof, and, pending the establishment of any such boundaries, provide for the administration, exploration and

development of any lands embraced within the conflicting boundary claims.

(c) Fix the amount of damages for past or future production of oil and gas from wells drilled under color of title on or into land claimed by the State.

Any agreement entered into by the commission with the United States or any agency thereof under this section shall first be approved by the Governor in order to make it effective.

CHAPTER 687

An act to amend Section 3079.5 of the Welfare and Institutions Code, relating to public assistance.

[Approved by Governor May 26, 1951. Filed with Secretary of State May 28, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3079.5 of the Welfare and Institutions Code is amended to read:

Special bureau

3079.5. In any county which has a case load of two hundred fifty (250) or more recipients of aid to the blind, the county board of supervisors shall create a special bureau to be devoted exclusively to the administration of this chapter and Chapter 3 of this part. When possible, the county board of supervisors, subject to applicable civil service and merit system laws, ordinances, and rules, may select to administer this chapter and the provisions of Chapter 3 of this part, blind persons who are eligible for appointment under such laws, ordinances and rules to social work positions in the said special bureau for the blind. Subject to the applicable laws, ordinances, and rules governing county civil service and merit systems, and when practicable, appointments to these positions may be made in such a manner that approximately 50 percent of the social workers employed in said bureau shall be blind.

CHAPTER 688

An act to add Sections 18811 and 26132.1 to the Revenue and Taxation Code, relating to state taxation and providing for the giving of notice to state agencies prior to presentation of claims to the State Controller.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18811 is hereby added to the Revenue and Taxation Code, to read:

Notice to withhold

18811. Whenever, under any provision of this article, service is authorized upon the State of any notice to withhold, unless expressly exempted from the provisions of this section,

such service to be effective must, in addition to any other requirements, be made on the state agency owing the obligation prior to the time such agency presents the claim for payment thereof to the State Controller.

SEC. 2. Section 26132.1 is hereby added to the Revenue and Taxation Code, to read:

Same

26132.1. Whenever, under any provision of this article, service is authorized upon the State of any notice to withhold, unless expressly exempted from the provisions of this section, such service to be effective must, in addition to any other requirements, be made on the state agency owing the obligation prior to the time such agency presents the claim for payment thereof to the State Controller.

CHAPTER 689

An act to amend Sections 160.1 and 160.6 of, and to add Sections 160.15, 160.16, and 160.65 to, the Agricultural Code, relating to agricultural pest control business.

In effect September 22, 1951

[Approved by Governor May 26, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 160.1 of the Agricultural Code is amended to read:

Definitions

160.1. As used in this chapter:

(a) "Pest control" means the use or application of any pesticide, or of any substance, method or device for pesticidal purposes or for the purpose of preventing, destroying, repelling, mitigating or correcting any disorder of plants, or for the purpose of inhibiting, regulating, stimulating or otherwise altering plant growth by direct application to plants.

(b) "Pesticide" means any economic poison, as defined in Section 1061 of this code.

(c) "License" means agricultural pest control license.

SEC. 2. Section 160.15 is added to the Agricultural Code, to read:

Application

160.15. The provisions of this chapter shall not apply to any person while engaged in any of the following:

(a) Any activity defined as structural pest control and required to be licensed under the provisions of Chapter 14 of Division 3 of the Business and Professions Code.

(b) Preservative treatment of fabrics or structural materials.

(c) Household or industrial sanitation services.

SEC. 3. Section 160.16 is added to the Agricultural Code, to read:

Tree surgeons

160.16. Persons regularly engaged in the business of tree surgery who remove diseased or infested tissues, apply disinfectants, or perform similar pest control operations incidental

to such business shall not be required to procure a license but shall obtain a permit from the director, register with the commissioner as provided in Section 160.3, and be subject to all other provisions of this chapter.

SEC. 4. Section 160.6 of the Agricultural Code is amended to read:

160.6. It is unlawful to operate any aircraft in the business of pest control unless the pilot operating the aircraft holds (a) a valid certificate of qualification issued by the director or (b) a valid apprentice certificate issued by the director. A fee of twenty-five dollars ($25) shall accompany each application for each such certificate. Use of aircraft

Before a certificate of qualification may be issued, the applicant shall pass an examination to demonstrate to the director his ability to conduct pest control operations, and his knowledge of the nature and effect of materials used in pest control.

In the case of applicants for apprentice certificate, the examination shall be designed to demonstrate the candidate's ability to conduct the specific pest control operations listed in his application. Successful candidates for apprentice certificates shall be authorized to conduct only the specific kinds of pest control operations for which they are found to be qualified and such operations shall be listed on their apprentice certificates.

The applicant for an apprentice certificate shall satisfy the director, through documentary evidence or other suitable information, that he will be employed by a person holding a license currently in effect and that he will be employed under the direct and personal supervision of a person holding a valid certificate of qualification. All certificates issued prior to the effective date of this act expire December 31, 1951, and all such certificates issued after the effective date of this act shall expire on the last day of the calendar year for which they were issued. Certificates may be renewed upon application to the director, accompanied by a renewal fee of five dollars ($5), within the calendar year next following the date of expiration.

The director may refuse to issue such certificate or renewal of certificate to any pilot, and may revoke or suspend the certificate of any pilot when, after a hearing, he is satisfied that the pilot is not qualified to conduct pest control operations or has violated any of the provisions of this chapter, or rules and regulations issued hereunder, or has failed or refused to comply with any lawful order of the commissioner or the director.

It is unlawful for the holder of an apprentice certificate to conduct pest control operations in accordance with the provisions of his certificate unless he is employed under the direct and personal supervision of a person holding a valid certificate of qualification.

SEC. 5. Section 160.65 is added to the Agricultural Code, to read:

160.65. The rules and regulations of the commissioner may provide for the qualification, by examination or otherwise, of registrants, or of persons in charge of the pest control opera- Rules and regulations

tions of registrants within the county, or of persons employed by registrants to operate pest control equipment, other than aircraft, within the county. The rules and regulations of the commissioner may further provide that it shall be ground for cancellation of registration to operate pest control equipment within the county (a) unless a person so qualified is in charge of said operations, or (b) unless each unit operated within the county is under personal direction of a person so qualified. Any certificate issued under the provisions of this section may be revoked or suspended, or issuance or renewal thereof refused, if the commissioner finds that the applicant or holder of the certificate is incompetent or has violated any of the provisions of this chapter, or rules and regulations issued hereunder, or has failed or refused to comply with any lawful order of the commissioner. Any person whose certificate has been revoked, suspended, or refused, may appeal to the director within 10 days for a hearing.

CHAPTER 690

An act to amend Section 453 of the Vehicle Code, relating to the applicability of the provisions of said code to public employees and publicly owned motor vehicles and other equipment during the installation, removal, repair or maintenance of traffic signs, signals or other traffic control devices.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 453 of the Vehicle Code is amended to read:

Application of code

453. Public Officers and Employees to Obey Code (a) The provisions of this code applicable to the drivers of vehicles upon the highways shall apply to the drivers of all vehicles while engaged in the course of employment by this State or any political subdivision thereof or any municipal corporation or district therein including authorized emergency vehicles subject to those exemptions granted such authorized emergency vehicles in this code.

(b) The provisions of this code shall not apply to public employees and publicly owned teams, motor vehicles and other equipment while actually engaged in work upon the surface of a highway, or work of installation, removal, repairing or maintaining traffic signs, signals or other traffic control devices, but shall apply to such persons and vehicles when traveling to or from such work.

(c) The provisions of this division of the code shall not apply to the duly authorized representatives of any public agency while actually engaged in performing any of the work described in subdivision (b) hereof but shall apply to such persons when traveling to and from such work.

CHAPTER 691

An act to amend Sections 45008, and 45080 of, and to add Section 45083 to, the Government Code, relating to municipal personnel, merit and civil service systems, declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1951. Filed with Secretary of State May 28, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 45008 of said code is amended to read:

45008. The legislative body may contract with the legislative body of any city or county in the State, any state department, or any private person, corporation, association or partnership, for: Examination assistance

(a) The conducting of competitive examinations to ascertain the fitness of applicants for positions and employment in the city service.

(b) The performance of any other service in connection with personnel selection and administration.

SEC. 2. Section 45080 of said code is amended to read:

45080. During any war emergency, the legislative body, by a four-fifths vote, may provide for the emergency employment of any person to fill any office or position in the city. The legislative body first shall find that national mobilization of trained manpower makes it impracticable for the city to recruit personnel pursuant to normal standards established for such office or position. Such person shall not be subject to the requirements, regulations, and qualifications of the personnel, merit, or civil service system adopted by the city. Emergency employment

SEC. 3. Section 45083 is added to said code, to read:

45083. As used in this chapter the word "war" shall mean: "War"

(a) Whenever Congress has declared war and for one year after the termination of hostilities therein as proclaimed by the President of the United States;

(b) Whenever the President of the United States has proclaimed the existence of a national emergency.

SEC. 4. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such urgency is as follows: Urgency

The armed forces and defense industries are taking an increasing number of qualified officers and employees of cities, and there is a shortage of qualified persons to meet the requirements of personnel, merit and civil service systems. To meet the manpower shortage and to continue to be able to provide for essential municipal services, it is necessary during a war emergency to employ available persons and make it possible for

those leaving municipal service to join the armed forces to be reinstated to their former positions upon their return to civil life. Municipal authorities should be given the broadest possible powers to carry on the activities of cities for the preservation of public peace, health and safety. It is therefore necessary that this act go into immediate effect.

CHAPTER 692

Stats 1921, p. 906, amended

An act to add Section 30.01 to the Public Utility District Act of 1921, relating to the powers of public utility districts and authorizing the formation and operation of improvement districts by public utility districts.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 30.01 is added to the Public Utility District Act of 1921, to read:

Irrigation district powers incorporated

Sec. 30.01. Public utility districts shall have the same powers with reference to improvement districts as have been conferred, or may hereafter be conferred, upon irrigation districts by Division 11, Part 7 of the Water Code of the State of California.

Improvement districts also may be formed of lands proposed to be annexed to the district, contingent upon said annexation being completed, in which case the petition for annexation may request that the lands to be annexed shall be included in and form a part of any improvement district then existing within the district or shall constitute a new improvement district within the district when annexed or the board of directors of such district may determine, as one of the terms and conditions for the annexation, that said lands shall be included in and form a part of any improvement district then existing within the district or shall constitute a new improvement district when annexed.

CHAPTER 693

An act to amend Section 1300.8 of, and add Section 1300.95 to, the Agricultural Code, relating to processors of farm products.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1300.8 of the Agricultural Code is amended to read:

No lien within period of financing

1300.8. Notwithstanding any other provisions of this code, a producer shall not have a lien on any farm products or

the manufactured or processed products therefrom hypothecated or pledged, within the period of financing specified in the statement filed with the director as in this section provided, to any lender who, at the time of the said hypothecation or pledging, advances new value to the processor, and who, at least 15 days prior to the time of the making of any loan or the advancing of any moneys to secure the repayment of which said processor hypothecates or pledges farm products or the manufactured or processed products therefrom, has filed a statement in writing with the director, signed by the lender and the processor and containing:

(a) A designation of the name of the lender and the processor, and the chief place of business of each within this State; and

(b) A statement that the lender is engaged or expects to be engaged in financing the processor on the hypothecation or pledging of farm products or the manufactured or processed products therefrom, and the times within which said financing shall take place.

The following form of statement (or any other form of statement containing substantially the same information) shall suffice for the purpose of this chapter:

Statement of Intention to Finance on the Hypothecation of Farm Products

The lender, _____, whose chief place of business within this State is at _____, is or expects to be engaged in financing through said chief place of business (or its _____ branch) the processor _____, whose chief place of business within this State is at _____, on the hypothecation or pledging of farm products, or the manufactured or processed products therefrom, between the _____ day of _____, 19___, and the _____ day of _____, 19___.

_____
Lender.

_____
Processor.

Neither the execution nor the filing of any such statement of intention shall be deemed a commitment by the lender to finance the producer to any extent whatever.

SEC. 2. Section 1300 95 is added to said code to follow Section 1300 9, to read:

Filing

1300 95 Any producer may file with the director a request, containing his name and address and the name of the processor to whom he has delivered or intends to deliver any farm products, that he be notified of the filing of any such statement The director shall, within three days after the filing of such request, mail to such producer, advice or notice, in such form as he may adopt, indicating whether or not such a statement has been filed.

CHAPTER 694

An act to add Title 10a, comprising Sections 1650 to 1681, to Part 3 of the Code of Civil Procedure, providing a civil and criminal procedure for enforcement of the duties of support.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Title 10a is added to Part 3 of the Code of Civil Procedure, to read:

TITLE 10a. RECIPROCAL ENFORCEMENT OF SUPPORT LAW

CHAPTER 1. GENERAL PROVISIONS

Short title

1650. This title is known and may be cited as the Reciprocal Enforcement of Support Law.

Purpose

1651. The purposes of this law are to improve and extend by reciprocal legislation the enforcement of duties of support and to make uniform the law with respect thereto.

Definitions

1652. Unless the context requires otherwise, the definitions in this section govern the construction of this title.

(a) "State" includes any state, territory or possession of the United States and the District of Columbia in which this or a substantially similar reciprocal law has been enacted.

(b) "Initiating state" means any state in which a proceeding pursuant to this or a substantially similar reciprocal law is commenced.

(c) "Responding state" means any state in which any proceeding pursuant to the proceeding in the initiating state is or may be commenced.

(d) "Court" means the superior court and when the context requires, means the court of any other state as defined in a substantially similar reciprocal law.

(e) "Law" includes both common and statute law.

(f) "Duty of support" includes any duty of support imposed or imposable by law, or by any court order, decree or judgment, whether interlocutory or final, whether incidental to a proceeding for divorce, judicial separation, separate maintenance or otherwise.

(g) "Obligor" means any person owing a duty of support.

(h) "Obligee" means any person to whom a duty of support is owed.

Scope

1653. The remedies provided in this title are in addition to and not in substitution for any other remedies.

Obligation binding

1654. The duty of support imposed by the laws of this State or by the laws of the state where the obligee was present when the failure to support commenced as provided in Section 1670 and the remedies provided for enforcement thereof, including any penalty imposed thereby, bind the obligor regardless of the presence or residence of the obligee.

CHAPTER 2. CRIMINAL ENFORCEMENT

Extradition

1660. The Governor of this State (a) may demand from the governor of any other state the surrender of any person found in such other state who is charged in this State with the crime of failing to provide for the support of any person in this State and (b) may surrender on demand by the governor of any other state any person found in this State who is charged in such other state with the crime of failing to provide for the support of a person in such other state. The provisions for extradition of criminals not inconsistent herewith shall apply to any such demand although the person whose surrender is demanded was not in the demanding state at the time of the commission of the crime and although he had not fled therefrom. Neither the demand, the oath nor any proceedings for extradition pursuant to this section need state or show that the person whose surrender is demanded has fled from justice, or at the time of the commission of the crime was in the demanding or the other state.

Submission to jurisdiction of other court

1661. Any obligor contemplated by Section 1660, who submits to the jurisdiction of the court of such other state and complies with the court's order of support, shall be relieved of extradition for desertion or nonsupport entered in the courts of this State during the period of such compliance.

CHAPTER 3 CIVIL ENFORCEMENT

Duties enforceable

1670. Duties of support enforceable under this law are those imposed or imposable under the laws of any state where the alleged obligor was present during the period for which support is sought or where the obligee was present when the failure to support commenced, at the election of the obligee.

State may enforce

1671. Whenever the state or a political subdivision thereof has furnished support to an obligee it shall have the same right to invoke the provisions hereof as the obligee to whom the support was furnished for the purpose of securing reimbursement of expenditures so made.

Relationship immaterial

1672. All duties of support are enforceable by action, irrespective of relationship between the obligor and obligee. Jurisdiction of all proceedings hereunder shall be vested in the superior court.

Complaint

1673. The complaint shall be verified and shall state the name and, so far as known to the plaintiff, the address and circumstances of the defendant and his dependents for whom support is sought, and all other pertinent information.

Certification to another state

1674. If the court of this State acting as an initiating state finds that the complaint sets forth facts from which it may be determined that the defendant owes a duty of support and that a court of the responding state may obtain jurisdiction of the defendant or his property, he shall so certify and shall cause certified copies of the complaint, the certificate and an authenticated copy of this law to be transmitted to the court of the responding state.

Certification to this State

1675. When the court of this State, acting as a responding state, receives from the court of an initiating state the aforesaid copies, it shall (a) docket the cause, (b) notify the county counsel, or district attorney of the county, (c) set a time and place for a hearing, and (d) take such action as is necessary in accordance with the laws of this State to obtain jurisdiction.

Order to support

1676. If the court of the responding state finds a duty of support, it may order the defendant to furnish support or reimbursement therefor and subject the property of the defendant to such order.

Same Transmission

1677. The court of this State when acting as a responding state shall cause to be transmitted to the court of the initiating state a copy of all orders of support or for reimbursement therefor.

Assurance of compliance

1678. In addition to the foregoing powers, the court of this State when acting as the responding state has the power to subject the defendant to such terms and conditions as the court may deem proper to assure compliance with its orders and in particular:

(a) To require the defendant to furnish recognizance in the form of a cash deposit or bond of such character and in such amount as the court may deem proper to assure payment of any amount required to be paid by the defendant.

(b) To require the defendant to make payments at specified intervals to the probation officer of the county or the obligee and to report personally to such probation officer at such times as may be deemed necessary.

(c) To punish the defendant who shall violate any order of the court to the same extent as is provided by law for contempt of the court in any other suit or proceeding cognizable by the court.

Duties as responding state

1679. The court of this State when acting as a responding state shall have the following duties which may be carried out through the probation officer of the county:

(a) Upon receipt of a payment made by the defendant pursuant to any order of the court or otherwise, to transmit the same forthwith to the court of the initiating state.

(b) Upon request to furnish to the court of the initiating state a certified statement of all payments made by the defendant.

Duties as initiating state

1680. The court of this State when acting as an initiating state shall have the duty which may be carried out through the probation officer of the county to receive and disburse forthwith all payments made by the defendant or transmitted by the court of the responding state.

Privilege law inapplicable

1681. Laws attaching a privilege against the disclosure of communications between husband and wife are inapplicable to proceedings under this law. Husband and wife are competent witnesses and may be compelled to testify to any relevant matter, including marriage and parentage.

Severability

SEC. 2. If any provision hereof or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which

can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

CHAPTER 695

An act to add Sections 31047, 31048, and 31049 to the Water Code, relating to county water districts.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 31047 is added to the Water Code, to read:

31047. A district may control, distribute, store, spread, sink, treat, purify, recapture and salvage any water, including sewage and storm waters, for the beneficial use or uses of the district or its inhabitants or the owners of rights to water therein. District powers

SEC. 2. Section 31048 is added to the Water Code, to read:

31048. A district may cooperate, act in conjunction and contract with the State of California or any agency thereof, municipalities, public and private corporations of any kind, and persons with respect to the salvage, control, storage, spreading, distribution, treatment, purification, and recapture of any waters, including sewage and storm waters, and the construction of any works, the acquisition of any property, or the doing of any act with respect thereto, or for the protection of property, watersheds, water courses, and underground water supplies, and for the use, operation, management, or control of any public works or property. Same: Cooperation

SEC. 3. Section 31049 is added to the Water Code, to read:

31049. A district may make and perform any agreement with the State of California or any agency thereof, any public or private corporation of any kind, and any person, or any of them for the joint construction, acquisition, disposition or operation of any property or works of a kind which might be constructed, acquired, disposed of or operated by the district. Same: Contracts

CHAPTER 696

An act to amend Section 942 of the Insurance Code, relating to the liability of the State of California for the custody and safe return of securities.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 942 of the Insurance Code is amended to read:

Deposit of securities

942. The commissioner shall, upon the receipt of such securities, forthwith make a special deposit thereof in the State Treasury, in packages marked with the name of the insurer from whom received. The securities shall remain there as security for policyholders of the insurer to whom they respectively belong. The State is responsible for the custody and safe return of any money or securities so deposited. The State Treasurer shall deposit any such moneys under the provisions of Sections 16370 and 16375 of the Government Code.

CHAPTER 697

Stats 1943, p 2859, amended

An act to add Sections 9.1, 27.1, and 27.2 to, and amend Section 44 of, the Vehicle Parking District Act of 1943, and to add Sections 31571, 31682, and 31683 to, and amend Sections 31530, 31776, and 31777 of, the Streets and Highways Code, relating to the formation and financing of vehicle parking districts, the qualifications of commissioners of such districts, the use for parking places of lands already owned by the city, and the redemption of bonds issued under said act.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9.1 is added to the Vehicle Parking District Act of 1943, to read:

City owned land

Sec. 9.1. The petition for the formation of a district may propose that lands already owned by the city are to be used as parking places for the proposed district. In such event the petition shall state what compensation is to be paid to the city for such use and the manner in which such compensation is to be paid. Such payment may be made out of revenues from the use of such lands, and other lands acquired for the district for parking places. The legislative body may refuse said petition or agree by resolution to such use for the compensation provided in the petition. If the legislative body so agrees, then the ordinance of intention shall describe the lands to be so used and shall state the amount and manner of payment of the compensation. The improvements proposed by a petition may include improvements of lands to be used as parking places pursuant to this section, and in that event the assessment levied shall include the estimated costs and expenses of such improvements. As soon as all collections of paid assessments have been made and all bonds representing unpaid assessments have been sold and paid for, the legislative body shall adopt a resolution providing that such land shall be held subject to the provisions of the act and used as parking places for the use and benefit of the district, and thereafter such land shall be so held and used under

the possession and control of the board of parking place commissioners, and the compensation to be paid to the city shall thereafter be paid to it as proposed in the petition.

SEC. 2. Section 27.1 is added to said act, to read:

Premium upon redemption

Sec. 27.1. The petition for the formation of a district may contain a provision that the redemption provisions of said bonds shall require the payment of a premium of 3 percent of the unpaid principal, in which case the ordinance of intention shall also so provide, and the words, "together with a premium of 3 percent of said unpaid principal" shall be added to the redemption clause of the bonds issued, and such premium must be paid to the treasurer by the property owner or other person paying off any such bond before maturity and discharging the property described therein from the lien of the assessment, and the treasurer must pay such premium to the holder of the bond redeemed.

SEC. 3. Section 27.2 is added to said act, to read:

Same Where formation petition previously filed

Sec. 27.2. In the case of a district, the petition for the formation of which was filed prior to the effective date of this section, the legislative body may, at any time prior to the giving of notice of the filing of the assessment, declare its intention to provide that the redemption provisions of the bonds shall require the payment of a premium of 3 percent of the unpaid principal, in which case the fact of such declaration of intention shall be stated in the notices of the filing of the assessment, and said notices shall further state that prior to the hearing on the assessment any interested person may file with the clerk written objection to requiring such premium. At the hearing on the assessment the legislative body shall hear all such protests, and if following such hearing the legislative body determines that the best interests of the persons owning or having any interest in the property within the district would be served by requiring such premium, then the words set forth in Section 27.1 shall be added to the redemption clause of the bonds issued, and such premium must be paid to the treasurer by the property owner or other person paying off any such bond before maturity and discharging the property described therein from the lien of the assessment, and the treasurer must pay such premium to the holder of the bond redeemed.

SEC. 4. Section 44 of said act is amended to read:

Parking place commission

Sec. 44. Whenever a vehicle parking district is created under this act, immediately upon the acquisition of the parking places to be acquired pursuant to the petition for the formation of the district, a parking place commission shall be appointed which shall have the powers, jurisdiction and authority granted in this act. In the discretion of the legislative body, such commission may be appointed at any time prior to such acquisition and after the adoption of the ordinance declaring the district formed. The commission shall consist of three members. Each commissioner shall be a resident and qualified elector of the municipality or county. Members of the commission

shall serve without compensation. Members of the commission shall be appointed in the case of a municipality by the mayor, subject to confirmation by the legislative body thereof, and in the case of a county by the legislative body.

The commissioners shall hold office for the term of three years from the date of their appointment and qualification and until their successors are appointed and qualified, except that members of the first board appointed shall classify themselves by lot so that one member holds office for one year, one for two years, and one for three years, and, in each instance, until a successor has been appointed and qualified; provided, however, that by a four-fifths vote a commissioner may be removed by the legislative body at any time.

Commissioners shall be persons of business experience and ability to the end that the affairs of the district shall be administered in the interests of the district. A commissioner may be an owner or lessee of property, or an officer, employee, or agent of a corporation owning or leasing property, within the district or, in the case of a commission appointed under Section 51 hereof, within one of the districts, or any other qualified person, but each commissioner shall have the qualifications specified in the first paragraph of this section. Whenever there is filed with the legislative body of the city or the county, as the case may be, a petition signed by the owners of more than one-half of the area of assessable land within the district requesting the removal of a commissioner, such legislative body shall immediately remove such commissioner, and a new commissioner shall be appointed in the same manner as for other appointments. The commissioner so removed shall be ineligible to hold office as a commissioner of the district for a period of one year following his removal. To secure the removal of a commissioner from a commission appointed under Section 51 hereof, the petition must be signed by the owners of more than one-half of the area of assessable land within each of a majority of the districts governed by such commission.

SEC. 5. Section 31571 is added to the Streets and Highways Code, to read:

City owned land

31571. The petition for the formation of a district may propose that lands already owned by the city are to be used as parking places for the proposed district. In such event the petition shall state what compensation is to be paid to the city for such use and the manner in which such compensation is to be paid. Such payment may be made out of revenues from the use of such lands, and other lands acquired for the district for parking places. The legislative body may refuse said petition or agree by resolution to such use for the compensation provided in the petition. If the legislative body so agrees, then the ordinance of intention shall describe the lands to be so used and shall state the amount and manner of payment of the compensation. The improvements proposed by a petition may include

improvements of lands to be used as parking places pursuant to this section, and in that event the assessment levied shall include the estimated costs and expenses of such improvements. As soon as all collections of paid assessments have been made and all bonds representing unpaid assessments have been sold and paid for, the legislative body shall adopt a resolution providing that such land shall be held subject to the provisions of the act and used as parking places for the use and benefit of the district, and thereafter such land shall be so held and used under the possession and control of the board of parking place commissioners, and the compensation to be paid to the city shall thereafter be paid to it as proposed in the petition.

SEC. 6. Section 31682 is added to said code, to read:

Premium upon redemption

31682. The petition for the formation of a district may contain a provision that the redemption provisions of said bonds shall require the payment of a premium of 3 percent of the unpaid principal, in which case the ordinance of intention shall also so provide, and the words, "together with a premium of 3 percent of said unpaid principal" shall be added to the redemption clause of the bonds issued, and such premium must be paid to the treasurer by the property owner or other person paying off any such bond before maturity and discharging the property described therein from the lien of the assessment, and the treasurer must pay such premium to the holder of the bond redeemed.

SEC. 7. Section 31683 is added to said code, to read:

Same Where formation petition previously filed

31683. In the case of a district, the petition for the formation of which was filed prior to the effective date of this section, the legislative body may, at any time prior to the giving of notice of the filing of the assessment, declare its intention to provide that the redemption provisions of the bonds shall require the payment of a premium of 3 percent of the unpaid principal, in which case the fact of such declaration of intention shall be stated in the notices of the filing of the assessment, and said notices shall further state that prior to the hearing on the assessment any interested person may file with the clerk written objection to requiring such premium. At the hearing on the assessment the legislative body shall hear all such protests, and if following such hearing the legislative body determines that the best interests of the persons owning or having any interest in the property within the district would be served by requiring such premium, then the words set forth in Section 31682 shall be added to the redemption clause of the bonds issued, and such premium must be paid to the treasurer by the property owner or other person paying off any such bond before maturity and discharging the property described therein from the lien of the assessment, and the treasurer must pay such premium to the holder of the bond redeemed.

SEC. 8. Section 31530 of said code is amended to read:

Petition to form

31530. The formation of a vehicle parking district may be proposed by petition signed by the owners of land in the proposed district, as shown by the last equalized assessment roll of

the county in which the proposed district lies, owning lands of an assessed value of not less than twenty percent (20%) of the total assessed value of all land in the district, as shown by the last equalized county assessment roll.

Commissioners

SEC. 9. Section 31776 of said code is amended to read:

31776. Commissioners shall be persons of business experience and ability, to the end that the affairs of the district shall be administered in the interests of the district.

Same Ownership, etc., of property in district

SEC. 10. Section 31777 of said code is amended to read:

31777. A commissioner may be an owner or lessee of property, or an officer, employee, or agent of a corporation owning or leasing property, within the district or, in the case of a commission appointed under Section 31865, within one of the districts, or any other qualified person, but each commissioner shall have the qualifications specified in Section 31771.

Effect Stats 1951, Ch 463

SEC. 11. Sections 5 to 10, inclusive, of this act become operative only if Division 18 of the Streets and Highways Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 18 takes effect, at which time Sections 9.1, 27.1, and 27.2, added to the Vehicle Parking District Act of 1943, and Section 44 of said act, as amended, are repealed.

CHAPTER 698

An act to add Sections 21386 and 21387 to the Water Code, relating to irrigation districts.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 21386 is added to the Water Code, to read:

Vice president

21386. At its organization meeting, the board may elect, in addition to a president, a vice president who shall have the power to perform all the duties of the president in the absence of the president, or in the event of his inability to perform such duties.

SEC. 2. Section 21387 is added to the Water Code, to read:

President pro tempore

21387. When the president of the board is absent or unable to act at any meeting of the board and no vice president has been elected, the majority of the board may elect a president pro tempore from its members, who shall have the power to perform all the duties of the president of the board until he is replaced or until the president of the board returns to the performance of his duties.

CHAPTER 699

An act to amend Section 26078 of the Water Code, relating to irrigation districts.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.] In effect September 22, 1951.

The people of the State of California do enact as follows:

SECTION 1. Section 26078 of the Water Code is amended to read:

26078. Upon the assessment, if not payable in installments, or the second installment of it, if payable in installments, becoming delinquent, the collector shall collect, in addition to the assessments due on the delinquent list and the penalties added, costs in the sum of one dollar ($1) on each parcel of land separately assessed. Costs upon delinquency

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CHAPTER 700

An act to amend Section 1105.7 of the Agricultural Code, relating to eggs.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.] In effect September 22, 1951.

The people of the State of California do enact as follows:

SECTION 1. Section 1105.7 of the Agricultural Code is amended to read:

1105.7. It is unlawful to make any statement, representation or assertion orally, by public outcry or proclamation, or in writing, or by any other manner or means whatever concerning the quality, size, weight, condition, source, origin or any other matter relating to eggs, which is false, deceptive or misleading in any particular. Unlawful acts

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CHAPTER 701

An act to amend Section 20606 of, and to add Sections 20019.1, 20019.2, 20461.1, 20606.1, and 20608.1 to, the Government Code, relating to the State Employees' Retirement System in respect to members who are local motor coach operators.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.] In effect September 22, 1951.

The people of the State of California do enact as follows:

SECTION 1. Section 20019.1 is added to the Government Code, to read:

20019.1. "Local safety member" also includes all motor coach operators employed by a contracting agency who have by contract been included within this system. "Local safety member"

The provisions of this section and of Sections 20019.2, 20606.1, and 20608.1 shall not apply to the employees of any contracting agency nor to any such agency unless and until the contracting agency elects to be subject to the provisions of this section and of the said sections by amendment to its contract with the board, made as provided in Section 20461.5, or by express provision in its contract with the board.

SEC. 2. Section 20019.2 is added to said code, to read:

"Local motor coach operator"

20019.2. "Local motor coach operator" means any officer or employee of a contracting agency whose duties are to operate a motor coach, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of active operation of a motor coach, even though such an employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active motor coach operation.

Except as otherwise expressly provided, all of the provisions of this part relative to local policemen and to local firemen apply to local motor coach operators, and all references to fire or police service include service as a local motor coach operator.

SEC. 3. Section 20461.1 is added to said code, to read:

Investigations, etc., procedure

20461.1. Investigations and valuations necessary to adjust the agency's contributions on account of changed benefits or conditions of retirement shall be made in the manner prescribed for valuations and investigations to determine the approximate and actual contributions. Amendments in the contract necessary because of such valuations and investigations shall be approved in the manner prescribed for the approval of the contracts, except that an election among employees is not required.

SEC. 4. Section 20606 of said code is amended to read:

Rates of contribution Basis

20606. For each local safety member other than a member who is a local motor coach operator, the normal rates of contribution shall be based on his age at his entrance into the retirement system and, if he is entitled to credit for prior service, his age when he entered fire, police, or county peace officer service, both ages being taken to the preceding completed quarter year. The age at entrance into fire, police, or county peace officer service shall be determined by deducting the amount of such service for which credit for prior service is granted from his age at his entrance into the retirement system.

SEC. 5. Section 20606.1 is added to said code, to read:

Same

20606.1. The normal rate of contribution for each local safety member who is a local motor coach operator shall be based on his age at the effective date of the election of the contracting agency by which he is employed to be subject to the provisions of this part specifically relating to local motor coach operators, and, if he is entitled to credit for prior service, his age when he entered service as a local motor coach operator, both ages being taken to the preceding completed quarter year.

The age at entrance into service as a local motor coach operator, if prior to the said effective date, shall be determined by deducting the total of such service credited to him at the said effective date from his age at that date. The age at entrance into this system prior to the said effective date shall be his age at the date of entrance if the member makes the contributions under Section 20608.1, required to entitle him to have his age at entrance taken as his age at that date; if he did not, his age at entrance into this retirement system shall be taken as his age at the said effective date.

SEC. 7. Section 20608.1 is added to said code, to read:

Optional contributions

20608.1 The rates of contribution provided in Sections 20606.1, 20607, and 20608 for members who are motor coach operators shall apply on and after the respective effective dates of the elections of the respective contracting agencies by which they are employed to be subject to the provisions of this part specifically relating to local motor coach operators. Each such member has the option, to be exercised within six months after the effective date of such election of the contracting agency by which he is employed, of contributing a sum sufficient to make the amount of accumulated contributions standing to his credit on that date the same as such amounts would have been had he been contributing at the rates, from and after the effective date of his membership in this system, which would have applied to him, assuming the minimum age for voluntary retirement for service specified for local safety members in the contract, throughout such membership.

CHAPTER 702

An act to amend Section 6610.3 of, and to add Section 6612 to, the Welfare and Institutions Code, relating to the admission of persons believed to be mentally ill into mental institutions by application of a local health officer.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6610.3 of the Welfare and Institutions Code is amended to read:

Procedure for admission

6610.3. Any relative or friend of a person believed to be mentally ill and in need of supervision, care, or treatment may report that fact to the local health officer, together with the name and place of residence of the person. The local health officer may make or cause to be made such investigations as he deems to be necessary to ascertain the facts. If it appears to the health officer that there is reasonable cause for believing that admission to a state hospital under this article will be for the best interest of the person he may make the application to a state hospital. Proceedings under this article shall be stopped whenever the person believed to be mentally ill or any relative

or friend acting in his behalf protests against such proceedings to the investigating health officer or to the examining physicians.

Liability

Any local health officer or his employee who makes or assists in making an application under this article shall not be rendered civilly or criminally liable thereby when there is reasonable cause for believing that such application will be for the best interest of the person.

SEC. 2. Section 6612 is added to said code, to read:

Veterans Administration care

6612. A local health officer may make application under this article on behalf of a person believed to be mentally ill to a facility of the Veterans Administration within this State upon receipt of a certificate from the Veterans Administration showing that such person is eligible for care or treatment therein. The chief officer of any facility of the Veterans Administration within this State may admit such person under this article and thereupon shall be vested with the same powers and obligations as superintendents of state hospitals have under this article with respect to retention of custody, leave of absence, discharge or notification of court when demanded by the person.

CHAPTER 703

An act to add Section 228.2 to the Agricultural Code, relating to bovine tuberculosis control.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 228.2 is added to the Agricultural Code, to read:

Obstruction, etc. of tuberculin test

228.2. It is a misdemeanor punishable by imprisonment in the county jail for not less than 90 days, without the alternative of a fine in any case, to obstruct, defeat or interfere with or to attempt to obstruct, defeat or interfere with a tuberculin test by transporting from a premises or by hiding away or sequestering any bovine animal therefrom or by bringing substitute bovine animals onto such premises after receipt of notification by the owner or person in charge of such animals thereon from the department or from an approved veterinarian conducting tuberculin tests, stating that the animals or herd on such premises will be tuberculin tested on or before a certain date or will be under tuberculin test for a stated period and that such animals or herd shall be held on the stated premises for a specified period.

Permission in writing may be obtained from the department or the approved veterinarian conducting the tuberculin tests to allow any necessary movement of such animals. Upon completion of the tuberculin test or tests referred to in the notification, the department or the approved veterinarian shall issue a written release from the holding requirements of the notice.

CHAPTER 704

An act to amend Sections 12512 and 12550 of the Water Code, pertaining to the Colorado River Board.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 12512 of the Water Code is hereby amended to read as follows:

12512. The governing body of the San Diego County Water Authority shall submit to the Governor a list of not less than two persons and a similar list shall be submitted to the Governor by the governing body of each of the following: Palo Verde Irrigation District, Imperial Irrigation District, Coachella Valley County Water District, The Metropolitan Water District of Southern California, and the Department of Water and Power of the City of Los Angeles. From each such list the Governor shall choose and appoint one member. Appointment of members

SEC. 2. Section 12550 of the Water Code is hereby amended to read as follows:

12550. All irrigation districts, county water districts, municipal water districts, metropolitan water districts, county water authorities, water conservation districts, and flood control districts, may make such contributions to the Colorado River Fund as, in the exercise of the discretion of their respective governing bodies, is deemed advisable. Contributions

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CHAPTER 705

An act to amend Section 27322 of the Government Code, relating to recordation of instruments.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 27322 of the Government Code is amended to read:

27322. The recorder shall record, separately, in a fair hand, by typewriting, or by photography or other reproduction process in large well-bound separate books, the following instruments: Recordation

(a) Deeds, grants, transfers and mortgages of real estate, releases of mortgages, powers of attorney to convey real estate, and leases which have been acknowledged or proved.

(b) Mortgages of personal property.

(c) Marriage contracts.

(d) Wills admitted to probate.

(e) Official bonds.

(f) Notices of mechanics' liens.

(g) Transcripts of judgments, which by law are made liens upon real estate in this State.

(h) Notices of attachment upon real estate.

(i) Notices of the pendency of an action affecting real estate, the title thereto, or the possession thereof.

(j) Instruments describing or relating to the separate property of married women.

(k) Notices of preemption claims.

(*l*) Births and deaths.

(m) Certified copies of any petition, with the schedules omitted, filed in, and certified copies of any order or decree made or entered in any proceeding under the National Bankruptcy Act.

(n) Certified copies of decrees and judgments of courts of record; and

(o) Such other writings as are required or permitted by law to be recorded.

The books shall be either bound or contain insertable leaves which when placed in the books cannot be removed. If the instruments specified in this section have been microfilmed for preservation purposes, a type of book may be used which will permit the removal of the leaves in order that reproduction may be made in an efficient manner.

CHAPTER 706

An act to add Section 13011 to the Government Code, relating to the powers and duties of the Director of Finance.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 13011 is added to the Government Code, to read:

State parking facilities

13011. The director may make available to elected state officials, without charge, state parking facilities for the parking of the privately owned cars of such officials.

CHAPTER 707

An act to amend Sections 5050.8 and 5125 of the Welfare and Institutions Code, relating to court procedures and court orders in determining the mental health of a person alleged or found to be mentally ill.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5050.8 of the Welfare and Institutions Code is amended to read:

Commitment

5050.8. If no demand is made for a hearing by or in behalf of the alleged mentally ill person after four days from the service of the notice, petition and orders for examination or detention as provided in this chapter, or if a hearing is waived by the person, or by his attorney, during such four-day period, the judge may proceed immediately to determine the mental status of the alleged mentally ill person.

The judge shall require the two medical examiners appointed by the court to make a personal examination of the person and to report to the court. The judge may require other proof in addition to the petition and the report of the medical examiners.

If the judge is satisfied that the person is so mentally ill as to be in need of supervision, treatment, care or restraint, the judge may adjudge the person to be mentally ill and order the person committed or cared for as provided in Section 5100 of this code. No order for commitment to an institution for the mentally ill shall issue unless two medical examiners have personally made an examination of the person alleged to be mentally ill and have filed with the judge a report upon a form substantially as set forth in Section 5055 of this code containing the facts and circumstances upon which the judgment of the examiners is based and stating that the condition of the person examined is such as to require care and treatment in an institution for the mentally ill.

If it appears to the judge that the person is harmless and his relatives or guardian are willing or able properly to care for him at some place other than such institution, the judge may order the person to be placed in the care and custody of his relatives or guardian.

SEC. 2. Section 5125 of said code is amended to read:

Jury trial on question of mental illness

5125. If an alleged mentally ill person ordered to be cared for or detained in any licensed hospital or sanitarium as a mentally ill person or committed to a state hospital, or any friend in his behalf, is dissatisfied with the order of the judge so detaining or committing him, he may, within 10 days after the making of such order, demand that the question of his mental illness be tried by a judge or by a jury in the superior court of the county in which he was committed or the order of detention was issued Thereupon the court shall set the case for hearing at a date, or shall cause a jury to be summoned and to be in attendance at a date stated, not less than five nor more than 10 days from the date of the demand for a court or jury trial. The court shall adjudge whether the person is mentally ill, or if it is a trial by jury shall submit to the jury the question: Is the person mentally ill?

CHAPTER 708

An act to amend Sections 1521 and 1521.2 of the Welfare and Institutions Code, relating to property qualifications for aid to needy children.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1521 of the Welfare and Institutions Code is amended to read:

Personal property limitation

1521. No aid under this chapter shall be granted or paid for any orphan child who has personal property, the total value of which exceeds six hundred dollars ($600), nor for any child or children in one family who have, or whose parents have, or the child or children and parents have, personal property the combined value of which exceeds six hundred dollars ($600).

SEC. 2. Section 1521.2 of said code is amended to read:

"Personal property"

1521.2. For the purposes of this chapter, "personal property" shall not include the value of essential household furniture and equipment, personal effects, and personal jewelry.

CHAPTER 709

An act to add Section 1523.5 to the Welfare and Institutions Code, relating to aid to needy children.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1523.5 is added to the Welfare and Institutions Code, to read:

Deserted, etc., children

1523.5. Whenever aid has been granted to a needy child who has been deserted or abandoned by a parent the board of supervisors shall immediately notify the district attorney of the county that such aid has been granted. Within 60 days after the date of such notification the district attorney shall investigate such cases of desertion and to report to the appropriate county welfare department the results of any action taken by him.

CHAPTER 710

An act to consolidate and revise the law relating to community redevelopment and housing for the preservation of the public health and safety, and the formation, regulation, and operation of corporations therefor, by adding Division

24 and Section 40021 to the Health and Safety Code, and repealing certain acts specified herein.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Division 24 is added to the Health and Safety Code, to read:

DIVISION 24. COMMUNITY REDEVELOPMENT AND HOUSING

PART 1. COMMUNITY REDEVELOPMENT LAW

CHAPTER 1. GENERAL

Article 1. General Provisions and Definitions

Short title

33000. This part may be cited as the Community Redevelopment Law.

Construction

33001. The definitions and general provisions contained in this article govern the construction of this part, unless the context otherwise requires.

"Agency"

33002. "Agency" means a redevelopment agency created by this part or its predecessor.

"Redevelopment area"

33003. "Redevelopment area" means an area of a community which the legislative body finds to be a blighted area whose redevelopment is necessary to effectuate the public purposes declared in this part.

Same Scope

33004. A redevelopment area need not be restricted to buildings, improvements, or lands which are detrimental or inimical to the public health, safety, or welfare, but may consist of an area in which such conditions predominate and injuriously affect the entire area. A redevelopment area may include lands, buildings, or improvements which are not detrimental to the public health, safety or welfare, but whose inclusion is found necessary for the effective redevelopment of the area of which they are a part.

"Bonds"

33005. "Bonds" means any bonds, notes, interim certificates, debentures, or other obligations issued by an agency pursuant to Article 3 of Chapter 5.

"Community"

33006. "Community" means a city or county.

"Federal Government"

33007. "Federal Government" means the United States or any of its agencies or instrumentalities.

"Legislative body"

33008. "Legislative body" means the city council, board of supervisors, or other legislative body of a community.

"Obligee"

33009. "Obligee" includes any bondholder, his trustee, any lessor demising to the agency property used in connection with a project area or any assignee of all or part of his interest, and the Federal Government when it is a party to any contract with the agency.

"Planning commission"

33010. "Planning commission" means a planning commission established pursuant to law or charter.

"Project area"

33011. "Project area" means all or part of a redevelopment area comprising one of the following:

(a) At least one block bounded on all sides by public highways as shown on the official map of the community.

(b) If no official map exists, an area of not less than 90,000 square feet, including any highways, streets, or alleys.

"Real property"

33012. "Real property" means:

(a) Land, including land under water and waterfront property.

(b) Buildings, structures, fixtures, and improvements on the land.

(c) Any property appurtenant to or used in connection with the land.

(d) Every estate, interest, privilege, easement, franchise, and right in land, including rights of way, terms for years, and liens, charges, or incumbrances by way of judgment, mortgage, or otherwise and the indebtedness secured by such liens

"Redevelopment"

33013. "Redevelopment" means the planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, of all or part of a redevelopment area, and the provision of such residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them.

It does not exclude the continuance of existing buildings or uses whose demolition and rebuilding or change of use are not deemed essential to the redevelopment and rehabilitation of the area. It includes:

(a) The alteration, improvement, modernization, reconstruction, or rehabilitation, or any combination of these, of existing structures in a project area.

(b) Provision for open space types of use, such as streets and other public grounds and space around buildings, and public or private buildings, structures and improvements, and improvements of public or private recreation areas and other public grounds.

(c) The replanning or redesign or original development of undeveloped areas as to which either of the following conditions exist:

(1) The areas are stagnant or improperly utilized because of defective or inadequate street layout, faulty lot layout in relation to size, shape, accessibility, or usefulness, or for other causes.

(2) The areas require replanning and land assembly for reclamation or development in the interest of the general welfare because of widely scattered ownership, tax delinquency, or other reasons.

"Redevelopment project"

33014. "Redevelopment project" means any undertaking of an agency pursuant to this part.

33015. "State" includes any state agency or instrumentality. "State"

33016. "Public body" means the State, or any city, county, district, authority, or any other subdivision or public body of the State. "Public body"

33017. Execution or other judicial process shall not issue against the real property of an agency nor shall any judgment against an agency be a charge or lien upon its real property. This section does not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage, deed of trust, or other encumbrance of an agency or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by an agency on its rents, fees, or revenues. Judicial process

33018. For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the area in which it is authorized to act, any public body, upon the terms and with or without consideration as it determines, may: Public body's powers

(a) Dedicate, sell, convey, or lease any of its property to a redevelopment agency.

(b) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with redevelopment projects.

(c) Furnish, dedicate, close, pave, install, grade, regrade, plan, or replan streets, roads, roadways, alleys, sidewalks, or other places which it is otherwise empowered to undertake.

(d) Plan or replan, zone or rezone any part of such area and make any legal exceptions from building regulations and ordinances.

(e) Enter into agreements with the Federal Government respecting action to be taken by such public body pursuant to any of the powers granted by this part; such agreements may extend over any period, notwithstanding any law to the contrary.

(f) Purchase or legally invest in any of the bonds of an agency and exercise all of the rights of any holder of such bonds.

Article 2. Declaration of State Policy

33040. It is found and declared that there exist in many communities blighted areas which constitute either social or economic liabilities, or both, requiring redevelopment in the interest of the health, safety, and general welfare of the people of such communities and of the State. These blighted areas are characterized by one or more of the conditions set forth in Sections 33041 to 33044, inclusive. Legislative declaration

33041. A blighted area is characterized by the existence of buildings and structures, used or intended to be used for living, commercial, industrial, or other purposes, or any combination of such uses, which are unfit or unsafe to occupy for Unfit, etc., premises

such purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime because of any one or a combination of the following factors:

Factors

(a) Defective design and character of physical construction.

(b) Faulty interior arrangement and exterior spacing.

(c) High density of population and overcrowding.

(d) Inadequate provision for ventilation, light, sanitation, open spaces, and recreation facilities.

(e) Age, obsolescence, deterioration, dilapidation, mixed character, or shifting of uses.

33042. A blighted area is characterized by:

(a) An economic dislocation, deterioration, or disuse, resulting from faulty planning.

(b) The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.

(c) The laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions.

(d) The existence of inadequate streets, open spaces, and utilities.

(e) The existence of lots or other areas which are subject to being submerged by water.

Characterization of blighted area

33043. A blighted area is characterized by a prevalence of depreciated values, impaired investments, and social and economic maladjustment to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.

Same

33044. A blighted area is characterized by:

(a) In some parts of the blighted area, a growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare.

(b) In other parts of the blighted area, a loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

Further declaration

33045. It is further found and declared that:

(a) The existence of blighted areas characterized by any or all of such conditions constitutes a serious and growing menace which is condemned as injurious and inimical to the public health, safety, and welfare of the people of the communities in which they exist and of the people of the State.

(b) Such blighted areas present difficulties and handicaps which are beyond remedy and control solely by regulatory processes in the exercise of the police power.

(c) They contribute substantially and increasingly to the problems of, and necessitate excessive and disproportionate expenditures for, crime prevention, correction, prosecution, and punishment, the treatment of juvenile delinquency, the preservation of the public health and safety, and the maintaining of

adequate police, fire, and accident protection and other public services and facilities

(d) This menace is becoming increasingly direct and substantial in its significance and effect.

(e) The benefits which will result from the remedying of such conditions and the redevelopment of blighted areas will accrue to all the inhabitants and property owners of the communities in which they exist.

Same

33046. It is further found and declared that:

(a) Such conditions of blight tend to further obsolescence, deterioration, and disuse because of the lack of incentive to the individual landowner and his inability to improve, modernize, or rehabilitate his property while the condition of the neighboring properties remains unchanged.

(b) As a consequence the process of deterioration of a blighted area frequently cannot be halted or corrected except by redeveloping the entire area, or substantial portions of it.

(c) Such conditions of blight are chiefly found in areas subdivided into small parcels, held in divided and widely scattered ownerships, frequently under defective titles, and in many such instances the private assembly of the land in blighted areas for redevelopment is so difficult and costly that it is uneconomic and as a practical matter impossible for owners to undertake because of lack of the legal power and excessive costs.

(d) The remedying of such conditions may require the public acquisition at fair prices of adequate areas, the clearance of the areas through demolition of existing obsolete, inadequate, unsafe, and insanitary buildings, and the redevelopment of the areas suffering from such conditions under proper supervision, with appropriate planning, and continuing land use and construction policies.

State policy

33047. For these reasons it is declared to be the policy of the State:

(a) To protect and promote the sound development and redevelopment of blighted areas and the general welfare of the inhabitants of the communities in which they exist by remedying such injurious conditions through the employment of all appropriate means.

(b) That whenever the redevelopment of blighted areas cannot be accomplished by private enterprise alone, without public participation and assistance in the acquisition of land, in planning and in the financing of land assembly, in the work of clearance, and in the making of improvements necessary therefor, it is in the public interest to employ the power of eminent domain, to advance or expend public funds for these purposes, and to provide a means by which blighted areas may be redeveloped or rehabilitated.

(c) That the redevelopment of blighted areas and the provision for appropriate continuing land use and construction policies in them constitute public uses and purposes for which public money may be advanced or expended and private property acquired, and are governmental functions of state concern

in the interest of the health, safety, and welfare of the people of the State and of the communities in which the areas exist.

(d) That it is in the public interest that work on such projects be commenced as soon as possible in order to create postwar employment.

(e) That the necessity in the public interest for the provisions of this part is declared to be a matter of legislative determination.

Further declaration

33048. It is found and declared that blighted areas include housing areas constructed as wartime housing projects, and that such areas are characterized by one or more of the conditions enumerated in Sections 33041 to 33044, inclusive.

CHAPTER 2. REDEVELOPMENT AGENCIES

Article 1. Creation

Redevelopment agency of the community

33200. There is in each community a public body, corporate and politic, known as the redevelopment agency of the community.

Declaration of need

33201. An agency shall not transact any business or exercise any powers under this part unless, by resolution, the legislative body declares that there is need for an agency to function in the community.

Exercise of powers

33202. In any proceeding involving the validity or enforcement of, or relating to, any contract by an agency, the agency is conclusively deemed to have been established and authorized to transact business and exercise its powers upon proof of the adoption of such a resolution.

Dissolution of agency

33203. If an agency has not redeveloped or acquired land for, or commenced the redevelopment of, a project, or entered into contracts for redevelopment within two years after the adoption of such a resolution, the legislative body may by resolution declare that there is no further need for the agency. Upon the adoption of the resolution the offices of the agency members are vacated and the capacity of the agency to transact business or exercise any powers is suspended until the legislative body adopts a resolution declaring the need for the agency to function.

Article 2. Redevelopment Agency, Officers, and Employees

Members of agency

33230. When the legislative body adopts a resolution declaring the need for an agency the mayor or chairman of the board of supervisors, with the approval of the legislative body, shall appoint five resident electors of the community as members of the agency.

Same Limitations

33231. A member may not be an elective officer or an employee of the community, but, notwithstanding any other law, he may be a member, commissioner, or employee of any other agency or authority of, or created for, the community.

Terms of office

33232. Three of the members first appointed shall be designated to serve for terms of one, two, and three years,

respectively, from the date of their appointments and two shall be designated to serve for terms of four years from the date of their appointments. Their successors shall be appointed for four-year terms. Vacancies occurring during a term shall be filled for the unexpired term. A member shall hold office until his successor has been appointed and has qualified.

Chairman

33233. The appointing officer shall designate the first chairman from among the members. When there is a vacancy in such office, the agency shall elect a chairman from among its members. Unless otherwise prescribed by the legislative body, the term of office as chairman is for the calendar year, or for that portion remaining after he is designated or elected.

Compensation

33234. Members shall receive their actual and necessary expenses, including traveling expenses incurred in the discharge of their duties. They may receive such other compensation as the legislative body prescribes.

Removal of member

33235. For inefficiency, neglect of duty, or misconduct in office, a member may be removed by the appointing officer, but only after he has been given a copy of the charges at least 10 days prior to a public hearing on them and has had an opportunity to be heard in person or by counsel. If a member is removed, a record of the proceedings and the charges and findings shall be filed in the office of the clerk of the community.

Interest in property by officer, etc.

33236. No agency or community officer or employee who in the course of his duties is required to participate in the formulation of or to approve plans or policies for the redevelopment of a project area shall acquire any interest in any property included within a project area within the community. If any such officer or employee owns or has any direct or indirect financial interest in such property, he shall immediately make a written disclosure of it to the agency and the legislative body which shall be entered on their minutes. Failure to so disclose constitutes misconduct in office.

Acquisition from members, etc

33237. An agency shall not acquire from any of its members or officers any property or interest in property except through eminent domain proceedings.

Article 3. Powers of a Redevelopment Agency

Powers of members

33260. The powers of each agency are vested in the members in office.

Governmental functions

33261. Each redevelopment agency exercises governmental functions and has the powers prescribed in this part.

Powers of agency

33262. An agency may:

(a) Sue and be sued.

(b) Have a seal.

(c) Make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

(d) Make, amend, and repeal by-laws and regulations not inconsistent with, and to carry into effect, the powers and purposes of this part.

Same

33263. An agency may:

(a) Obtain, hire, purchase, or rent office space, equipment, supplies, insurance, and services.

(b) Authorize and pay the travel expenses of agency members, officers, agents, counsel, and employees on agency business.

Services, etc., of planning commission

33264. For the purposes of the agency, it shall have access to the services and facilities of the planning commission, the city engineer, and other departments and offices of the community.

Selection, etc., of employees, etc

33265. An agency may select, appoint, and employ such permanent and temporary officers, agents, counsel, and employees as it requires, and determine their qualifications, duties, and compensation, subject only to the conditions and restrictions imposed by the legislative body on the expenditure or incumbrance of the budgetary funds appropriated to the community redevelopment agency administrative fund.

Powers of agency

33266. An agency may:

(a) From time to time prepare plans for the improvement, rehabilitation, and redevelopment of blighted areas.

(b) Disseminate redevelopment information.

(c) Accept financial or other assistance from any public or private source, for the agency's activities, powers, and duties, and expend any funds so received for any of the purposes of this part.

Same

33267. Within the redevelopment area or for purposes of redevelopment an agency may:

(a) Purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property, any interest in property, and any improvements on it.

(b) Acquire real property by eminent domain.

(c) Clear buildings, structures, or other improvements from any real property acquired.

(d) Sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage, deed of trust, or otherwise, or otherwise dispose of any real or personal property or any interest in property.

(e) Insure or provide for the insurance of any real or personal property or operations of the agency against risks or hazards.

(f) Rent, maintain, manage, operate, repair, and clear such real property.

Public hearing

33268. Any lease or sale made pursuant to Section 33267 may be made without public bidding but only after a public hearing by the agency upon the proposed lease or sale and the provisions of the sale or lease.

Building site

33269. An agency may develop as a building site any real property owned or acquired by it. In connection with such development it may cause streets and highways to be laid out and graded, and pavements or other road surfacing, sidewalks and curbs, and public utilities to be constructed and installed.

Rehousing bureau

33270. An agency may operate a rehousing bureau to assist site occupants in obtaining adequate temporary or permanent housing. It may incur any necessary expenses for this purpose.

33271. An agency may:

Investment of funds

(a) Invest any money held in reserves or sinking funds, or any money not required for immediate disbursement, in property or securities in which savings banks may legally invest money subject to their control.

(b) Purchase its bonds at a price not more than their principal amount and accrued interest. All bonds so purchased shall be canceled.

Obligations of lessees, etc

33272. An agency may obligate lessees or purchasers of property acquired in a redevelopment project to:

(a) Use the property for the purpose designated in the redevelopment plans.

(b) Begin the redevelopment of the project area within a period of time which the agency fixes as reasonable.

(c) Comply with other conditions which the agency deems necessary to carry out the purposes of this part.

Contract provisions

33273. The agency may provide in the contract that any of the obligations of the purchaser are covenants or conditions running with the land, the breach of which shall cause the fee to revert to the agency.

Restriction

33274. This part does not authorize an agency to construct or rehabilitate any of the buildings for residential, commercial, industrial, or other use contemplated by the redevelopment plan. This part does not authorize an agency to sell, lease, grant, or donate public property to a housing authority or to any public agency for low-rent public housing projects.

Same

33275. Without the consent of the owner, an agency shall not acquire any real property on which existing buildings are to be continued on their present site and in their present form and use, unless they require alteration, improvement, modernization, or rehabilitation under the redevelopment plan and the owner fails or refuses to agree to participate in the redevelopment plan pursuant to Sections 33701 and 33745.

Aid from State or Federal Government

33276. An agency may borrow money or accept financial or other assistance from the State or the Federal Government for any redevelopment project within its area of operation, and may comply with any conditions of such loan or grant.

Property devoted to public use

33277. Property already devoted to a public use may be acquired by the agency through eminent domain, but property of a public body shall not be acquired without its consent.

Territorial jurisdiction

33278. The territorial jurisdiction of the agency of a county is the unincorporated territory in the county, and that of a city or city and county is the territory within its limits.

Article 4. Contracts

Contracts for work

33300. Any work of grading, clearing, demolition, or construction in excess of one thousand five hundred dollars

($1,500) undertaken by the agency shall be done by contract after competitive bids.

Prevailing wage rates

33301. Before awarding any contract for such work to be done in a project, the agency shall ascertain the general prevailing rate of per diem wages in the locality in which the work is to be performed, for each craft or type of workman needed to execute the contract or work, and shall specify in the call for bids for the contract and in the contract such rate and the general prevailing rate for regular holiday and overtime work in the locality, for each craft or type of workman needed to execute the contract.

Same: Payment by contractor

33302. The contractor to whom the contract is awarded and any subcontractor under him shall pay not less than the specified prevailing rate of wages to all workmen employed in the execution of the contract.

Penalty

33303. As a penalty to the agency which awarded the contract, the contractor shall forfeit ten dollars ($10) for each calendar day or portion thereof for each workman paid less than the stipulated prevailing rates for any public work done under the contract by him or by any subcontractor under him. A stipulation to this effect shall be included in the contract.

Records

33304. Each contractor and subcontractor shall keep an accurate record showing the name, occupation, and actual per diem wages paid to each workman employed by him in connection with the work. The record shall be kept open at all reasonable hours to the inspection of the agency.

Indemnity bonds

33305. An agency shall require each successful bidder to file with it good and sufficient bonds, to be approved by it The bonds shall be conditioned upon the faithful performance of the contract and upon the payment of all claims for labor and material in connection with the contract. The bonds shall contain the terms and conditions set forth in Chapter 3 of Division 5 of Title 1 of the Government Code and are subject to the provisions of that chapter.

Article 5. Joint Exercise of Powers

Joint exercise of powers

33330. Two or more agencies within two or more communities may jointly exercise the powers granted under this part In such case the agencies, the planning commissions, and the legislative bodies may hold joint hearings and meetings, or the legislative bodies of the communities acting separately may each designate the agency of one of the communities to act as the agency of all of the interested communities.

Obtaining report, etc., of planning commission

33331. If one agency is designated, it shall obtain the report and recommendation of the planning commission of each community on the redevelopment plan and its conformity to the master or general plan of each community before presenting the tentative redevelopment plan or the redevelopment plan to the respective legislative bodies for adoption.

33332. The designated agency and each planning commission shall cooperate in formulating redevelopment plans. Cooperation

33333. By resolution the legislative body of any community may consent to the inclusion of a part of the area under its jurisdiction in a contiguous project area to be developed by another community. Inclusion in contiguous project area

CHAPTER 3. PRELIMINARY AND TENTATIVE REDEVELOPMENT PLANS

Article 1. Community Prerequisites

33450. Before any area is designated for redevelopment, a community shall comply with the requirements of this article. Requirements

33451. The community shall have a planning commission. Planning commission

33452. The community shall have a master or general community plan adopted by the planning commission or the legislative body. The plan shall include all of the following: Master community plan

(a) The general location and extent of existing and proposed major thoroughfares, transportation routes, terminals, and other major public utilities and facilities.

(b) A land-use plan which designates the proposed general distribution and general location and extent of the uses of the land for housing, business, industry, recreation, education, public buildings and grounds, and other categories of public and private uses of land.

(c) A statement of the standards of population density and building intensity recommended for the various districts and other territorial units, and estimates of future population growth, in the territory covered by the plan, all correlated with the land-use plan.

(d) Maps, plans, charts, or other descriptive matter showing the areas in which conditions are found indicating the existence of blighted areas.

Article 2. Designation of Redevelopment Area

33480. By ordinance adopted by a majority vote of the entire membership, the legislative body may designate one or more areas within the community as a redevelopment area. The ordinance shall include a legal description of the boundaries of the area designated. Redevelopment area

33481. The agency or the planning commission may request the legislative body to designate one or more areas within the community as a redevelopment area. Same

33482. Any person, group, association, or corporation may petition the legislative body in writing to designate one or more areas within the community as redevelopment areas, and may submit with the petition plans showing the proposed redevelopment of such areas or any part thereof. Petition

Article 3. Selection of Project Area and Formulation of Preliminary Plans and Tentative Plans

Preliminary plan

33500. Of its own motion or at the request of the agency the planning commission may, or at the direction of the legislative body or upon the written petition of the owners in fee of a majority in area of any redevelopment area, excluding publicly owned areas or areas dedicated to a public use, the planning commission shall, select one or more project areas comprising all or part of such redevelopment area, and formulate a preliminary plan for the redevelopment of each project area.

Contents

33501. A preliminary plan need not be detailed and is sufficient if it:

(a) Describes the boundaries of the project area.

(b) Contains a general statement of the land uses, layout of principal streets, population densities, and building intensities and standards proposed as the basis for the redevelopment of the project area.

(c) Shows how the purposes of this part would be attained by such redevelopment.

(d) Shows that the proposed redevelopment conforms to the master or general community plan.

Presentation to agency

33502. The planning commission shall submit the preliminary plan for each project area to the agency and the agency shall base the tentative plan upon the preliminary plan. The agency shall make an analysis of the preliminary plan and include the analysis in its report to the legislative body pursuant to Section 33560.

Cooperation

33503. The agency and planning commission shall cooperate in the selection of project areas and in the preparation of the preliminary and tentative plans.

Article 4. Hearing on Tentative Plans

Hearing required

33530. Before submitting the tentative plan to the legislative body the agency shall conduct a public hearing on it.

Notice

33531. The agency shall publish notice of the hearing not less than once a week for four successive weeks prior to the hearing. The notice shall be published in a newspaper of general circulation, printed and published in the community, or if there is none, in a newspaper selected by the agency.

Contents of notice

33532. The notice of hearing shall include a legal description of the boundaries of the area or areas designated in the tentative plan and a general statement of the scope and objectives of the plan.

Mailing notice

33533. Copies of the notices shall be mailed to the last known assessee of each parcel of land within the area designated in the tentative plan, at his last known address as shown by the records of the assessor for the community.

Hearing

33534. At the hearing the agency shall provide an opportunity for all interested persons or public or private agencies to be heard and to submit alternative redevelopment plans for

a project area, and shall receive and consider written communications with reference to the alternative plan.

Alternative plans

33535. Any alternative plan submitted for a project area shall be considered and reported on by the agency and the planning commission in the manner provided for in Section 33567 when the tentative plan of a project area is submitted to the legislative body.

Resubmission to planning commission

If after the public hearings the agency makes substantial changes in the tentative plan, which affect the master or general community plan adopted by the planning commission or the legislative body, the tentative plan shall be resubmitted to the planning commission for its report and recommendation.

Article 5. Adoption of Tentative Plan

Presentation to legislative body with report

33560. The tentative plan shall be presented by the agency to the legislative body and shall be accompanied by a report:

(a) Setting forth the reasons for the selection of the project area.

(b) Describing the physical, social, and economic conditions existing in the area.

(c) Including a preliminary financial analysis of the proposed redevelopment and proposed rent ranges on properties for residential use, for the purpose of indicating the general character of the proposed residential development.

(d) Including the report and recommendations of the planning commission.

Action on tentative plan

33561. Upon submission to it of a tentative plan for a project area, the legislative body may approve or reject it pursuant to this article, or refer it back to the agency or planning commission for further study or revision.

Hearing

33562. Before passing upon the tentative plan, the legislative body shall set a time and fix a place for a public hearing on its adoption.

Notice

33563. Notice of the hearings shall be published not less than once a week for three successive weeks prior to the date of hearing. The notice shall be by publication in a newspaper of general circulation, printed and published in the community, or if there is none, in a newspaper selected by the legislative body.

Contents of notice

33564. The notice of hearing shall include a legal description of the boundaries of the area or areas designated in the tentative plan and a general statement of the scope and objectives of the plan.

Hearing

33565. At the hearing the legislative body shall:

(a) Consider the report of the agency and the recommendation and report of the planning commission.

(b) Provide an opportunity for all interested persons or agencies to be heard and receive and consider written communications with reference to the tentative plan.

(c) Take other evidence and testimony presented concerning the matters under consideration.

Alternative plan

33566. At any time prior to the adoption of a tentative plan by the legislative body, any qualified person or public or private agency may present to the legislative body an alternative plan for the project area.

Same Report by agency and planning commission

33567. Any alternative plan of a project area submitted to the legislative body which has not already been considered and reported on by the agency and the planning commission shall be referred to them for consideration and report. The agency shall report to the legislative body and make its recommendations on the alternative plan within 30 days. The planning commission shall report within 30 days to the legislative body and make its recommendations concerning the alternative plan and its conformity to the master or general plan of the community.

Continuance of hearing

The hearing on a tentative plan may be postponed or continued from time to time to allow time for the agency and the planning commission to make such report.

Action by legislative body

33568. After the hearing the legislative body shall:

(a) Determine whether the redevelopment of the project area pursuant to this part is in the public interest and tends to effectuate the purposes and policy of this part.

(b) Approve or reject the tentative plan or any alternative plan, or modify either and approve or reject it as modified.

Adoption of plan

33569. If the planning commission recommends against the approval of the tentative plan or any alternative plan, by ordinance the legislative body may adopt either plan upon a two-thirds vote of its entire membership. If the planning commission recommends approval or fails to make any recommendation within 30 days or within the time allowed by the legislative body for the agency and the planning commission to report, by ordinance the legislative body may adopt the tentative plan by a majority vote of the entire membership.

Adoption of tentative plan

33570. When the legislative body approves a tentative plan for a project area, the area shall be established and given a name and number. It shall thereafter be referred to as an approved redevelopment project area, and all records or certified copies thereof in relation to the area shall be consolidated into one file, designated by such name and number, and preserved by the clerk of the legislative body as public records.

Contents of ordinance

33571. The ordinance shall include:

(a) A legal description of the boundaries of the project area.

(b) A statement of findings, based upon surveys, investigations, and reports of public agencies, and any other information showing the extent and character of blight, obsolescence, and substandard conditions in the area and their injurious and detrimental effects upon the public health, safety, and general welfare.

(c) The tentative plan for the redevelopment of the project area, showing the principal features of the master plan or general community plan as they apply to the project area.

33572. The legislative body shall transmit to the agency, the planning commission, and the building department of the community a copy of the ordinance. Transmission of ordinance

33573. The legislative body shall file with the county recorder of the county in which the project area is situated a description of the land within the project area and a statement that proceedings for the redevelopment of the project area have been instituted under this part. Filing description and statement

33574. After the adoption of a tentative plan for a project area, all applicants for building permits in the area shall be advised by the building department of the community that the site for which a building permit is sought for the construction of buildings or for other improvements is within a proposed redevelopment project area. Applications for building permits

CHAPTER 4. REDEVELOPMENT PLANS

Article 1. Formulation of Redevelopment Plans

33700. Each agency shall prepare or cause to be prepared, or adopt, a redevelopment plan for each project area and for that purpose may hold hearings and conduct examinations, investigations, and other negotiations. Redevelopment plans

33701. Every redevelopment plan shall provide for participation in the redevelopment of property in the project area by the owners of all or part of such property if the owners agree to participate in the redevelopment in conformity with the redevelopment plan adopted by the legislative body for the area. This section does not prohibit the owners from submitting an alternative plan pursuant to this part. Property owners' participation

33702. Every redevelopment plan which contemplates property owner participation in the redevelopment shall contain alternative provisions for redevelopment of the property if the owners fail to participate in the redevelopment as agreed. Alternative provisions

33703. A redevelopment plan for a project area shall be based upon the approved tentative plan and conform to the master or general community plan insofar as the latter applies to the project area. The agency shall consult with the planning commission of the community in formulating redevelopment plans. Conformity with master plan

33704. Before the redevelopment plan of each project area is submitted to the legislative body, it shall be submitted to the planning commission for its report and recommendation concerning the redevelopment plan and its conformity to the master or general community plan adopted by the planning commission or the legislative body. Within 30 days after a redevelopment plan is submitted to it for consideration, the planning commission shall make and file its report and recommendation with the agency. Submission to planning commission

33705. If the planning commission recommends against the approval of the redevelopment plan, the legislative body Adoption of redevelopment plan

may adopt such plan by a two-thirds vote of its entire membership. If the planning commission recommends approval or fails to make any recommendation within the time allowed, the legislative body may adopt the redevelopment plan by a majority vote of the entire membership.

Financing

33706. Every redevelopment plan shall describe the proposed method of financing the redevelopment of the project area in sufficient detail so that the legislative body may determine the economic feasibility of the plan.

Contents of redevelopment plan

33707. Every redevelopment plan shall show:

(a) The amount of open space to be provided and street layout.

(b) Limitations on type, size, height, number, and proposed use of buildings.

(c) The number of dwelling units.

(d) The property to be devoted to public purposes and the nature of such purposes.

(e) Other covenants, conditions, and restrictions which the legislative body prescribes.

Acquisition of real property

33708. A redevelopment plan may provide for the agency to acquire by gift, purchase, lease, or condemnation all or part of the real property in the project area.

Lease or sale of property

33709. A redevelopment plan shall provide for the agency to lease or sell all real property acquired by it in any project area, except property conveyed by it to the community. Any such lease or sale shall be conditioned on the redevelopment and use of the property in conformity with the redevelopment plan.

Bond issuance

33710. A redevelopment plan may provide for the agency to issue bonds and expend the proceeds from their sale in carrying out the redevelopment plan.

Submission of plan to legislative body

33711. Upon the formation or adoption of a redevelopment plan and its submission to the planning commission of the community, the agency shall submit it to the legislative body.

Article 2. Adoption of Redevelopment Plans

Consideration by legislative body

33730. The legislative body shall consider the redevelopment plan of a project area submitted by the agency, any alternative plan submitted pursuant to this part, and all evidence and testimony for or against the adoption of the plans.

Determination

33731. On the question of the adoption of any redevelopment plan, the legislative body shall determine:

(a) Whether the plan would redevelop the area in conformity with this part and in the interests of the public peace, health, safety, and welfare.

(b) Whether the adoption and carrying out of the redevelopment plan is economically sound and feasible.

Action when alternative plan submitted

33732. If alternative plans are submitted, the legislative body shall give preference to the plan which it deems will best redevelop the project area in conformity with the purposes and

policy of this part and the master or general plan for the community and which requires the least interference with the continued enjoyment of existing property rights consistent with the purposes of this part.

Adoption of plan

33733. If the legislative body determines that the redevelopment plan conforms to the master or general plan of the community, that it is economically sound and feasible, and that the carrying out of the plan would promote the public peace, health, safety, and welfare of the community and would effectuate the purposes and policy of this part, by ordinance adopted by a majority vote of all the members it may adopt the plan as the official redevelopment plan for the project area.

Duties of legislative body Authorization of expenditure

33734. If the plan provides for the expenditure of any money by the community, the legislative body shall provide for such expenditure at the time of or in connection with the approval of the plan.

Opening, etc., of streets

33735. If the plan provides for the opening, closing, widening, or changing the grade of any streets or alleys or any other modification of the street layout in the project area, the legislative body shall declare its intention to institute proceedings therefor at the time of or in connection with the adoption of the plan.

Condemnation of property

33736. If the plan provides for the condemnation of any real property, the legislative body shall not adopt the plan unless it contains adequate provisions for payment for property so acquired as provided by law.

Bond issue

33737. If the plan provides for the issuance of bonds or other obligations of the agency, the legislative body shall not approve the plan unless it contains adequate provision for the payment of the principal and interest when they become due and payable.

Housing for displaced inhabitants

33738. If the plan provides for the temporary or permanent displacement of any occupants of housing facilities in the project area, the legislative body shall not approve the plan except upon the finding that adequate permanent housing facilities are or will be made available in the community for such displaced occupants at rents comparable to those in the community at the time of their displacement.

Same

33739. The legislative body shall also be satisfied that such permanent housing facilities will be made available within three years from the time such occupants are displaced and that pending the development of such facilities there will be available to such displaced occupants adequate temporary housing facilities at rents comparable to those in the community at the time of their displacement.

Stats. 1938 (Ex. Sess.), p. 9

33740. If persons of low income, as defined in the Housing Authorities Law, are to be displaced, prior to its approval of the redevelopment plan the legislative body shall obtain and consider any recommendations of the housing authority authorized to transact business in the community, with respect to the availability and provision of adequate housing for such persons.

Safeguards

33741. No plan shall be approved unless it contains adequate safeguards that the work of redevelopment will be carried out pursuant to the plan and provides for the retention of controls and the establishment of any restrictions or covenants running with land sold or leased for private use for such periods of time and under such conditions as the legislative body deems necessary to effectuate the purposes of this part. The establishment of such controls is a public purpose under the provisions of this part.

Ordinance of adoption

33742. The approval of a redevelopment plan by a legislative body shall be by ordinance. The ordinance shall:

(a) Contain a legal description of the boundaries of the project area covered by the redevelopment plan.

(b) Set forth the purposes and intent of the legislative body with respect to the project area.

(c) Refer specifically to the determinations required in other sections of this article.

(d) Contain by reference to maps, reports, and other information the full details of the approved plan.

(e) Designate the approved plan as the official redevelopment plan of the project area.

Agency responsibility

33743. Upon the filing of the ordinance with the clerk or other appropriate officer of the legislative body, a copy of the ordinance shall be sent to the agency, and the agency is vested with the responsibility for carrying out the plan.

Approval of contracts

33744. Before entering into any or certain types of contracts in connection with the redevelopment plan, the legislative body may require the agency to submit such contracts to the legislative body and obtain its approval.

Failure of owners to participate

33745. If the redevelopment plan adopted provides for participation in the redevelopment of property in the area by the owners of such property, and if for 30 days after the adoption of the plan, the owners fail or refuse to enter into a binding agreement for participation in accordance with the plan, the alternative provisions provided for in Section 33702 become effective as the official redevelopment plan of the project area. The legislative body may extend the 30-day period by not more than 60 days.

Contest of validity

33746. After the adoption of the redevelopment plan and the expiration of the period provided for in Section 33745, further proceedings which affect the specific area in which the owners refused to participate with reference to redevelopment of the project area shall be stayed for 30 days.

Any action to contest the validity of the proceedings for the adoption of a redevelopment plan is barred upon the expiration of such period of 30 days. In any action commenced after the expiration of the 30-day period, except as to matters affecting jurisdiction, the validity of the proceedings is conclusively presumed.

Upon the expiration of the 30-day stay, the agency has the authority to execute the plan.

CHAPTER 5. FINANCIAL PROVISIONS

Article 1. General

Appropriation to agency

33850. At any time after the agency created for any community becomes authorized to transact business and exercise its powers, the legislative body of the community may appropriate to the agency such amounts as the legislative body deems necessary for the administrative expenses and overhead of the agency. The money appropriated may be paid to the agency as a grant to defray the expenses and overhead, or as a loan to be repaid upon such terms and conditions as the legislative body may provide.

"Administrative expense"

In addition to the common understanding and usual interpretation of the term, "administrative expense" includes, but is not limited to, expenses of redevelopment planning and dissemination of redevelopment information.

Proposed budget of administrative expenses

33851. Each agency transacting business and exercising powers under this part shall annually submit to the legislative body of the community a proposed budget of its administrative expenses.

Adoption of budget

33852. The legislative body may adopt an annual budget for the administrative expenses of the agency in such amounts as it deems necessary and may provide such conditions and restrictions upon the expenditure or encumbrance of the money appropriated pursuant to the budget as it deems advisable.

Community Redevelopment Agency Administrative Fund

33853. The money appropriated for administrative expenses shall be kept in the treasury of the community in a special fund to be known as the Community Redevelopment Agency Administrative Fund, and money shall be drawn from the fund to meet the administrative expenses of the agency in substantially the same manner as money is drawn by other agencies and departments of the community subject to budgetary control.

Application

33854. The money appropriated by the legislative body to the Community Redevelopment Agency Administrative Fund is money granted by the community to defray the administrative expenses of the agency which is performing a public function of the community and the grant of money in this manner is not to be construed as making the agency a department of the community or as placing the officers, agents, counsel, and employees under civil service of the community.

Financial reports

33855. Each such agency shall file with the legislative body a detailed report of all its transactions, including a statement of all revenues and expenditures, at monthly, quarterly, or annual intervals as the legislative body may prescribe.

Article 2. Redevelopment Revolving Fund

Redevelopment Revolving Fund

33880. At any time after it has adopted a resolution declaring that there is need for an agency to function in the community, the legislative body may establish a Redevelopment Revolving Fund to be kept in the treasury of the community.

General obligation bonds

33881. For the purpose of raising money to be deposited in such fund, the legislative body may appropriate money or the community may issue and sell its general obligation bonds.

Same

33882. Except as otherwise provided in this part, any general obligation bonds issued by any community pursuant to this article shall be authorized and issued in the manner and within the limitations prescribed by law or the charter of the community for the issuance and authorization of such bonds for public purposes generally. Irrespective of any limitation as to the amount of general obligation bonds which may be issued, a community may issue such bonds for the purposes prescribed by this article, in excess of the limitation, in such amount as may be authorized by an ordinance submitted to and approved by the voters of the community at any general or special election.

Expenditures

33883. By resolution of the legislative body adopted by a majority vote any money in the Redevelopment Revolving Fund may be expended from time to time for:

(a) The acquisition of real property in any project area.

(b) The clearance, aiding in relocation of site occupants, and preparation of any project area for redevelopment.

Same

33884. By resolution of the legislative body adopted by a two-thirds vote, any money in the Redevelopment Revolving Fund may be paid to the agency, upon such terms and conditions as the legislative body may prescribe for any of the following purposes:

(a) Deposit in a trust fund to be expended for the acquisition of real property in any project area.

(b) The clearance of any project area for redevelopment.

(c) Any expenses necessary or incidental to the carrying out of a redevelopment plan which has been adopted by the legislative body.

Sale, etc., of property Limitation

33885. No real or personal property, or any interest therein, acquired or constructed in whole or in part with money from the Redevelopment Revolving Fund shall be sold or leased at a price or encumbered by mortgage, deed of trust, or otherwise for an amount less than its fair value for uses in accordance with the redevelopment plan.

Redeposit of proceeds

33886. All money received by the agency from the sale, lease, or encumbering of property acquired with money from the Redevelopment Revolving Fund in excess of the money required to repay the loans and interest thereon authorized by this part shall be redeposited in the fund.

Approval of sale, etc

33887. If any property acquired in whole or in part from the Redevelopment Revolving Fund is to be sold or leased by the agency, the sale or lease shall be first approved by the legislative body by resolution adopted after public hearing. Notice of the time and place of the hearing shall be published once in the official newspaper of the community at least one week prior to the hearing. The resolution shall be adopted by a majority vote unless the legislative body has provided by ordinance for a two-thirds vote for such purpose.

33888. All other provisions of this part that relate to financing are subject to Sections 33885 to 33887, inclusive. Nothing contained in such sections shall authorize an agency to construct any buildings, but an agency is subject to the limitations imposed by Article 3 of Chapter 2. Other financing provisions

33889. The legislative body of any community may abolish the Redevelopment Revolving Fund whenever it finds that the purposes for which it was established have been accomplished. At the time of abolishing the fund, the legislative body shall transfer all money in it to the general obligation bond redemption fund and provide that all money thereafter to be deposited or redeposited in the Redevelopment Revolving Fund shall be deposited in the general obligation bond redemption fund. Abolishing fund

Any surplus existing in the general obligation bond redemption fund after payment of principal and interest shall be transferred to the general fund of the community. Surplus

Article 3. Bonds

33910. From time to time an agency may issue bonds for any of its corporate purposes. An agency may also issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. Issuance

33911. An agency may issue such types of bonds as it may determine, including bonds on which the principal and interest are payable: Types

(a) Exclusively from the income and revenues of the redevelopment projects financed with the proceeds of the bonds, or with such proceeds together with financial assistance from the State or Federal Government in aid of the projects.

(b) Exclusively from the income and revenues of certain designated redevelopment projects whether or not they were financed in whole or in part with the proceeds of the bonds.

(c) From its revenues generally.

(d) From any contributions or other financial assistance from the State or Federal Government.

(e) By any combination of these methods.

33912. Any of such bonds may be additionally secured by a pledge of any revenues or by an encumbrance by mortgage, deed of trust, or otherwise of any redevelopment project or other property of the agency. Pledge of revenues, etc

33913. Neither the members of an agency nor any persons executing the bonds are liable personally on the bonds by reason of their issuance. Nonliability Agency members

33914. The bonds and other obligations of any agency are not a debt of the community, the State, or any of its political subdivisions and neither the community, the State, nor any of its political subdivisions is liable on them, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the agency; and such bonds and other obligations shall so state on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Nature of obligations

Permit

33915. No agency shall sell, offer for sale, negotiate for the sale of, or take subscriptions for any bonds of its own issue, to, with, or from the public, until it has first applied for and secured from the Commissioner of Corporations a permit authorizing it to do so.

Regulation by commissioner

33916. The application shall be made and the permit issued pursuant to reasonable regulations therefor which the commissioner may adopt and amend from time to time. The commissioner shall issue the permit if he finds that the project is financially sound and that the sale of the bonds would not be unfair, unjust, or inequitable to the purchasers. The provisions of the Corporate Securities Law, not inconsistent with this part, are incorporated herein, insofar as they relate to applications for permits and the issuance of permits required by this section.

Corp C, §25000, ff

Bonds Provisions

33917. The agency may authorize bonds by resolution. The resolution, trust indenture, or mortgage shall provide for:

(a) The issuance of the bonds in one or more series.

(b) The date the bonds shall bear.

(c) The maturity dates of the bonds.

(d) The interest rate, not exceeding four and one-half percent ($4\frac{1}{2}\%$) a year.

(e) The denomination of the bonds.

(f) Their form, either coupon or registered.

(g) The conversion or registration privileges carried by the bonds.

(h) The rank or priority of the bonds.

(i) The manner of their execution.

(j) The medium of payment.

(k) The place of payment.

(*l*) The terms of redemption with or without premium to which the bonds are subject.

Same Sale

33918. The bonds may be sold at not less than par, at public sale held after notice published once at least five days prior to the sale in a newspaper of general circulation published in the community, or, if there is none, in a newspaper of general circulation published in the county. The bonds may be sold at not less than par to the Federal Government at private sale without any advertisement.

Effect of signature

33919. If any agency member or officer whose signature appears on bonds or coupons ceases to be such member or officer before delivery of the bonds, his signature is as effective as if he had remained in office.

Negotiability

33920. Bonds issued pursuant to this part are fully negotiable.

Validity

33921 In any action or proceedings involving the validity or enforceability of any bonds or their security, any such bond reciting in substance that it has been issued by the agency to aid in financing a redevelopment project is conclusively deemed to have been issued for a redevelopment project and the project is conclusively deemed to have been planned, located, and constructed pursuant to this part.

Additional powers of agency

33922 In connection with the issuance of bonds, and in addition to its other powers, an agency has the powers prescribed in Sections 33923 to 33931, inclusive.

33923. An agency may:

Pledge of revenues

(a) Pledge all or any part of its gross or net rents, fees, or revenues to which its right then exists or may thereafter come into existence.

(b) Encumber by mortgage, deed of trust, or otherwise all or any part of its real or personal property, then owned or thereafter acquired.

Covenant prohibiting pledge

33924. An agency may covenant:

(a) Against pledging all or any part of its rents, fees, and revenues.

(b) Against encumbering all or any part of its real or personal property, to which its right or title then exists or may thereafter come into existence.

(c) Against permitting any lien on such revenues or property.

(d) With respect to limitations on its right to sell, lease, or otherwise dispose of all or part of any redevelopment project.

(e) As to what other, or additional debts or obligations it may incur.

Other covenants

33925. An agency may:

(a) Covenant as to the bonds to be issued, as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the bond proceeds.

(b) Provide for the replacement of lost, destroyed, or mutilated bonds.

(c) Covenant against extending the time for the payment of its bonds or interest.

(d) Redeem the bonds, covenant for their redemption, and provide the redemption terms and conditions.

Same

33926. An agency may:

(a) Covenant as to the consideration or rents and fees to be charged in the sale or lease of a redevelopment project, the amount to be raised each year or other period of time by rents, fees, and other revenues, and as to their use and disposition.

(b) Create or authorize the creation of special funds for money held for redevelopment or other costs, debt service, reserves, or other purposes, and covenant as to the use and disposition of such money.

Procedure

33927. An agency may prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds whose holders are required to consent thereto, and the manner in which such consent may be given.

Use of property

33928. An agency may covenant:

(a) As to the use of any or all of its real or personal property.

(b) As to the maintenance of its real and personal property, its replacement, the insurance to be carried on it, and the use and disposition of insurance money.

Rights, etc

33929. An agency may:

(a) Covenant as to the rights, liabilities, powers, and duties arising upon the breach by it of any covenant, condition, or obligation.

(b) Covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived.

Right to enforce payment

33930. An agency may:

(a) Vest in a trustee or the holders of bonds or any proportion of them the right to enforce the payment of the bonds or any covenants securing or relating to the bonds.

(b) Vest in a trustee the right, in the event of a default by the agency, to take possession of all or part of any redevelopment project, to collect the rents and revenues arising from it and to dispose of such money pursuant to the agreement of the agency with the trustee.

(c) Provide for the powers and duties of a trustee and limit his liabilities.

(d) Provide the terms and conditions upon which the trustee or the holders of bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds

Other covenants

33931. An agency may:

(a) Exercise all or any part or combination of the powers granted in Sections 33923 to 33930, inclusive.

(b) Make covenants other than and in addition to the covenants expressly authorized in such sections, of like or different character.

(c) Make such covenants and to do any and all such acts and things as may be necessary, convenient, or desirable to secure its bonds, or, except as otherwise provided in this part, as will tend to make the bonds more marketable notwithstanding that such covenants acts, or things may not be enumerated in this part.

Rights of obligee

33932. In addition to all other rights which may be conferred on him, and subject only to any contractural restrictions binding upon him, an obligee may:

(a) By mandamus, suit, action, or proceeding, compel the agency and its members, officers, agents, or employees to perform each and every term, provision, and covenant contained in any contract of the agency with or for the benefit of the obligee, and require the carrying out of any or all such covenants and agreements of the agency and the fulfillment of all duties imposed upon it by this part.

(b) By suit, action, or proceeding in equity, enjoin any acts or things which may be unlawful, or the violation of any of the rights of the obligee.

Power to confer rights

33933. By its resolution, trust indenture, mortgage, lease, or other contract, an agency may confer upon any obligee holding or representing a specified amount in bonds, the following rights upon the happening of an event or default prescribed in

such resolution or instrument, to be exercised by suit, action, or proceeding in any court of competent jurisdiction:

(a) To cause possession of all or part of any redevelopment project to be surrendered to any such obligee.

(b) To obtain the appointment of a receiver of all or part of any redevelopment project of the agency and of the rents and profits from it. If a receiver is appointed, he may enter and take possession of the redevelopment project or any part of it, operate and maintain it, collect and receive all fees, rents, revenues, or other charges thereafter arising from it, and shall keep such money in separate accounts and apply it pursuant to the obligations of the agency as the court shall direct.

(c) To require the agency and its members and employees to account as if it and they were the trustees of an express trust.

Tax exemption

33934. The bonds are issued for an essential public and governmental purpose, and together with interest on them and income from them are exempt from all taxes.

Legal investment

33935. Notwithstanding any restrictions on investments contained in any laws, the State and all public officers, municipal corporations, political subdivisions, and public bodies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, money, or other funds belonging to them or within their control in any bonds or other obligations issued by an agency. Such bonds and other obligations are authorized security for all public deposits. It is one of the purposes of this part to authorize any persons, firms, corporations, associations, political subdivisions, bodies and officers, public or private, to use any funds owned or controlled by them, including, but not limited to, sinking, insurance, investment, retirement, compensation, pension, and trust funds, and funds held on deposit, for the purchase of any such bonds or other obligations. This part does not relieve any person, firm, or corporation from any duty of exercising reasonable care in selecting securities.

Limitations

33936. All of the provisions of this article are subject to the limitations of Article 2.

PART 2. HOUSING AUTHORITIES

CHAPTER 1. HOUSING AUTHORITIES LAW

Article 1. General Provisions

Short title

34200. This chapter may be cited as the Housing Authorities Law.

Declaration

34201. It is hereby declared:

(a) That there exist in the State insanitary or unsafe dwelling accommodations and that persons of low income are

forced to reside in such accommodations; that within the State there is a shortage of safe or sanitary dwelling accommodations available at rents which persons of low income can afford and that such persons are forced to occupy overcrowded and congested dwelling accommodations; that these conditions cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals, and welfare of the residents of the State and impair economic values; that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident protection, and other public services and facilities.

(b) That these slum areas cannot be cleared, nor can the shortage of safe and sanitary dwellings for persons of low income be relieved, through the operation of private enterprise, and that the construction of housing projects for persons of low income would therefore not be competitive with private enterprise.

(c) That the clearance, replanning, and reconstruction of the areas in which insanitary or unsafe housing conditions exist and the providing of safe and sanitary dwelling accommodations for persons of low income are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of state concern; that it is in the public interest that work on such projects be commenced as soon as possible in order to relieve unemployment which now constitutes an emergency; and the necessity in the public interest for the provisions of this chapter is declared as a matter of legislative determination.

Construction

34202. Unless the context otherwise requires, the definitions contained in this article govern the construction of this chapter.

"Authority"

34203. "Authority" means a public corporation created pursuant to this chapter.

"City," "county"

34204. "City" means any city or city and county. "County" means any county.

"Governing body"

34205. "Governing body" means the city council in the case of a city or the board of supervisors in the case of a county.

"Mayor"

34206. "Mayor" means the mayor of the city or the officer charged with the duties customarily imposed on the executive head of the city.

"Clerk"

34207. "Clerk" means the clerk of the city or of the county.

"Area of operation". City authority

34208. "Area of operation," in the case of a city authority, includes the city and the area within five miles of its territorial boundaries. It does not include any area which lies within the territorial boundaries of another city unless the governing body of such other city has consented by resolution. It does not include any area which lies within the unincorporated area of any county for which an authority has been authorized to transact business. If a county authority becomes empowered to transact business and exercise its powers, a city authority

empowered to transact business and exercise its powers in any of the unincorporated area of the county shall not initiate any further project within such unincorporated territory.

"Area of operation" County authority

34209. "Area of operation," in the case of a county authority includes all of the county except the area within the territorial boundaries of any city for which an authority has been authorized to transact business. A county authority shall not operate in any city located in the county and in which an authority has not been authorized to transact business unless the consent of the city governing body has been obtained. If an authority of a city within a county becomes empowered to transact business and exercise its powers, a county authority empowered to transact business and exercise its powers has no power to initiate any further project within the territorial boundaries of the city.

"Federal Government"

34210. "Federal Government" means the United States, the Federal Emergency Administration of Public Works, or any other agency or instrumentality, corporate or otherwise, of the United States.

"Slum"

34211. "Slum" means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement, or design, lack of ventilation, light, or sanitary facilities, or any combination of these factors, are detrimental to safety, health, and morals.

"Housing project"

34212. "Housing project" means any work or undertaking to be financed in whole or in part by the Federal Government or to which the Federal Government extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise, for any one or a combination of the following purposes:

(a) To demolish, clear, or remove buildings from any slum area. Such work or undertaking may embrace the adaptation of the area to public purposes, including parks or other recreational or community purposes.

(b) To provide decent, safe, and sanitary urban or rural dwellings, apartments, or other living accommodations for persons of low income. Such work or undertaking may include buildings, land, equipment, facilities, and other real or personal property for necessary, convenient, or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, educational, welfare, or other purposes.

"Housing project" also includes the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration, and repair of the improvements, and all other work in connection therewith.

"Persons of low income"

34213. "Persons of low income" means persons or families who lack the amount of income which is necessary, as determined by the authority undertaking the housing project, to enable them, without financial assistance, to live in decent, safe, and sanitary dwellings, without overcrowding.

"Bonds" 34214. "Bonds" means any bonds, notes, interim certificates, debentures, or other obligations issued by the authority pursuant to this chapter.

"Real property" 34215. "Real property" includes all land, including improvements and fixtures on it, and property of any nature appurtenant to it, or used in connection with it, and every estate, interest, and right in it, including terms for years and liens by way of judgment, mortgage, or otherwise, and the indebtedness secured by such liens.

"Obligee" 34216. "Obligee" includes any bondholder, trustee for any bondholders, or lessor demising to the authority property used in connection with a housing project, or any assignee of all or part of such lessor's interest, and the Federal Government when it is a party to any contract with the authority.

Exemption from judicial process 34217. Execution or other judicial process shall not issue against the real property of an authority nor shall any judgment against an authority be a charge or lien upon its real property. This section does not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage of an authority or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by an authority on its rents, fees, or revenues.

Application 34218. Chapter 3, Division 5, Title 1, of the Government Code applies to any housing project under this chapter.

Article 2. Creation of Housing Authorities

Housing authorities 34240. In each county and city there is a public body corporate and politic known as the housing authority of the county or city. The authority shall not transact any business or exercise its powers unless, by resolution, the governing body of the county or city declares that there is need for an authority to function in it.

Determination of need 34241. The governing body may make the determination as to whether there is a need for an authority to function upon its own motion or upon the filing of a petition signed by 25 residents of the county or city asserting that there is need for an authority to function in the county or city and requesting that the governing body so declare.

Resolution 34242. The governing body may adopt a resolution declaring that there is need for a housing authority if it finds either of the following:

(a) That insanitary or unsafe inhabited dwelling accommodations exist in the county or city.

(b) That there is a shortage of safe or sanitary dwelling accommodations in such county or city available to persons of low income at rentals they can afford.

Factors for consideration 34243. In determining whether dwelling accommodations are unsafe or insanitary the governing body may take into consideration:

(a) The degree of overcrowding.

(b) The percentage of land coverage.

(c) The light, air, space, and access available to the inhabitants of such dwelling accommodations.

(d) The size and arrangement of the rooms.

(e) The sanitary facilities.

(f) The extent to which conditions exist in such buildings which endanger life or property by fire or other causes.

Sufficiency and effect of resolution

34244. In any proceeding involving the validity or enforcement of or relating to any contract of the authority, the authority is conclusively deemed to have been established and authorized to transact business and exercise its powers upon proof of the adoption of a resolution by the governing body declaring the need for the authority. The resolution is sufficient if it declares that there is such need for an authority and finds in substantially the terms of Section 34242 that either or both of the conditions set forth in that section exist in the county or city A copy of the resolution duly certified by the clerk is admissible in evidence in any proceeding.

Abandonment of authority

34245. If, after the lapse of two years after the adoption of the resolution the governing body finds that the authority has failed to transact any business or exercise any of its powers, it may adopt a resolution declaring that the authority shall not transact any business or exercise its powers under this chapter, and that the offices of the authority commissioners are vacated At any time thereafter the governing body may declare by resolution that there is need for an authority to function in the county or city, such determination to be made pursuant to this article.

Article 3. Officers and Employees

Appointment of commissioners

34270. When the governing body of a city adopts a resolution declaring the need for an authority, it shall promptly notify the mayor of the adoption. Upon receiving the notice and if his office is one filled by election by the people, the mayor shall appoint five persons as commissioners of the authority. If the office of mayor is not elective, the city governing body shall make the appointments.

Same

34271. When the governing body of a county adopts such a resolution it shall appoint five persons as commissioners of the authority.

Terms

34272. Three of the commissioners first appointed shall be designated to serve for terms of one, two, and three years, respectively, from the date of their appointment, and two shall be designated to serve for terms of four years from the date of their appointments. Their successors shall be appointed for a term of four years except that all vacancies shall be filled for the unexpired term. No commissioner of an authority may be an officer or employee of the county or city for which the authority is created. A commissioner shall hold office until his successor has been appointed and has qualified.

Certificate of appointment, etc

34273. A certificate of the appointment or reappointment of any commissioner shall be filed with the clerk and the certificate is conclusive evidence of the due and proper appointment of the commissioner.

Compensation

34274. A commissioner shall not receive compensation for his services, but he is entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties.

Power in commissioners

34275. The power of each authority is vested in the commissioners in office from time to time.

Quorum

34276. Three commissioners constitute a quorum of the authority for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the authority upon a vote of a majority of the commissioners, unless in any case the by-laws of the authority require a larger number.

Chairman

34277. The mayor of the city or the governing body of the county shall designate the first chairman from among the commissioners. The authority shall select his successor from among its commissioners.

Employees

34278. An authority shall select from among its commissioners a vice chairman, and it may employ a secretary who shall be executive director, technical experts, and such other officers, agents, and employees, permanent and temporary, as it requires, and shall determine their qualifications, duties, and compensation.

Legal services

34279. For the legal services it requires, an authority may call upon the chief law officer of the city or the county or may employ its own counsel and legal staff.

Delegation of duties, etc

34280 An authority may delegate to one or more of its agents or employees the powers or duties it deems proper.

Interest in projects, etc

34281. A commissioner or employee of an authority shall not acquire any direct or indirect interest in any housing project or in any property included or planned to be included in any project, nor shall he have any direct or indirect interest in any contract or proposed contract for materials or services to be furnished or used in connection with any housing project If he owns or controls a direct or indirect interest in any such property, he shall immediately make a written disclosure of it to the authority and the disclosure shall be entered upon its minutes. Failure so to disclose his interest constitutes misconduct in office.

Removal

34282. For inefficiency, neglect of duty, or misconduct in office, a commissioner may be removed by the governing body of the county in the case of a county authority, or by the mayor, if he has the power of appointment of commissioners, otherwise by the governing body of the city in the case of a city authority A commissioner shall be removed only after he has been given a copy of the charges at least 10 days prior to the hearing on them and has had an opportunity to be heard in person or by counsel. If a commissioner is removed, a record of the proceedings and the charges and findings on them shall be filed in the office of the clerk.

Article 4. Powers and Duties of Housing Authorities

Powers

34310. An authority constitutes a corporate and politic public body, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of this chapter.

Same

34311. An authority may:

(a) Sue and be sued.

(b) Have a seal and alter it.

(c) Have perpetual succession.

(d) Make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

(e) Make, amend, and repeal by-laws and regulations, not inconsistent with this chapter, to carry into effect the powers and purposes of the authority.

Same

34312. Within its area of operation, an authority may:

(a) Prepare, carry out, acquire, lease, and operate housing projects.

(b) Provide for the construction, reconstruction, improvement, alteration, or repair of all or part of any housing project.

Low-rent housing, etc Limitations

34313. Except where there existed on September 15, 1945, contracts for financial assistance between a housing authority and the Federal Government, no low-rent housing or slum-clearance project shall be developed, constructed, or owned by an authority after September 15, 1945, except after consultation with the school district in which the project is located, and until the governing body of the county or city in which it is proposed to develop, construct, or own the project, approves it by resolution.

Contracts, etc, for services, etc

34314. An authority may arrange or contract for the furnishing by any person or agency, public or private, of services, privileges, works, or facilities for, or in connection with, a housing project or its occupants. Notwithstanding anything to the contrary contained in this chapter or in any other law, an authority may include in any contract let in connection with a project stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum wages and maximum hours of labor and any conditions which the Federal Government has attached to its financial aid of the project.

Powers of authority Lease of accommodations, etc

34315. An authority may:

(a) Lease or rent any dwellings, houses, accommodations, lands, buildings, structures, or facilities embraced in any housing project and establish and revise the rents or charges for them.

(b) Own, hold, and improve real or personal property.

(c) Purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise any real or personal property or any interest in property.

(d) Acquire any real property by eminent domain.

(e) Sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest in it.

(f) Insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards.

(g) Procure insurance or guarantees from the Federal Government of the payment of all or part of any debts, whether or not incurred by the authority, secured by mortgages on any property included in any of its housing projects.

Investment of funds

34316. An authority may:

(a) Invest any money held in reserves or sinking funds, or any money not required for immediate disbursement, in property or securities in which savings banks may legally invest money subject to their control.

(b) Purchase its bonds at a price not more than their principal amount and accrued interest; all bonds so purchased shall be canceled.

Investigations

34317. Within its area of operation, an authority may:

(a) Investigate into living, dwelling, and housing conditions and into the means and methods of improving such conditions.

(b) Determine where slum areas exist or where there is a shortage of decent, safe, and sanitary dwelling accommodations for persons of low income.

(c) Make studies and recommendations relating to the problem of clearing, replanning, and reconstructing of slum areas, and the problem of providing dwelling accommodations for persons of low income, and cooperate with the city, the county, the State or any of its political subdivisions in action taken in connection with such problems.

(d) Engage in research, studies, and experimentation on the subject of housing.

Same

34318. Acting through one or more commissioners or other person or persons designated by it, an authority may:

(a) Conduct investigations, hear testimony, and take proof under oath at public or private hearings on any matter material for its information.

(b) Administer oaths, issue subpenas requiring the attendance of witnesses or the production of books and papers, and issue commissions for the examination of witnesses who are outside of the State, unable to attend before the authority, or excused from attendance.

(c) Make available to appropriate agencies, including those charged with the duty of abating nuisances or like conditions or of demolishing unsafe or insanitary structures within its area of operation, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety, or welfare.

Other powers

34319. An authority may exercise all or any part or combination of powers granted in Sections 34311 to 34318, inclusive.

Application of other laws

34320. No law concerning the acquisition, operation, or disposition of property by other public bodies is applicable to an authority unless the Legislature specifically so states.

Operation for profit prohibited

34321. It is declared to be the policy of the State that each authority shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals for dwelling accommodations at the lowest possible rates consistent with its providing decent, safe, and sanitary dwelling accommodations, and that no housing authority shall construct or operate any such project for profit, or as a source of revenue to the city or the county. To this end an authority shall fix the rentals for dwellings in its projects at no higher rates than it finds necessary to produce revenue which, together with all other available money, income, and receipts of the authority, will be sufficient for all of the following:

(a) To pay, when due, the principal and interest on its bonds.

(b) To meet the cost of, and to provide for, maintaining and operating the projects, including the cost of any insurance, and the administrative expenses of the authority.

(c) During not less than the six years immediately succeeding its issuance of any bonds, to create a reserve sufficient to meet the largest principal and interest payments which will be due on such bonds in any one year thereafter and to maintain the reserve.

Tenant selection

34322. In the operation or management of housing projects an authority shall:

(a) Rent or lease the dwelling accommodations only to persons of low income and only at rentals within their financial reach.

(b) Rent or lease to a tenant dwelling accommodations consisting of the number of rooms which it deems necessary to provide safe and sanitary accommodations to the occupants, without overcrowding.

(c) Reject any person as a tenant in any housing project if he has an annual net income in excess of five times the annual rental of the quarters to be furnished, except that in the case of families with three or more minor dependents, the ratio shall not exceed six to one. In computing the rental for this purpose, there shall be included in the rental the average annual cost, as determined by the authority, to occupants of heat, water, electricity, gas, cooking range, and other necessary services or facilities, whether or not the charge for them is included in the rental.

(d) Prohibit subletting by tenants.

Construction

34323. Nothing contained in Sections 34321 and 34322 shall be construed as limiting the power of an authority to vest in an obligee the right, in the event of a default by the authority, to take possession of a housing project, cause the appointment of a receiver for it, or acquire title to it through foreclosure proceedings, free from all the restrictions imposed by such sections.

Cooperation

34324. Two or more authorities may join or cooperate in the exercise of the powers conferred by this chapter for the purpose of financing, planning, undertaking, constructing, or

operating housing projects located within the area of operation of any one or more of the authorities.

Eminent domain

34325. Pursuant to the Code of Civil Procedure an authority may acquire by eminent domain any real property which it deems necessary for its purposes under this chapter after the adoption by it of a resolution declaring that the acquisition of the real property described in it is necessary for such purposes. Property already devoted to a public use may be acquired by eminent domain, but real property belonging to the city, the county, the State, or any of its political subdivisions shall not be acquired without its consent.

Application of planning etc., laws

34326. All housing projects are subject to the planning, zoning, sanitary, and building laws, ordinances, and regulations applicable to the locality in which the housing project is situated. In the planning and location of any housing project, an authority shall take into consideration the relationship of the project to any larger plan or long-range program for the development of the area in which it functions.

Aid from Federal Government

34327. An authority may:

(a) Borrow money or accept grants or other financial assistance from the Federal Government for or in aid of any housing project within its area of operation.

(b) Take over, lease, or manage any housing project or undertaking constructed or owned by the Federal Government.

(c) For these purposes, comply with such conditions and enter into any mortgages, trust indentures, leases, or agreements necessary, convenient, or desirable.

It is the purpose and intent of this chapter to authorize every authority to do any and all things necessary or desirable to secure the financial aid or cooperation of the Federal Government in the undertaking, construction, maintenance, or operation of any housing project by an authority.

Reports

34328. At least once a year, an authority shall file with the clerk a report of its activities for the preceding year and make recommendations with reference to additional legislation or other action which it deems necessary to carry out the purposes of this chapter.

Article 5. Bonds

Issuance of bonds

34350. An authority may issue bonds for any of its corporate purposes. An authority may also issue refunding bonds for the purpose of paying or retiring bonds previously issued by it.

Types of bonds

34351. An authority may issue such types of bonds as it determines, including bonds on which the principal and interest are payable:

(a) Exclusively from the income and revenues of the housing project financed with the proceeds of the bonds, or with such proceeds together with a grant from the Federal Government in aid of the project.

(b) Exclusively from the income and revenues of certain designated housing projects whether or not they were financed in whole or in part with the proceeds of the bonds.

(c) From its revenues generally.

Pledge of revenues

34352. Any of the bonds may be additionally secured by a pledge of any revenues or a mortgage of any housing project or other property of the authority.

Exemption from liability

34353. Neither the commissioners of an authority nor any person executing the bonds are liable personally on the bonds by reason of their issuance. The bonds and other obligations of an authority are not a debt of the city, county, State, or any of its political subdivisions and neither are they liable on the bonds, nor are the bonds or obligations payable out of any funds or properties other than those of the authority; and the bonds shall so state on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

Bond provisions

34354. By resolution, an authority may authorize bonds. The resolution, its trust indenture, or mortgage may provide for:

(a) The issuance of bonds in one or more series.

(b) The date the bonds shall bear.

(c) The date of maturity.

(d) The interest rate, not exceeding four and one-half percent (4½%) a year.

(e) The denomination of the bonds.

(f) The form of the bonds, either coupon or registered.

(g) The conversion or registration privileges which the bonds shall carry.

(h) The rank or priority of the bonds.

(i) The manner of execution of the bonds.

(j) The medium of payment in which the bonds are payable.

(k) The place of payment.

(*l*) The terms of redemption, with or without premium.

Public sale

Notice

34355. The bonds may be sold at not less than par at public sale. At least five days prior to the sale, notice shall be published once in a newspaper having a general circulation in the city or the county and in a financial newspaper published in the City and County of San Francisco or in the City of Los Angeles. The bonds may be sold at not less than par to the Federal Government at private sale without any public advertisement.

Effect of signature

34356. If any authority commissioner or officer whose signature appears on bonds or coupons ceases to be commissioner or officer before delivery of the bonds, his signature is as effective as if he had remained in office. Bonds issued pursuant to this chapter are fully negotiable

Effect of recitals

34357. In any proceedings involving the validity or enforceability of any bond or its security, any such bond reciting in substance that it has been issued by the authority to aid in financing a housing project to provide dwelling accommodations for persons of low income is conclusively deemed to have been issued for a housing project of such character and the

project is conclusively deemed to have been planned, located, and constructed pursuant to this chapter.

Other powers

34358. In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment of the bonds or obligations, an authority has the powers conferred by Sections 34359 to 34365, inclusive.

Pledge of revenues

34359. An authority may:

(a) Pledge all or any part of its gross or net rents, fees, or revenues to which its right then exists or may thereafter come into existence.

(b) Mortgage all or any part of its real or personal property then owned or thereafter acquired.

Covenant against pledge

34360. An authority may:

(a) Covenant against pledging all or part of its rents, fees, and revenues, against mortgaging all or part of its real or personal property, to which its right or title then exists or may thereafter come into existence, or against permitting or suffering any lien on such revenues or property.

(b) Covenant with respect to limitations on its right to sell, lease, or otherwise dispose of all or part of any housing project.

(c) Covenant as to what other or additional debts or obligations may be incurred by it.

(d) Covenant as to the bonds to be issued, as to their issuance in escrow or otherwise, and as to the use and disposition of the bond proceeds.

(e) Provide for the replacement of lost, destroyed, or mutilated bonds.

(f) Covenant against extending the time for the payment of its bonds or interest on them.

(g) Redeem the bonds, covenant for their redemption, and provide the redemption terms and conditions.

Covenant as to rents, etc

34361. An authority may:

(a) Covenant as to the rents and fees to be charged in the operation of a housing project, the amount to be raised each year or other period of time by rents, fees, and other revenues, and as to their use and disposition.

(b) Create or authorize the creation of special funds for money held for construction or operating costs, debt service, reserves, or other purposes, and covenant as to the use and disposition of the money held in the funds.

Amendment of contract

34362. An authority may prescribe procedure by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds whose holders are required to consent, and the manner in which consent may be given.

Use of property

34363. An authority may:

(a) Covenant as to the use of any or all of its real or personal property.

(b) Covenant as to the maintenance of its real and personal property, its replacement, the insurance to be carried on it, and the use and disposition of insurance money.

(c) Covenant as to the rights, liabilities, powers, and duties arising upon the breach by it of any covenant, condition, or obligation.

(d) Covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived.

Right to enforce payments

34364. An authority may:

(a) Vest in a trustee or the holders of bonds or any proportion of them the right to enforce the payment of the bonds or any covenants securing or relating to the bonds.

(b) Vest in a trustee the right, in the event of a default by the authority, to take possession and use, operate, and manage all or part of any housing project, to collect the rents and revenues arising from it, and to dispose of the money pursuant to the agreement of the authority with the trustee.

(c) Provide for the powers and duties of a trustee and limit his liabilities.

(d) Provide the terms and conditions upon which the trustee or the holders of bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds.

Additional powers

34365. An authority may exercise all or any part or combination of the powers granted in Sections 34359 to 34364, inclusive, and make covenants other than the covenants expressly authorized in such sections, of like or different character. An authority may make covenants and do any and all acts and things necessary, convenient, or desirable to secure its bonds, or which will tend to make them more marketable notwithstanding that such covenants, acts, or things are not enumerated in this chapter.

Certification of validity by Attorney General

34366. Any authority may submit to the Attorney General any bonds to be issued pursuant to this chapter after all proceedings for their issuance have been taken. Upon such submission the Attorney General shall examine into and pass upon the validity of the bonds and the regularity of all proceedings in connection with them. If the proceedings conform to this chapter and are otherwise regular in form and if the bonds when delivered and paid for will constitute binding and legal obligations of the authority enforceable according to their terms, the Attorney General shall certify in substance upon the back of each bond that it is issued in accordance with the Constitution and state laws.

Rights of obligees

34367. Subject only to any contractual restrictions binding upon him, an obligee may:

(a) By proper proceeding compel the authority and its commissioners, officers, agents, or employees to perform each and every provision contained in any contract of the authority with or for his benefit, and require the carrying out of any or all the covenants and agreements of the authority and the fulfillment of all duties imposed upon it by this chapter.

(b) By proper proceeding enjoin any acts or things which may be unlawful, or the violation of any of his rights by the authority.

Conferring additional remedies

34368 By its resolution, trust indenture, mortgage, lease, or other contract an authority may confer upon any obligee holding or representing a specified amount in bonds, or holding a lease, the following rights to be exercised upon the happening of an event of default defined in the resolution or instrument, by proceeding in any court of competent jurisdiction:

(a) To cause possession of all or part of any housing project to be surrendered to him.

(b) To obtain the appointment of a receiver of all or part of any housing project and of the rents and profits from it. If the receiver is appointed, he may enter and take possession of the housing project or the part of it, operate and maintain it, collect and receive all fees, rents, revenues, or other charges thereafter arising from it, and keep such money in a separate account and apply it pursuant to the obligations of the authority as the court directs.

(c) To require the authority and its commissioners to account as if it and they were the trustees of an express trust.

Chapter 2. Housing Cooperation Law

Short title

34500. This chapter may be cited as the Housing Cooperation Law.

Declaration of necessity Stats 1938 (Ex Sess), p 9

34501. It has been found and declared in the Housing Authorities Law that there exist in the State unsafe and insanitary housing conditions and a shortage of safe and sanitary dwelling accommodations for persons of low income; that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health and safety, fire and accident protection, and other public services and facilities; and that the public interest requires the remedying of these conditions. It is found and declared that:

(a) The assistance provided for in this chapter for the remedying of the conditions set forth in the Housing Authorities Law constitutes a public use and purpose and an essential governmental function for which public money may be spent and other aid given.

(b) It is a proper public purpose for any state public body to aid any housing authority operating within its boundaries or jurisdiction or any housing project located therein, as the state public body derives immediate benefits and advantages from such an authority or project.

(c) The provisions of this chapter are necessary in the public interest.

Supplemental powers

34502. The powers conferred by this chapter are supplemental to the powers conferred by any other law.

34503. Unless the context otherwise requires the definitions contained in the following sections govern the construction of this chapter. Construction

34504. "Housing authority" means any housing authority created pursuant to the Housing Authorities Law. "Housing authority"

34505. "Housing projects" means any work or undertaking of a housing authority pursuant to the Housing Authorities Law or any similar work or undertaking of the Federal Government. "Housing projects"

34506. "State public body" means any city, county, borough, commission, district, authority, or other subdivision or public body of the State. "State public body"

34507. "Governing body" means the council, board of supervisors, board of trustees, or other body having charge of the fiscal affairs of the state public body. "Governing body"

34508. "Federal Government" means the United States, the Federal Emergency Administration of Public Works, or any other agency or instrumentality, corporate or otherwise, of the United States of America. "Federal Government"

34509. For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of housing projects located within the area in which it is authorized to act, any state public body may exercise the powers prescribed in Sections 34510 to 34518, inclusive, upon such terms, and with or without consideration, as it may determine. Powers of state public body

34510. A state public body may dedicate, sell, convey, or lease any of its property to a housing authority or the Federal Government. Disposition of property

34511. A state public body may cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with housing projects. Parks, etc

34512. A state public body may furnish, dedicate, close, pave, install, grade, regrade, plan, or replan streets, roads, roadways, alleys, sidewalks, or other places which it is otherwise empowered to undertake. Roads, etc

34513. A state public body may: Zoning, etc

(a) Plan or replan, zone or rezone any part of its territory.

(b) Make exceptions to building regulations and ordinances.

34514. Any city or city and county also may change its map. Change of map by city, etc

34515. A state public body may enter into agreements with a housing authority or the Federal Government respecting action to be taken by the state public body pursuant to this chapter. Notwithstanding any law to the contrary, the agreements may extend over any period of time. Powers of state public body

34516. A state public body may: Same

(a) Do any and all things, necessary or convenient, to aid and cooperate in the planning, undertaking, construction, or operation of such housing projects.

(b) Purchase or legally invest in any of the bonds of a housing authority and exercise all of the rights of any holder of the bonds.

Acquisition from Federal Government

34517. With respect to any housing project which a housing authority has acquired or taken over from the Federal Government and which the housing authority by resolution has found and declared to have been constructed in a manner that will promote the public interest and afford necessary safety, sanitation, and other protection, a state public body shall not require any changes to be made in the housing project or the manner of its construction or take any other action relating to its construction.

Expense of public improvement

34518. A state public body may incur the entire expense of any public improvements made by it in exercising the powers granted in this chapter. Any law to the contrary notwithstanding, a state public body may make any sale, conveyance, lease, or agreement provided for in Sections 34510 to 34517, inclusive, without appraisal, public notice, advertisement, or public bidding.

Contracts for services

34519. In connection with any housing project located wholly or partly within the area in which it is authorized to act, any state public body may contract with a housing authority or the Federal Government with respect to the sum which it may agree to pay during any period to the state public body for the improvements, services, and facilities to be furnished by it for the benefit of the housing project. The amount of the payments shall not exceed the estimated cost to the state public body of the improvements, services, or facilities to be furnished. The absence of a contract for such payments does not relieve any state public body from the duty to furnish for the benefit of the housing project the customary improvements and the services and facilities it usually furnishes without a service fee.

Appropriations to housing authorities

34520. When any housing authority created for any city or county becomes authorized to transact business and exercise its powers, the governing body of the city or county shall immediately make an estimate of the amount necessary for the administrative expenses and overhead of the housing authority during its first year, and may appropriate the amount to the authority as a loan or donation. Any city or county located wholly or partially within the area of operation of a housing authority may lend or donate money to the authority or agree to do so. When it has money available, the housing authority shall make reimbursements for all such loans made to it.

Procedure for exercising powers

34521. The exercise by a state public body of the powers granted in this chapter may be authorized by resolution of its governing body adopted by a majority of the members present at a meeting. The resolution may be adopted at the meeting at which it is introduced. The resolution shall take effect immediately and need not be laid over, published, or posted.

PART 3. HOUSING CORPORATIONS

CHAPTER 1. LIMITED DIVIDEND HOUSING CORPORATIONS LAW

Article 1. General Provisions

34800. This chapter may be cited as the Limited Dividend Housing Corporations Law. Short title

34801. Unless the context otherwise requires, the definitions contained in this article govern the construction of this chapter. Construction

34802. "Commission" means the Commission of Housing. "Commission"

34803. "Corporation" means limited dividend housing corporation formed pursuant to this chapter. "Corporation"

34804. "Actual cost" means the cost of the land and buildings, charges for financing and supervision, and carrying charges during construction, including interest on borrowed money and invested capital, when such charges have been approved by the commission. "Actual cost"

34805. "Fixed charges" includes all operating and maintenance charges, taxes, assessments, insurance and depreciation, amortization, interest, sinking fund, and other expenses and charges approved by the commission. "Fixed charges"

34806. "Security" includes any share, stock, bond, note, treasury stock, debenture, evidence of indebtedness, certificate of interest or participation, or beneficial interest in title to property, profits, or earnings, or any other instrument commonly known as a security. "Security"

34807. "Slum area" means any area of property partially or totally occupied by deteriorated, obsolete, unsafe, or unsanitary single or multiple dwellings. The determination of whether any building is in such condition rests solely with the commission. "Slum area"

34808. Any notice or other written instrument may be served upon the commission by delivering it to the chairman, vice chairman, or secretary of the commission, or, if none of them can be found, by leaving a copy at the office or usual place of business of the commssion with the person in charge. Service on commission

34809. If any city in which a project approved by the commission is located determines that any land included in the project should be maintained as a public park or grounds, the city may purchase or accept the land and maintain it as a public park or grounds. Any city may also determine that any of its real property is not required for use by it and sell or lease the property to a corporation. Any charter provision inconsistent with this section prevails. Public park land

Article 2. Formation of Limited Dividend Housing Corporations

34830. Corporations may be formed pursuant to this chapter for the purpose of providing housing for families of low income or reconstructing slum areas. Formation

Laws applicable

34831. The laws relating to corporations generally are applicable to limited dividend housing corporations unless they are inconsistent with this chapter.

Certificate of approval

34832. Before the articles of incorporation of a corporation may be filed in the office of the Secretary of State, there shall be attached to them a certificate of the commission approving them.

Additional requirements

34833. In addition to other requirements of law, the articles shall set forth:

(a) That one of the purposes for which the corporation is formed is that of providing housing for families of low income or of reconstructing slum areas.

(b) The par value of all shares of capital stock of the corporation. All shares shall have a par value.

(c) That the corporation will be subject to supervision and control of the commission or other appropriate state authority, and subject to the State Housing Law and this chapter.

Article 3. Powers and Duties of Limited Dividend Housing Corporations

Powers and duties

34860. When authorized by the commission, a corporation may:

(a) Borrow money from, or sell, pledge, or discount its securities to, the Reconstruction Finance Corporation, Federal Home Loan Bank, or any other corporation or agency established by the United States.

(b) Comply with the provisions for membership and become a member of the Federal Home Loan Bank or any other corporation or agency established by the United States.

(c) Comply with any regulations of the Reconstruction Finance Corporation.

Acquiring real property

34861. A corporation shall not acquire any real property or interest in it without first obtaining from the commission a certificate approving the acquisition.

Sale etc., of real property

34862. Without the prior approval of the commission, a corporation shall not sell, transfer, assign, or lease any real property to any person, except that leases conforming to the regulations of the commission may be made without its consent.

Rental fees, etc

34863. A corporation shall not charge or accept any rental, fee, or other charge for housing accommodations in any building constructed, acquired, operated, sold, or managed by it in excess of the prices prescribed by the commission.

Mortgaging, etc., realty

34864. Without the prior consent of the commission, a corporation shall not mortgage or otherwise encumber real property. It shall not pay interest on such encumbrance in excess of an amount permitted by the commission.

Use of buildings

34865. A corporation shall not use any building erected or acquired by it for other than housing purposes, except that:

(a) When permitted by law, and consented to by the commission, the cellar and basement and the story above the cellar

or basement may be used for stores, commercial, cooperative, or community purposes.

(b) When permitted by law the roof of the building may be used for cooperative or community purposes.

Contracts

34866. A corporation shall not enter into contracts for the construction of housing projects or for the payment of salaries to officers or employees until the contracts have been approved by the commission.

Reorganization

34867. A corporation shall not effect any reorganization, unless authorized by the commission.

Voluntary dissolution, etc

34868. A corporation shall not voluntarily dissolve or transfer all or substantially all of its assets without first obtaining the consent of the commission.

Guaranty

34869. A corporation shall not make any guaranty without the approval of the commission.

Effect of violation

34870 Any purchase, conveyance, contract, encumbrance, lease, or sublease made in violation of this chapter and any transfer or assignment of them is void.

Approval of project

34871. A corporation shall not start or undertake a housing project without the approval of the commission.

Conditions of approval

34872. The commission shall not approve a housing project unless:

(a) It appears practicable to rent or sell the proposed housing accommodations at prices not exceeding those prescribed by the commission.

(b) The project conforms to the zoning or building ordinance of the locality where it is located.

(c) There is submitted to and approved by the commission a financial plan in the form and with the assurances prescribed by the commission stating the method of making funds available for the actual cost of the land and improvements. The plan may also provide for the raising of working capital through the sale of its securities in an amount to be approved by the commission, not to exceed 5 percent of the estimated cost of the project.

Same

34873. The commission shall not approve a housing project unless there is submitted to and approved by the commission, plans setting forth:

(a) The area and location of the project.

(b) Plans of site development with plans, elevations, and perspective of typical houses and groups of houses.

(c) Specifications and estimates of cost of the project.

(d) A reasonable scheme of protective restrictions and of permanent maintenance of neighborhood and architectural control.

Acquisition of property

34874. When the commission has approved a project of a corporation formed for the sole purpose of clearing or reconstructing slum areas, the corporation may acquire the property necessary for the project by gift, bequest, purchase, or eminent domain.

Eminent domain

34875. The power of eminent domain shall not be exercised by a corporation except with the specific authorization of the commission.

Authorization certificate

34876. The authorization shall be contained in a certificate of the commission specifying that after public hearing the commission has determined that the acquisition of the property by eminent domain and the construction of the housing on the property is in the public interest and necessary for the public use.

Notice and hearing

34877. The hearing shall be held at a time and place appointed by the commission. At least 10 days prior to the hearing the corporation shall give notice of the hearing by publication in a newspaper designated by the commission and published or circulated in the city or county where the property is located.

Certificate as evidence

34878. A duly certified copy of the certificate of the commission is conclusive evidence of the matters certified in it in any proceeding in eminent domain to acquire property or any part of it set forth in the certificate.

Declaration

34879. It is declared that congested, unsafe, and unsanitary housing conditions which exist in certain slum areas of this State are a menace to the health, safety, morals, and reasonable comfort of the residents of this State. The correction of these conditions is a public necessity and the acquisition of property necessary to permit the clearance and reconstruction of slum areas is declared to be a public use within the meaning of the laws relating to proceedings in eminent domain.

Article 4. Powers and Duties of the Commission of Housing

Regulation of corporations Improvements

34900. The commission may order any corporation to make at its expense the repairs and improvements which will preserve or promote the health and safety of the occupants of buildings owned or operated by it.

Same Ordering compliance, etc., of laws

34901 The commission may order any corporation to do acts necessary to comply with, or to refrain from doing acts in violation of, law, regulations of the commission, or the terms of any project approved by the commission.

Same Examination

34902. The commission may examine the corporation and keep informed as to its general condition, its capitalization, and the manner in which its property is constructed, leased, sold, operated, or managed.

Same Investigation

34903. The commission may investigate the affairs of a corporation and its dealings, transactions, or relationships with other persons.

Same Inspection

34904. Either through its members or agents duly authorized by it, the commission may enter upon and inspect the property, equipment, buildings, plants, offices, apparatus, and devices of a corporation, and examine all of its books, contracts, records, documents, and papers.

Same Prescribing accounting, etc., procedure

34905. The commission may prescribe uniform methods and forms of keeping corporation accounts, records, and books

and by order prescribe accounts in which particular outlays and receipts shall be entered, charged, or credited.

Same
Requiring reports

34906. The commission may require a corporation to file with it periodic reports setting forth information required by the commission, verified by the oath of the president, general manager, receiver, or other person required to file it. The report shall be in the form, cover the period, and be filed at the time prescribed by the commission. The commission may require specific answers to questions upon which it desires information.

Same
Making etc., regulations

34907. The commission may make, amend, and repeal regulations for carrying this chapter into effect.

Investigations

34908. The commission may conduct any investigation provided for by this chapter or appoint a person or committee of one or more commission members to do so.

Power of members

34909. To carry out the purposes of this chapter, each member of the commission has the powers conferred upon the head of a department by Article 2, Chapter 2, Part 1, Division 3, Title 2 of the Government Code.

Fees

34910. The commission may charge and collect from a corporation reasonable fees in accordance with rates established by the regulations of the commission:

(a) For the examination of plans and specifications and the supervision of construction, in an amount not to exceed one-half of 1 percent of the estimated cost of the project.

(b) For any investigation made upon application of a corporation for any act done by the commission, or its employees, in performance of their duties under this chapter, an amount reasonably calculated to meet the expenses of the commission incurred in the investigation. The commission may authorize a corporation to include such fees as part of the actual cost of a project.

Fixing rentals

34911. The commission shall fix and may revise the maximum rental per room charged the tenants of the housing accommodations furnished by the corporation, determined upon the basis of the actual cost of the project so that the rentals and all other income of the corporation will be sufficient to meet all fixed charges, dividend and interest requirements, and other charges of the corporation approved by the commission.

Fixing charges

34912. The commission shall fix the price, terms of payment, rate of interest on deferred payments, and all other charges. The sale price shall be determined upon the basis of actual cost of the project so that the income from sales with other income of the corporation will be sufficient to meet and repay the actual cost and fixed charges. Such prices, interest, and other charges may be revised with the approval of the commission.

Rules regarding resale, etc

34913. The commission shall make reasonable rules regarding the resale, leasing, or subletting of property after a sale by the corporation, to prevent undue speculation in the property. The rules shall be in effect until the full purchase price and all outstanding obligations have been paid to the corporation.

Consolidation, etc., of project

34914. Upon application submitted in the manner required for the original project, the commission may permit the consolidation of two or more approved projects, the extension or amendment of any approved project, or the consolidation of any approved project with a proposed project. The commission shall not give its consent unless it is shown to its satisfaction that the consolidated or extended project is one that can be successfully operated pursuant to this chapter. The permissible rents, sales prices, and other charges may be average throughout the consolidated or extended project. The commission may likewise permit or decline to permit any corporation to organize and operate more than one project or to take over any project approved by the commission and to operate it independently of its other projects.

Action against corporation

34915. The commission may bring a proceeding against any corporation to enforce the provisions of this chapter or of any order, permit, license, demand, or requirement of the commission, or to restrain their violation or threatened violation or compel the performance of any act required by them. The proceeding shall be brought in the name of the people of the State of California, in the superior court of the county in which the corporation has its principal place of business.

Review of order, etc

34916. Every order, decision, permit, or other official act of the commission is subject to review pursuant to law within 20 days after its rendition. The burden of proof lies upon the appellant and the court shall receive and consider any pertinent oral or documentary evidence concerning the action of the commission under review. The court shall consider and determine only the question of whether there has been an abuse of discretion by the commission.

Foreclosure proceedings

34917. If a mortgagee, trustee, or beneficiary commences foreclosure proceedings under a mortgage or deed of trust, a copy of the complaint or notice of breach and intention to sell shall be served upon the commission within 30 days of the filing of the complaint or the recording of the notice. Upon receipt of the copy, the commission shall immediately take the steps it deems necessary to protect the rights of all parties. If a limited dividend housing corporation bids and pays for the property at any sale in such action or under such power of sale a price sufficient to cover court costs and all liens or charges on the property, with interest, the property shall be sold to such corporation; otherwise the property may be sold free of all restrictions imposed by this chapter.

Same
Notice to commission

34918. When a corporation subject to the supervision of the Division of Banking or the Division of Insurance in the Department of Investment, or the Federal Government or any of its agencies has loaned on a mortgage or deed of trust which is a lien upon the property of a limited dividend housing corporation, Section 34917 does not apply, except that the commission shall be notified of any foreclosure proceedings and shall take all steps necessary to protect the rights of all parties.

Judgment against corporation

34919. In the event of a judgment against a corporation in any action not pertaining to the collection of an indebtedness secured by mortgage or deed of trust, there shall not be a sale of any of its real property except upon 60 days' written notice to the commission. Upon receipt of such notice the commission shall take such steps as in its judgment are necessary to protect the rights of all parties.

Article 5. Financial Provisions

Dividends limited

34940. A stockholder in a corporation shall not receive or accept from the corporation in the repayment of his investment in its stock any sum in excess of the par value of the stock, current dividends not to exceed 6 percent a year of its par value, and any cumulative dividends to which he is entitled.

Disposition of proceeds

34941. If required by the commission, the corporation shall deposit all money received by it as proceeds of the sale of its securities with a corporation in the State authorized to do trust business and to perform trust functions. The trustee shall receive the money and make payment from it for the acquisition of the land, the construction of improvements, and other items entering into the actual cost of the project upon presentation of an order signed by a proper corporation officer, and if required by the commission, countersigned by a commission member or a person designated by the commission. If upon the completion of the project the corporation has made full payment, or has arranged for payment in a manner satisfactory to the commission, any money remaining in the custody of the trustee shall be paid to the corporation.

Net earnings, surplus

34942. The amount of net earnings transferable to surplus in any year, after making or providing for the payment of all fixed charges, dividend, and interest requirements approved by the commission, and other charges required or approved by the commission, is subject to the approval of the commission. The amount of such surplus shall not exceed 15 percent of the outstanding capital stock and obligation of the corporation, but the surplus shall not be deemed to include any increase in assets due to reduction of mortgage or bonded indebtedness or other similar payments. Unless the commission deems it too small, the balance of yearly net earnings in excess of the amount transferred to surplus shall be applied to the reduction of rentals on rental properties, the improvement of properties for sale, or the reduction of the sale price, as the commission prescribes.

Corp C., §25000, ff

34943. The provisions of the Corporate Securities Law not inconsistent with this chapter apply to a corporation formed under this chapter.

Sale of securities Permit

34944. Before the Corporation Commissioner issues a permit for the sale of any securities there shall be on file with him a certificate of the commission approving the project.

Same Restrictions

34945. A corporation shall not:

(a) Pay any dividends on its shares of stock at a rate in excess of 6 percent of their par value.

(b) Issue securities covering any project in an aggregate amount greater than the actual cost of the project, plus an allowance for working capital, not exceeding 5 percent of the estimated cost of the project or the actual cost if it is greater than the estimated cost.

(c) Issue securities except in exchange for money or property actually received for the use and lawful purpose of a corporation, or for services actually rendered to a corporation; securities shall not be issued for property except upon a valuation approved by the commission, and such valuation shall be used in computing actual or estimated costs.

Bond issues

34946. Each authorized issue of bonds shall relate to one specific project and shall be secured by mortgages or deeds of trust upon all the real property of which the project consists, except where units of the project are to be offered for sale, upon the approval of the commission, bonds may be issued in an amount to cover each unit of sale or to cover the entire project and may be paid off at any time.

Permissive provisions

34947. The bonds, mortgages, or deeds of trust may contain provisions approved by the commission including the right to assignment of rentals and entry into possession in case of default, but the operation of the housing projects after entry by mortgagees, trustees, or receivers is subject to regulation by the commission pursuant to this chapter.

Lien

34948. The mortgages or trust deeds may create a first lien and a second lien upon all the real property embraced under the project.

CHAPTER 2. COMMUNITY LAND CHEST LAW

Article 1. General Provisions

Short title

35100. This chapter may be cited as the Community Land Chest Law.

Construction

35101. Unless the context otherwise requires, the definitions contained in this article govern the construction of this chapter.

"Commissioner"

35102. "Commissioner" means the Commissioner of Corporations of the Division of Corporations, Department of Investment.

"Actual cost"

35103. "Actual cost" means the cost of the land and buildings, charges for financing and supervision, and carrying charges during construction, including interest on borrowed money and invested capital.

"Fixed charges"

35104. "Fixed charges" includes all operating and maintenance charges, taxes, assessments, insurance and depreciation, amortization, interest, sinking fund, and other expenses and charges.

"Security"

35105. "Security" includes any stock, bond, note, treasury note, debenture, evidence of indebtedness, certificate of interest or participation, profit sharing agreement or certificate of interest in it, collateral trust certificate, transferable share, investment contract, or other instrument commonly known as a

security. It does not include mortgages, trust deeds, bills of exchange, trade acceptances, promissory notes, or other commercial paper, issued or given in the ordinary course of business, and not offered for sale to the public or not sold to an underwriter for the purpose of resale.

"Corporation"

35106. "Corporation" means land chest corporation formed pursuant to this chapter.

Corporate name

35107. A corporation having shares of capital stock, or any of its agents or officers, shall not use or permit to be used as part of the corporate name of the corporation the words "land chest" or "community land chest." Every nonprofit corporation organized before or after May 25, 1933, having as any part of its corporate name the words "land chest" or "community land chest" is subject to this chapter and shall not transact any business in the State unless it has complied with this chapter.

Penalty

35108. Every person violating any of the provisions of this chapter is guilty of a misdemeanor.

Article 2. Formation of Land Chest Corporations

Corporations

35130. Pursuant to this chapter corporations may be formed for the purpose of providing housing in rural and suburban areas for families of low income.

Law applicable

35131. The laws relating to nonprofit corporations generally apply to corporations formed under this chapter, except where inconsistent with the provisions of this chapter.

Approval by commissioner

35132. Before the articles of incorporation of any corporation may be filed in the office of the Secretary of State, there shall be attached to them a certificate of the commissioner approving them.

Articles of incorporation

35133. In addition to other requirements of law, the articles of incorporation shall set forth:

(a) That the corporation is formed wholly for the purpose of providing housing in rural and suburban areas for families of low income.

(b) That the corporation will be subject to the supervision and control of the Commissioner of Corporations or other appropriate state authority and subject to this chapter.

(c) That upon liquidation or dissolution of the corporation any surplus remaining after the payment of debts and obligations and the repayment to the corporation members of the respective amounts of their subscriptions, contributions, fees, dues, and assessments, will revert to the State.

Article 3. Powers and Duties of Land Chest Corporations

Powers and duties

35160. A corporation may:

(a) Borrow money from, or sell, pledge, or discount its securities, or mortgage, pledge, or otherwise hypothecate its property to, the Reconstruction Finance Corporation, Federal Home Loan Bank, or any other corporation or agency established by the United States or the State.

(b) Comply with the provisions for membership and become a member of the Federal Home Loan Bank or of any

other corporation or agency established by the United States or the State.

(c) Comply with any regulations of the Reconstruction Finance Corporation.

Approval of projects

35161. A corporation shall not start or undertake a housing project without the approval of the commissioner.

Same Requirements

35162. The commissioner shall not approve a housing project unless:

(a) It appears practicable to rent or sell the proposed housing accommodations at rentals or sales prices not exceeding those prescribed by the commissioner.

(b) The project conforms to any zoning or building ordinance of the locality where it is located.

(c) There is submitted to and approved by the commissioner a financial plan in the form prescribed by him setting forth the method of making money available for the actual cost of the land and improvements, and the cost of organization, administration, maintenance, and operation.

Same

35163. The commissioner shall not approve a housing project unless there is submitted to and approved by him plans setting forth:

(a) The area and location of the project.

(b) Plans of development.

(c) Estimates of cost of the project.

(d) Estimated rentals and selling prices of properties to be rented or sold, terms of payment, and interest rates upon deferred payments.

Acts prohibited

35164. Except pursuant to the regulations of the commissioner or, if there is none, with his approval, a corporation shall not:

(a) Acquire any real property or interest in it.

(b) Sell, transfer, assign, or lease any real property to any person.

(c) Charge or accept any rental, fee, or other charge for housing accommodations in any building constructed, acquired, operated, sold, or managed by it.

(d) Mortgage or otherwise encumber any real property.

(e) Use any building erected or acquired by it for other than housing and incidental purposes.

(f) Enter into contracts for the construction of housing projects or for the payment of salaries to officers or employees.

(g) Effect any reorganization.

(h) Voluntarily dissolve or transfer all or substantially all of its assets.

(i) Make any guaranty.

Effect of violation

35165. Any purchase, conveyance, contract, encumbrance, lease, or sublease made in violation of this chapter and any transfer or assignment of them is void.

Liquidation, etc

35166. If a corporation is liquidated or dissolved, its assets remaining after paying or adequately providing for its debts and obligations shall be distributed to its members to the extent of the payments of contributions, subscriptions, fees,

dues, and assessments paid to it by each member, without interest or profit. The remainder of the assets revert to the State.

Article 4. Powers and Duties of the Commissioner of Corporations

Rules and regulations

35190. The commissioner may make, amend, and repeal regulations for carrying this chapter into effect.

Powers of commissioner. Fixing rentals

35191. The commissioner may fix and revise the maximum rental charged tenants of the housing accommodations rented by a corporation, determined upon the basis of the actual cost of the project so that the rentals, with all other income of the corporation, will be sufficient to meet all fixed charges, interest requirements, and other charges of the corporation approved by the commissioner.

Fixing price, etc

35192. The commissioner may determine and fix the price, terms of payment, rate of interest on deferred payments, and all other charges of properties offered for sale or sold.

Examination

35193. The commissioner may examine all corporations and keep informed as to their general condition and the manner in which their property is acquired, constructed, leased, sold, operated, or managed.

Investigation

35194. The commissioner may investigate into the affairs of a corporation and its dealings, transactions, or relationships with other persons.

Inspection

35195. Either through his deputies or representatives, the commissioner may enter upon and inspect the property, equipment, buildings, plants, offices, apparatus, and devices of any corporation, and examine its books, contracts, records, documents, and papers.

Accounting, etc., methods

35196. The commissioner may prescribe uniform methods and forms of keeping accounts, records, and books to be observed by a corporation and prescribe by order accounts in which particular outlays and receipts shall be entered, charged, or credited.

Reports

35197. The commissioner may require every corporation to file with him periodic reports setting forth the information he requires, verified by the oath of the president, general manager, receiver, or person required to file it. The report shall be in the form, cover the period, and be filed at the time prescribed by the commissioner. The commissioner may further require specific answers to questions upon which he desires information.

Repairs, etc

35198. The commissioner may order a corporation to make at its expense repairs and improvements which will preserve or promote the health and safety of the occupants of buildings owned or operated by it.

Compliance with laws, etc

35199. The commissioner may order a corporation to do acts necessary to comply with, or to refrain from doing acts in violation of law, regulations adopted by the commissioner, or the terms of any project approved by the commissioner.

Procedure on violation of laws, etc

35200. The commissioner may immediately take possession of the property and business of a corporation and retain

possession until it resumes business or its affairs are finally liquidated if any of the following events occur:

(a) When it appears to the commissioner that the corporation has violated its articles of incorporation or any state law or is conducting its business in an unsafe or unsound manner.

(b) The corporation refuses to submit its books and papers to the inspection of the commissioner or his authorized representative.

(c) If it appears to the commissioner that the corporation is unsound or in an unsafe condition to transact the business for which it was organized, or that it is unsafe and inexpedient for it to continue to conduct its business.

Powers of commissioner

35201. If the commissioner takes possession of the property and business of any corporation he has the same powers and duties with respect to it as are conferred upon the Superintendent of Banks with respect to banking institutions by the Banking Code and the commissioner may liquidate the corporation pursuant to the Banking Code so far as it is applicable.

Enforcement of provisions, etc

35202. The commissioner may bring a proceeding against the corporation to enforce the provisions of this chapter or of any order, permit, license, demand, or requirement of the commissioner, to restrain their violation or threatened violation, or to compel the performance of any act required by them. The proceeding shall be brought in the name of the people of the State of California, in the superior court of the county in which the corporation has its principal place of business.

Review

35203. Every order, decision, permit, or other official act of the commissioner is subject to review pursuant to law within 20 days after its rendering.

The burden of proof lies upon the appellant, and the court shall receive and consider any pertinent oral or documentary evidence concerning the action of the commissioner under review. The court shall consider and determine only the question of whether there has been an abuse of discretion by the commissioner.

Fees

35204. The commissioner may charge and collect from a corporation reasonable fees in accordance with rates established by the regulations of the commissioner:

(a) For the examination of plans and specifications and the supervision of any project, in an amount not to exceed one-half of 1 percent of the estimated cost of the project.

(b) For any investigation made upon application of a corporation for any act done by the commissioner or his employees, in performance of their duties under this chapter, an amount reasonably calculated to meet the expenses of the commissioner incurred in the investigation. The commissioner may authorize a corporation to include such fees as part of the actual cost of a project.

Foreclosure proceedings

35205. If a mortgagee, trustee, or beneficiary commences foreclosure proceedings under a mortgage or deed of trust which is a lien upon corporation property, a copy of the complaint or notice of breach and intention to sell shall be served upon the

commissioner within five days of the filing of the complaint or the recording of the notice. Upon receipt of the copy, the commissioner shall immediately take such steps as he deems necessary to protect the rights of all parties.

Judgment against corporation

35206. In the event of a judgment against a corporation in any action not pertaining to the collection of an indebtedness secured by mortgage or deed of trust, sale of any of the real property of such corporation shall not be made except upon 60 days' written notice to the commissioner. Upon receipt of the notice the commissioner shall take such steps as in his judgment are necessary to protect the rights of all parties.

Article 5. Financial Provisions

Corp C., §25000 ff

35230. The provisions of the Corporate Securities Law not inconsistent with this chapter apply to corporations formed under this chapter.

Issuance of securities Limitations

35231. A corporation shall not:

(a) Issue securities covering any project undertaken in an aggregate amount greater than the actual cost of the project, plus an allowance for working capital, not exceeding 5 percent of the estimated cost of the project or of the actual cost, if greater than the estimated cost.

(b) Issue securities except in exchange for money or property actually received for the use and lawful purpose of the corporation. No securities shall be issued for property except upon a valuation approved by the commissioner, and such valuation shall be used in computing actual or estimated costs.

Same Restrictions

35232. Each authorized issue of securities shall relate to one specific project and may be secured by mortgages or deeds of trust upon the real property of which the project consists, except where units of the project are to be offered for sale the securities may be issued in an amount to cover each individual unit of sale or to cover the entire project intended to be sold.

Permissive provisions

35233. Bonds, mortgages, or deeds of trust may contain provisions approved by the commissioner, including the right to assignment of rentals and entry into possession in case of default.

Lien

35234. Mortgages or trust deeds may create a first lien and a second lien upon real property.

Profit precluded

35235. A corporation shall not conduct its operations for the profit of the corporation or its members, nor shall any corporation enter into any selling agency agreement intended to divert, or which diverts to its members or to third persons any portion of the profits accruing to the corporation.

Net earnings, surplus

35236. The amount of net earnings transferable to surplus in any year, after making or providing for the payment of all fixed charges, interest requirements, and other charges is subject to the approval of the commissioner. The aggregate amount of such surplus shall not exceed 15 percent of the total sum of all contributions by the public, subscriptions, dues, fees, and assessments paid by members, plus the outstanding obliga-

tions of the corporation. Unless the commissioner deems it too small, the balance of yearly net earnings in excess of the amount transferred to surplus shall be applied to the reduction of rentals on rental properties, the improvement of properties for sale, or the reduction of the sale price of such property, as the commissioner prescribes.

Payment to member Limit

35237. A member of a corporation shall not accept or receive from the corporation, either during its existence as a corporation or upon its liquidation or dissolution, any repayment of any sum in excess of his subscription, contribution, fees, dues, or assessments.

SEC. 2. Section 40021 is added to said code, to read:

Repeals

40021. The following acts are hereby repealed:

1933:538:1426
1933:560:1465
1938 (1st Ex. Sess.):2:2
1938 (1st Ex. Sess.):4:9
1945:1326:2478

CHAPTER 711

An act to add Section 13845 to the Education Code, relating to the Public School System of the State of California.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 13845 is added to the Education Code, to read:

Salary computation

13845. For the purposes of Military and Veterans Code Section 395 or any other provision of law providing for the payment of salary or compensation as such employee to an employee of a school district while absent from duty because engaged in ordered military or naval duty, his salary or compensation as such employee for 30 days shall (a) with respect to an employee serving in a position requiring certification qualifications be deemed to be one tenth of the annual salary established for such position and (b) with respect to an employee serving in a position not requiring certification qualifications be deemed to be one month's salary.

CHAPTER 712

An act to add Section 262 to the Agricultural Code, relating to bovine brucellosis.

In effect September 22, 1951

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 262 is added to Article 3a, of Chapter 3 of Division 2 of the Agricultural Code, to read:

262. In addition to any other authority in this chapter available to the director for the purpose of preventing the spread of any disease of livestock, the director may promulgate regulations, after hearing, to prevent the spread within this State of bovine brucellosis through limitations on movement of bovine animals or through such tests or vaccinations or other means as he may find and determine to be necessary and if similar regulations are found and determined to be necessary interstate he shall notify the Governor in order that the procedure set forth in Section 211 may be followed. Regulations

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CHAPTER 713

An act to add Section 14745 to the Education Code, relating to the termination of local district retirement systems in districts having an average daily attendance of less than 70,000 pupils.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 14745 is added to the Education Code, to read:

14745. (a) A district retirement salary plan established under this article in any unified district having an average daily attendance of less than 70,000 pupils may be discontinued by the governing board of the district; but no discontinuance of any such retirement plan shall be effective for any purpose unless provision is made for retirement allowances for active and retired employees of the district as provided in subdivisions (b), (c), (d), and (e) of this section. Discontinuing district retirement plan

(b) Active and retired employees of the district who otherwise would be members of such plan, other than teachers and persons employed in a status requisite for membership in the State Teachers' Retirement System or who were so employed prior to retirement, shall be made members and beneficiaries, respectively, of the State Employees' Retirement System according to the provisions of Part 3, of Division 5, of Title 2 of the Government Code, including transfer to said system of the accumulated contributions of said employees, together with such other assets of said plan allocated to said employees as may be determined. Provision for employees

(c) Notwithstanding any other provisions of this division, contributions to the discontinued district retirement plan made by teachers and other persons employed by the district in a status requisite for membership in the State Teachers' Retirement System standing to their individual credit at the date of discontinuance of the district retirement plan shall be deposited forthwith in the Retirement Annuity Fund with credited interest, to be applied on the amount due from said teachers and other persons under Section 14680 of this code, but not to exceed the amount so due. Likewise an amount equal Disposition of contributions, etc

to the actuarial equivalent of the annuity portion of the retirement allowance to which the respective retired teachers and other persons employed by the district, prior to retirement, in a status requisite for membership in the State Teachers' Retirement System were entitled under said plan, based on the interest rate and mortality tables used in its determination, shall be deposited in the Retirement Annuity Fund, to be applied on the amount due from said respective retired teachers and other persons under Section 14683 of this code, but not to exceed the amount so due. Any excess of the contributions with credited interest or the actuarial equivalents, as the case may be, over the respective amounts due under said sections, shall be paid forthwith to the respective active and retired teachers and other persons. Further amounts, if any, due under said sections after said deposits, shall be paid to the Retirement Annuity Fund by the respective active and retired teachers and other persons. The balance of the assets held in the various funds of the discontinued district retirement plan after the deposits and payments required by this section, shall be delivered to the district in which the plan is discontinued, to be used as provided in subdivision (e) of this section.

Payments to teachers, etc

(d) The district in which the district retirement plan is discontinued shall pay monthly to teachers and other persons employed by the district, prior to retirement, in a status requisite for membership in the State Teachers' Retirement System who were retired prior to the date of such discontinuance an amount equal to the amount by which the retirement allowance to which any of said retired teachers or other persons was entitled under said plan exceeds the increase in said teacher's or other person's retirement allowance under the State Teachers' Retirement System resulting from said discontinuance. The arrangement under which said amounts are paid by said district shall not be considered to be a local retirement system for the purposes of Chapter 14, of Division 7, of the Education Code, nor shall said amount be taken into account in the calculation of retirement allowances under the State Teachers' Retirement System.

Reserve fund provisions

(e) From the assets delivered to it pursuant to subdivision (c) the district shall create a reserve fund which shall be the actuarial equivalent of the amounts to be paid to retired teachers and other persons under subdivision (d), and the amounts payable under subdivision (d) shall be paid from that reserve fund. If the reserve fund as first created proves insufficient to make the payments required under subdivision (d), the district shall make such additions to the reserve fund as may be necessary to provide for the payments required under subdivision (d). The remainder of the assets delivered to the district pursuant to subdivision (c), after the creation of the reserve fund for payments under subdivision (d), shall be placed in a special reserve, a part of which shall be used annually in the interest of the employees of the district, at the discretion of the governing board of the district.

CHAPTER 714

An act to amend Sections 339.3, 339.4, and 353.10 of the Agricultural Code, relating to fees for cattle brands and brand inspections.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 28, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 339.3 of the Agricultural Code is amended to read:

339.3. For the right to continue to use a brand the owner thereof shall, on or before January 30th of each year after its recordation, pay to the bureau an annual renewal fee, except as provided in Section 339.4.

Brand renewal fee

SEC. 2. Section 339.4 of the Agricultural Code is amended to read:

339.4. The annual renewal fee is two dollars ($2). The owner of a state-wide recorded brand may, on or before January 30th of any year, pay in advance to the bureau a sum which is a multiple of two dollars ($2), which payment shall entitle him to use the brand for any number of years, but not to exceed 10 years, at the rate of two dollars ($2) per year from and after January 1st of such year. Where such advance payment is made, annual renewals for each of the years within the period for which advance payment has been made shall not be required

Advance payment

SEC. 3. Section 353.10 of the Agricultural Code is amended to read:

353.10. The fee for the inspection of cattle, other than suckling calves accompanying their mother, shall be twenty cents ($0.20) for each head of cattle originating in those counties or geographical areas where a full point of origin inspection is maintained pursuant to Section 348.1b.

Inspection fee

CHAPTER 715

An act to amend Sections 1, 2, 10, and the heading of Division 1 of, to repeal Sections 13 and 1420 of, and to add Sections 13, 13.1, and 13.2 to, the Fish and Game Code, relating to the enforcement and administration of the laws relating to fish and game, abolishing the Division of Fish and Game in the Department of Natural Resources, establishing a Department of Fish and Game and prescribing the duties, powers, and jurisdiction of said department and the Fish and Game Commission, and to amend Section 12040 of the Government Code, placing the Director of Fish and Game on the Governor's Council.

[Approved by Governor May 29, 1951. Filed with Secretary of State May 29, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1 of the Fish and Game Code is amended to read:

Fish and Game Code

1. This act shall be known as the "Fish and Game Code" and is composed of the following divisions:

1. Department of Fish and Game.
2. Districts.
3. Refuges and Preserves.
4. Birds, Mammals, and Fish.
5. Fines and Penalties.
6. Construction and Repeals.

SEC. 2. Section 2 of said code is amended to read:

Definitions

2. As used in this code:

a. "Person" includes association, partnership, and corporation.

b. "Department" means Department of Fish and Game.

c. "Commission" means the Fish and Game Commission and "commissioner" means a member of the Fish and Game Commission.

d. "District" means fish and game district.

e. "Take" means hunt, pursue, catch, capture, kill, or possess, or attempt to hunt, pursue, catch, capture, kill, or possess.

f. "Bird" means wild bird or meat thereof.

g. "Mammal" means wild mammal or meat thereof.

h. "Fish" means fish, mollusks, or crustaceans, including the spawn or ova thereof, whole or parts thereof.

i. "Kelp" means kelp or other marine aquatic plants and the seeds thereof.

j. "Bag limit" means the maximum limit, in number or amount of birds, mammals, fish, mollusks, or crustaceans which may lawfully be taken by any one person during a specified period of time.

k. "Open season" means that period of time during which the taking of birds, mammals, fish, mollusks, or crustaceans is allowed.

l. "Closed season" means that period of time during which the taking of birds, mammals, fish, mollusks, or crustaceans is prohibited.

m. "Transport" includes offer or receive for transportation.

n. "Sell" includes offer for sale, possess for sale, barter, exchange, and trade.

o. "Day" means calendar day, and "week" means calendar week.

Calculation of dates

p. Whenever in this code the doing of an act between certain dates or from one date to another is allowed or prohibited, the period of time thereby indicated includes both dates specified. The first date specified designates the first day of the period, and the second day specified designates the last day of the period. No period of time specified in this code exceeds one year unless otherwise expressly provided.

Definitions

q. "Section" means a section of this code unless some other statute is expressly mentioned.

r. "Chumming" means the placing in the water of fish, parts of fish, or other material upon which fish feed, for the purpose of attracting fish to a particular area in order that they may be taken. Same

s. "Angling" means the taking of, or attempting to take, fish by hook and line with the line held in the hand, or by hook and line with the line attached to a pole or rod which is held in the hand, or closely attended, in such manner that the fish voluntarily takes the bait or lure in its mouth.

t. "Set line" means any line, including trawl lines, with a hook or hooks attached thereto which is used to take or attempt to take fish otherwise than by angling.

u. "Hook" or "fishhook" means an implement to catch or hold fish, mollusks, or crustaceans. "Single hook" means any hook with one point and with or without a barb; "double hook" means any hook with two points and with or without barbs; "treble or triple hook" means any hook with three points and with or without barbs. "Snag" or "gaff" hooks are hooks with or without handles used to take fish in such manner that the fish does not take the hook voluntarily in its mouth.

v. "Resident" means any person who is a citizen of the United States and who has resided continuously in the State of California for six months or more prior to the date of his application for a license or a permit.

w. "Nonresident" means any person who is a citizen of the United States and who has not resided continuously in the State of California for six months prior to the date of his application for a license or permit.

SEC. 3. The heading of Division 1 of said code is amended to read:

DIVISION 1. DEPARTMENT OF FISH AND GAME

SEC. 4. Section 10 of said code is amended to read:

10. There is in the State Government a Department of Fish and Game, which department shall be administered through a director. The director shall be guided by policies adopted by the Fish and Game Commission provided for by Section 25½ of Article IV of the Constitution of this State. The director shall be appointed by the Governor. The salary of the director shall be twelve thousand dollars ($12,000) per year. Department of Fish and Game

SEC. 5. Section 13 of said code is repealed. Repeal

SEC. 6. Section 13 is added to said code, to read:

13. The provisions of this code shall be administered and enforced by the department. Except as herein provided, the department succeeds to all the powers, duties, purposes, responsibilities, jurisdiction, property, and funds of the commission. The powers delegated to the commission in Article 1 of Chapter 2 of Division 1 of this code shall continue to be vested in the commission. Whenever by this code or other provision of law a power to makes rules and regulations is vested in the commission, said power shall continue to be vested in the commission. Administration and enforcement

General policies for the conduct of the department shall be formulated by the commission. The director of the department shall be guided by such policies and shall be responsible to the commission for the administration of the department. The director shall be the appointing power of all employees within the department and all heads of divisions, bureaus, and other employees in the department shall be responsible to the director for the proper carrying out of the duties and responsibilities of their respective positions. The commission may employ a secretary, but neither the commission nor such secretary shall have or be given any powers in relation to the administration of the department.

SEC. 7. Section 13.1 is added to said code, to read:

Succession to powers, etc

13.1. The department shall succeed to and is hereby vested with all of the powers, duties, purposes, responsibilities, and jurisdiction now or hereafter vested by law in the Division of Fish and Game in the Department of Natural Resources. The department shall have possession and control of all records, books, papers, and other property, real, personal and mixed, now or hereafter held for the benefit or use of the Division of Fish and Game in the Department of Natural Resources. The director with the approval of the Governor shall organize the department in such manner as he may deem necessary properly to segregate and conduct the work of the department.

SEC. 8. Section 13.2 is added to said code, to read:

Applicable law

13.2. The provisions of Chapter 2, Part 1, Division 3, Title 2 of the Government Code shall govern and apply to the conduct of the department in every respect the same as if such provisions were herein set forth at length, and wherever in that chapter the term "head of the department" or similar designation occurs, for the purposes of this section it shall mean the director.

Repeal

SEC. 9. Section 1420 of said code is repealed.

Employees

SEC. 10. All persons, other than temporary employees, serving in the state civil service and engaged in the performance of a function transferred to the Department of Fish and Game or engaged in the administration of a law, the administration of which is transferred to said department, shall remain in the state civil service and are hereby transferred to the Department of Fish and Game on the effective date of this act. The status, positions, and rights of such persons shall not be affected by their transfer and shall continue to be retained by them pursuant to the State Civil Service Act, except as to positions the duties of which are vested in a position that is exempt from civil service.

SEC. 11. Section 12040 of the Government Code is amended to read:

Governor's Council

12040. There is in the State Government the Governor's Council. It consists of the Directors of Finance, Education, Public Works, Motor Vehicles, Public Health, Mental Hygiene, Agriculture, Industrial Relations, Social Welfare, Natural Resources, Investment, Professional and Vocational Standards, Veterans Affairs, Corrections, Fish and Game, and the Youth

Authority, the State Fire Marshal, and the Chairman of the California Employment Stabilization Commission.

SEC. 12. This act shall be known and may be cited as the Charles Brown Fish and Game Reorganization Act of 1951. Short title

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CHAPTER 716

An act to add Section 26153 to the Government Code, relating to accident prevention education.

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 26153 is added to the Government Code, to read:

26153. The board of supervisors may authorize and provide for the education or information of the public relative to accident prevention and for the presentation to the public of information designed for the promotion thereof. The board of supervisors may contract with and employ any person, firm, association, or a corporation for the furnishing to the county of such services and may pay from any available funds such compensation to any such person, firm, association, or corporation as it deems proper for the services rendered. Accident prevention education

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CHAPTER 717

An act to amend Section 1159 of the Harbors and Navigation Code, relating to the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun.

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1159 of the Harbors and Navigation Code is amended to read:

1159. All moneys received by the board pursuant to the provisions of any law, shall be accounted for at the close of each month to the State Controller in such form as the Controller may prescribe and, at the same time on the order of the Controller, all these moneys shall be paid into the State Treasury to the credit of the Board of Pilot Commissioners' Special Fund, which fund is continued in existence. Pilot Commissioners' Special Fund Appropriation

The moneys deposited in the State Treasury to the credit of the Pilot Commissioners' Special Fund are appropriated without regard to fiscal years for the payment of the compensation and expenses of the board and its officers and employees.

The unencumbered balance in excess of six thousand five hundred dollars ($6,500) in the Pilot Commissioners' Special Fund, according to the records of the Board of Pilot Commissioners, at the close of business on the thirtieth day of June of each year, shall, on order of the State Controller, be transferred to the General Fund.

CHAPTER 718

An act to amend Section 20357 of the Education Code and add Section 20358 of said Code, relating to student housing facilities at state colleges.

In effect September 22, 1951

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 20357 of the Education Code is amended to read:

Refund of fees

20357. Rents, charges, and fees collected in error may be refunded by the Department of Education in accordance with regulations prescribed by the Director of Education and approved by the Department of Finance.

Refunds of rents, charges, and fees collected for facilities requested by students and not utilized by them may be made for good cause by the Department of Education in such amounts and under such conditions as may be prescribed by regulations adopted by the Director of Education and approved by the Director of Finance.

SEC. 2. Section 20358 is added to said code, to read:

Law inapplicable

20358. The provisions of Sections 20356 and 20357 of the Education Code shall not apply to student housing facilities provided for by Article 10 of this chapter or to student housing facilities at the California State Polytechnic College.

CHAPTER 719

An act to amend Section 5470 of the Health and Safety Code, relating to sewer rental charges and the use of moneys received therefrom.

In effect September 22, 1951

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5470 of the Health and Safety Code is amended to read:

Fees, etc., for services

5470. Any city or city and county shall have power, by an ordinance approved by a two-thirds vote of the members of the legislative body thereof, to prescribe, revise and collect,

fees, tolls, rates, rentals, or other charges for services and facilities furnished by it in connection with its sanitation or sewerage systems; provided, that the city and city and county may provide that such charge for such service shall be collected with the rates, tolls and charges for any other utility, and that any or all such charges may be billed upon the same bill; provided further, that where such charge is to be collected with the charges for any other utility service furnished by a department or agency of such city or city and county and over which the legislative body of the city or city and county does not exercise control, the consent of such department or agency shall be obtained prior to collecting sanitation or sewerage charges with the charges for any other utility. Revenues derived by cities and cities and counties under the provisions in this section, shall be used only for the acquisition, construction, reconstruction, maintenance and operation of water systems and sanitation or sewerage facilities, to repay principal and interest on bonds issued for the construction or reconstruction of such water systems and sanitary or sewerage facilities and to repay federal or state loans or advances made to such city or city and county for the construction or reconstruction of water systems and sanitary or sewerage facilities; provided, however, that such revenue shall not be used for the acquisition or construction of new local street sewers or laterals as distinguished from main trunk, interceptor and outfall sewers.

CHAPTER 720

An act to amend Sections 2 and 5 and to repeal and add Sections 6 and 7 of an act entitled "An act to provide for forest practices which will promote the maximum sustained productivity of the forest lands of California," approved April 23, 1945 (Ch. 85, Stats. 1945), relating to forest practices.

Stats. 1945, p. 394, amended

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2 of the act cited in the title hereof is amended to read:

Sec. 2. In this article the following definitions shall apply, unless the context clearly requires otherwise: Definitions

The terms "timberland," "forest land," and "commercial timberland" shall mean land upon which is growing a crop of trees of any species which are of sufficient size and quality to be capable of furnishing raw material used in the manufacture of lumber and other forest products; the term "cutover land" shall mean land which has borne a crop of commercial timber from which at least 70 percent of the merchantable original growth timber stand has been removed or destroyed by logging, fire, insects, or tree diseases and which is now supporting, or

capable of growing, a crop of commercial timber and other forest products and which has not been converted to other commercial or agricultural use; the terms "timber owner" and "private timber owner" shall mean any person, copartnership, firm, corporation, or company, or a recognized agent or representative of such ownership, owning commercial timber, timberland, cutover land, or timber rights on lands of another other than a governmental agency; the term "timber owner-operator" shall mean any private timber owner, who cuts and removes timber and other forest products from forest lands; the term "farmer-timber owner" shall mean any timber owner, whose principal business is that of farming or ranching but included in whose property holdings are areas of commercial timber; the terms "timber operator" and "operator" shall mean any person, copartnership, firm, corporation, company, or a recognized agent or representative thereof, engaged in the cutting and removal of timber or other forest products from forest lands for commercial purposes, and responsible for the compliance with the provisions required by this act, in the harvesting operations; the terms "board" and "state board" shall mean the State Board of Forestry; the terms "committee" and "district committee" shall mean the district forest practice committee; the term "district" shall mean forest district; the terms "rules" or "district rules" shall mean the district forest practice rules.

SEC. 2. Section 5 of said act is amended to read:

Forest practice committee

Sec. 5. Duties of the District Forest Practice Committee. The district forest practice committee shall advise and assist the State Board of Forestry and the lumber industry in the establishment of forest conservation practices on privately owned land. The district forest practice committee in advising and in assisting the State Board of Forestry shall not interfere with any of the powers and duties of the State Board of Forestry which are established by law.

It shall be the duty of each district forest practice committee to develop forest practice rules for the forest district, to fulfill the purposes of this act. Such forest practice rules shall apply to old growth and second growth timber and shall include, but not be limited to: Fire protection devices and practices, protection against operations in logging which unnecessarily destroy young timber growth or timber growing conditions of the soil, protection and prevention from damage by forest insects and disease, and provisions for the restocking of the land after cutting, by natural or artificial methods.

Approval of rules

The district forest practice committee shall adopt forest practice rules for the forest district after due notice and hearings held for the purpose. When such forest practice rules have been submitted to the private timber owners and have been approved by two-thirds of the private timber ownership voting in the district, such percentage to be measured by the acreage of timber and cutover land privately owned in the district, they shall be submitted to the State Board of Forestry for approval.

For the purpose of balloting on the approval or disapproval of the forest practice rules, the private timber owners within the district shall be deemed to be the owners of record appearing on the current assessment roll of the county in which such timberlands are situated. In the submission of the proposed forest practice rules and ballots, such rules and ballots shall be sent by registered mail to the said owners of record to the address of record upon the aforesaid assessment rolls. All ballots upon the proposed forest practice rules shall be returned to the State Forester within 60 days from the date of mailing of said ballots by registered mail, and the counting of the ballots shall be completed by the State Forester within 70 days after the aforesaid date of mailing. All timber acreage not voted on the ballots received within the herein specified time limit, shall be excluded from the total timberland acreage of the district in determining the percentage of the approval or disapproval of the forest practice rules. Where the ownership of timberlands is of record as being owned by more than one person, company or corporation, the percentage of acreage in such multiple ownership shall be apportioned in such percentages as the percentage appears upon the aforesaid assessment rolls of the counties in the district. Should said multiple ownership be divided into separate ownership of land and timber or land and timber rights, the owners of record of said land and timber shall be deemed to hold the right of vote of one-half of the total land acreage involved for land ownership and one-half of the total land acreage involved for timber ownership.

Forest management plans

The committee may receive and approve forest management plans which may be submitted by owners of forest land in the forest district as a substitute for the forest practice rules approved for that district.

The committee may receive and approve plans of procedure which may be submitted by owners of forest land in the forest district as an alternate to any requirement or rule of the forest practice rules approved for that district, provided, such alternate plan will, in the judgment of the committee, accomplish greater silvicultural or protectional management of the forest land of said owner than is provided for by the existing requirement of the forest practice rules approved for that district.

If in the judgment of the State Board of Forestry such rules of forest practice, forest management plans and alternate plans are deemed sufficient to accomplish the purposes and intent of this act, they shall be approved by the board.

In the event that any of the rules so submitted are disapproved by the board, they shall be returned to the district forest practice committee with recommendations for amendments. Action upon such recommended amendments shall follow the same procedure as hereinbefore provided for the adoption of the initial rules.

In the event the board deems that a forest management plan which has been submitted for approval is inadequate, it

shall return such forest management plan to the district forest practice committee and the timber owner who submitted such forest management plan, for concurrence in suggested amendments which will fulfill the purposes and intent of this act.

In the event the board deems that an alternate plan which has been submitted for approval does not accomplish the purposes and intent of the forest practice rule for which said alternate plan is to be substituted, it shall return such alternate plan to the district forest practice committee and the timber owner who submitted such alternate plan, for concurrence in suggested amendments which will fulfill the purposes and intent of this act.

Effect of rules

Forest practice rules, forest management plans and alternate plans approved by the State Board of Forestry shall have the force of law within the forest district in which such rules originated, and all timber owners in the forest district shall be subject to compliance with such forest practice rules, excepting, however, that if any owner of forest land has submitted a forest management plan which has been approved by the State Board of Forestry, he shall be subject only to compliance with such forest practices as may be a part of such approved forest management plan, or if any owner of forest land has submitted an alternate plan which has been approved by the State Board of Forestry he shall be subject to compliance with the district forest practice rules as modified by such alternate plan; and excepting in such cases where timberland owners can give satisfactory proof that the forest lands in process of cutting or to be cut are to be devoted, in a bona fide manner, to other than a timber growing use, such owners shall, however, comply with the existing fire laws of the State and the fire prevention and fire suppression practices of the forest practice rules for the forest district.

Amending rules

Upon receipt by the State Board of Forestry of a petition, signed by 50 percent of the private timber and cutover land ownership in an established forest district, requesting amendments to the forest practice rules of the forest district, or upon determination of the State Forester that the forest practice rules of any forest district should be amended, the state board shall order the district forest practice committee of the forest district in which such proposed amendments will apply, to review the petition or the request of the State Forester and to conduct public hearings in connection therewith. Should the district forest practice committee conclude after such public hearings that the forest practice rules should be amended to meet any or all the demands of said petition, or of said request of the State Forester, they shall submit the findings of the committee to the State Board of Forestry for its approval or rejection.

Notice of approval

Whenever the findings and proposed amendments, submitted by the district forest practice committee, are approved by the State Board of Forestry it shall cause a notice of its approval of such findings and amendments to be published with

the full text of such proposed amendments in a newspaper of general circulation in each county of the forest district in which such amended rules are to apply. The public notice shall appear in not less than three consecutive publications of said newspaper, such publications to be at intervals of not less than one week and the over-all period of such notice publications shall not exceed 30 days. At the first regular meeting of the State Board of Forestry following the expiration of the time allotted for publication of the approved amendments the board shall, by proper resolution, declare such amended rules to be in effect and have the force of law as provided in this act.

SEC. 3. Sections 6 and 7 of said act are repealed. Repeal

SEC. 4. Section 6 is added to said act, to read:

Sec. 6. Notification of Timber Harvesting Operation and Registration of Timber Operators. Notification of State Forester All timber owners of the State upon whose holdings, timber harvesting operations for commercial purposes, are proposed shall notify the State Forester of such proposed operation and the location in which such operation is to take place. In such notice of a proposed operation, the timber owner shall set forth the name and address of the operator who will engage in the cutting and removal of timber or other forest products in this operation. Whenever possible to do so, the location of such proposed operation shall be given by a legal subdivision description.

All timber operators engaged in the cutting and removal of timber or other forest products from forest lands, for commercial purposes, shall register with the State Forester. Registration As a part of such registration the operator shall agree to conduct the harvesting of timber or other forest products in accordance with the provisions of this act and the forest practice rules of the district in which such operation is conducted. Upon receipt of such registration of a timber operator, the State Forester, or his designated agent, shall issue a permit for the current calendar year, or the remainder thereof, authorizing the permittee to engage in the cutting and removal of timber or other forest products from forest lands, for commercial purposes. Said permit or a copy thereof shall be available for inspection at all times, on the area in which such harvesting operations are being conducted.

Permit renewals shall be on a calendar year basis and registration renewals shall be made not more than 60 days or less than 30 days prior to the first day of January of each year. Permit renewals

Any timber operator who engages in the cutting or removing of timber or other forest products, for commercial purposes, from forest lands without having a valid permit to do so from the State Forester is guilty of a misdemeanor and shall be prohibited from engaging in such operation. If any timber operator engaged in the harvesting of timber or other forest products, for commercial purposes, fails to comply with the forest practice rules applicable to the forest district in which such operation is conducted, or fails to comply with a forest management plan approved by the State Board of Forestry, or fails to Penalty

comply with the forest practice rules modified by an alternate plan, the Director of Natural Resources may suspend or revoke the permit issued by the State Forester granting the permission to perform such operations.

Notice of action to suspend permit

No action to suspend or revoke said operating permit shall be invoked until, after inspection of the operation, a notice has been given the operator in writing, setting forth therein the items in which the operator is in noncompliance with the forest practice rules, management plan or alternate plan, and such operator, upon receiving such notice, shall have been given a reasonable time in which to revise his operation to bring about compliance with the rules in which he is in violation.

Procedure

Before suspending or revoking the permit issued under the provisions of this section, the Director of Natural Resources shall proceed as prescribed by Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the Director shall have all the powers granted therein.

SEC. 5. Section 7 is added to said act, to read:

Inspection and administration

Sec. 7. Inspections and Administration. The Director of Natural Resources shall cause to have made, by the State Forester, periodic inspections of forest products harvesting operations to determine and to require compliance with the approved rules of forest practice and of approved forest management plans or alternate plans.

The State Forester, acting in accordance with the policies adopted by the State Board of Forestry and under the supervision and direction of the Director of Natural Resources, is charged with the administration of this act and may exercise all powers necessary to accomplish its purposes and intent.

CHAPTER 721

An act to amend Sections 459 and 589.5 of the Vehicle Code, relating to the powers of local authorities respecting highways and the use thereof.

In effect September 22, 1951

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 459 of the Vehicle Code is amended to read:

Powers of local authorities

459. Powers of Local Authorities. The provisions of this division shall not prevent local authorities within the reasonable exercise of the police power from adopting rules and regulations by ordinance or resolution on the following matters:

(a) Regulating or prohibiting processions or assemblages on the highways.

(b) Licensing and regulating the operation of vehicles for hire.

(c) Regulating traffic by means of traffic officers.

(d) Regulating traffic by means of semaphores or other traffic control signaling devices.

(e) Designating particular highways as one way highways and requiring that all vehicles thereon be moved in one specified direction.

(f) Closing any highway to vehicular traffic when in the opinion of the legislative body having jurisdiction such highway is no longer needed for vehicular traffic.

(g) Designating any highway as a through highway and requiring that all vehicles stop before entering or crossing the same or designating any intersection as a stop intersection and requiring all vehicles to stop at one or more entrances to such intersection.

(h) Prohibiting the use of particular highways by certain vehicles, except as otherwise provided by the Public Utilities Commission pursuant to Section 50¼ of the Public Utilities Act.

(i) Closing particular streets during regular school hours for the purpose of conducting automobile driver training programs in secondary schools of this State.

Signs

No ordinance or resolution enacted under subdivision (e), (f), (g), (h), or (i) hereof shall be effective until signs giving notice of such local traffic laws are posted at all entrances to the highway or part thereof affected. All signs giving notice of any local traffic laws under subdivision (f) hereof shall conform to the specifications applicable to stop signs hereinafter set forth.

Exception

No ordinance or resolution proposed to be enacted under subdivisions (d), (e), (f), (g), (h), or (i) hereof shall be effective with respect to any highway which is not under the exclusive jurisdiction of the local authority enacting the same; provided, that as to any state highway, if prior to the enactment of such ordinance or resolution, the legislative body of the local authority proposing to enact the same shall submit to the Department of Public Works such ordinance or resolution in complete draft form, and the said department gives its approval in writing to the application thereof to such state highways or parts thereof as the department shall specify in said approval, then said ordinance or resolution shall upon its enactment be effective as to such state highways or parts thereof as the department shall have specified in its said approval.

SEC. 2. Section 589.5 of said code is amended to read:

Parking on State Highways

589.5. Parking on State Highways. The State Department of Public Works with respect to highways under its jurisdiction may place signs prohibiting or restricting the parking of vehicles where in its opinion, as evidenced by resolution or order entered in its minutes, such parking is dangerous to those using the highway or where the parking of vehicles would unduly interfere with the free movement of traffic thereon. Such signs shall be official signs and no person shall park any vehicle in violation of the restrictions stated on such signs. Local authorities may by ordinance or resolution prohibit or restrict the parking of vehicles on a state highway, in their respective jurisdictions, if such ordinance or resolution is first submitted to

and approved in writing by the Department of Public Works, except that where maintenance of any state highway is delegated by the Department of Public Works to a city, the department may also delegate to such city the powers herein conferred on said department.

CHAPTER 722

An act to add Chapter 4.5 to Division 4 of the Water Code, relating to the alteration, diversion or deflection of streams.

In effect September 22, 1951

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 4.5 is added to Division 4 of the Water Code, to read:

CHAPTER 4.5. STREAM COURSES

Altering, etc., course of stream

7047. No person may alter, divert or deflect the course of any nonnavigable stream in any surface mining dredging operation without first obtaining the approval of the board of supervisors of the county in which dredging is being done.

Nothing in this bill shall be construed as conflicting with the powers of the State Reclamation Board or the California Debris Commission or contractors or permittees carrying out flood control projects under authority of either board or commission.

CHAPTER 723

An act to repeal Education Code Sections 20379, 20344.1, and 20344.2, and to add Chapter 1.5 to Division 10 of said code, relating to schools and colleges under the jurisdiction of the Department of Education.

In effect September 22, 1951

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Sections 20379, 20344.1, and 20344.2 of the Education Code are repealed.

SEC. 2. Chapter 1.5 is added to Division 10 of said code, to read:

CHAPTER 1.5. SCHOOLS AND COLLEGES UNDER JURISDICTION OF THE DEPARTMENT OF EDUCATION

Article 1. General

Vacations

20251. The length of, and the time for, vacations of teachers, officers, and employees of state colleges, the California School for the Deaf, the California School for the Blind, and the California Polytechnic School shall be prescribed by the Director of Education.

20252. All moneys received by or for any school or college under the jurisdiction of the Department of Education from any agency of the Federal Government, directly or indirectly, for the education of veterans, are hereby appropriated for the support of such school or college in addition to such other funds as may be appropriated therefor by the Legislature. Such moneys shall augment such support appropriation of the state college current at the date of issuance of the State Controller's receipt therefor as may be designated by the state college prior to their deposit in the State Treasury. Funds for education of veterans

20253. The Director of Education may enter into agreements with any agency of the Federal Government for the education of persons in the service of the Federal Government in schools or colleges under the jurisdiction of the Department of Education. All moneys received from an agency of the Federal Government for the education of persons in any such school or college are hereby appropriated for the support of such school or college in addition to such other funds as may be appropriated therefor by the Legislature. Agreements with Federal Government

CHAPTER 724

An act to amend Section 43068 of the Government Code, relating to powers of cities of the fifth and sixth classes.

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 43068 of the Government Code is amended to read:

43068. Unless a majority of the city electors voting at an election held for that purpose are in favor of it, the annual property tax shall not exceed one dollar ($1) on each one hundred dollars ($100), exclusive of such tax as may be necessary to pay the costs of any pension plan for city employees adopted pursuant to Article 2, Chapter 2, of Division 5, exclusive of such tax as may be necessary to pay the costs of sewerage facilities and exclusive of such tax in addition to the annual tax levy for other municipal purposes authorized by Sections 20532, 37465, 37558, and 43069 of this code, Section 5304 of the Public Resources Code and Section 22241 of the Education Code. Property tax Limitation

CHAPTER 725

An act to amend Section 1503 of the Welfare and Institutions Code, relating to aid to needy children.

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1503 of the Welfare and Institutions Code is amended to read:

Legislative intent

1503. It is the object and purpose of this chapter to provide aid for children whose dependency is caused by circumstances defined in Section 1500 and to keep children in their own homes wherever possible and to provide the best substitute for their own homes for those children who must be given foster care.

It is the intent of the Legislature that the employment and self-maintenance of parents of needy children be encouraged to the maximum extent and that this chapter shall be administered in such a way that needy children and their parents will be encouraged and inspired to assist in their own maintenance. The State Department of Social Welfare shall take all necessary steps to implement this section.

For the purposes of this chapter the value of supplies, equipment and other items which are a part of a program to assist in the maintenance and self-support shall not be considered as personal property as established by Section 1521.

CHAPTER 726

An act to add Section 1523.5 to the Welfare and Institutions Code, relating to aid to needy children in respect to acceptance of rehabilitative training.

In effect September 22, 1951

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1523.5 is added to said code, to read:

Disqualification

1523.5. Any child who is otherwise qualified to receive aid under this chapter may be disqualified from receiving such aid for so long as the parent of the child refuses to accept reasonable employment or vocational rehabilitative training necessary to improve or restore his capacity to support himself and his dependents, or fails to cooperate to the best of his ability in order to render himself more fully capable of supporting himself and his dependents. Each county shall, in administering aid under this chapter, refer to the Bureau of Vocational Rehabilitation of the State Department of Education each parent of a needy child to determine the feasibility of rehabilitation for such person. The State Department of Social Welfare and the State Department of Education shall jointly develop plans for the orderly processing of such cases. Priority shall be given to cases for which rehabilitation is determined to be most feasible.

For the purpose of this chapter the value of such tools and equipment as may be necessary to implement the rehabilitation program undertaken for such parents shall not be included in the personal property qualification for aid established in Section 1521.

Nothing in this section shall be construed to prevent the State Department of Social Welfare and the State Department of Education from determining the types of cases for which vocational rehabilitation is not feasible and for which referral is unnecessary. Construction

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CHAPTER 727

An act to amend Sections 803.5, 823, and 828.85 of, and to add Section 821.9 to, the Agricultural Code, relating to nectarines and apples.

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 803.5 of the Agricultural Code is amended to read:

803.5. Nectarines shall be mature but not overripe; free from insect injury which has penetrated or damaged the flesh, split pits which are open at the stem end; and from mold, brown rot, and decay which has affected the edible portion; and free from serious damage due to skin breaks or cuts, growth cracks, bruises, or other causes. Damage to any one nectarine is not serious unless it causes a waste of 10 percent, by weight, of the individual nectarine. Nectarines

Nectarines shall not be considered mature unless at the time of picking (a) an aggregate area of at least one inch in diameter of the surface of the individual fruit has broken from green or dark green to a distinct flecking of light green or a light green indicating equivalent maturity, or (b) the shoulders and suture are well developed and filled out.

Except in the case of nectarines affected by split pits which are visible, not more than 10 percent, by count, of the nectarines in any one container or bulk lot may be below these requirements, but not to exceed one-half of this tolerance shall be allowed for any one cause. In the case of nectarines affected by split pits which are visible, an additional tolerance of not more than 10 percent, by count, of the nectarines in any one container or bulk lot shall be allowed.

Packed nectarines shall not vary in size between the fruits, in any one container, more than three-eighths of an inch in diameter, when measured through the widest portion of the cross-section.

All containers of fresh nectarines shall bear upon them in plain sight and in plain letters on one outside end: the name of the person who first authorized the packing of the nectarines or the name under which such packer is engaged in business, together with a sufficiently explicit address to permit ready location of such packer; the name of the variety, if known, and when not known the words "unknown variety"; the size

description, when the nectarines are packed in the four-basket crate, or the count, when wrapped and packed throughout, in straight side containers in uniform layers and rows.

In the case of the four-basket crate the numerical description of the pack in the top layer of the basket shall be used to designate size. When the count is used to designate the contents of the container a variation of four nectarines more or less than the number stated shall be allowed.

Nectarines, when packed, shall be in standard containers numbers 1, 1A, 5, 6, 7, 8, 9, 9A, 9B, 12B, 15, 16, 17, 18, 18A, 22B, 25, 26, 27 or 27A. Other size containers may be used if conspicuously marked on the outside of the end which bears any marks intended to describe the contents of such container, in letters not less than one-half inch in height, "irregular container."

SEC. 2. Section 821.9 is added to the Agricultural Code, to read:

Apples of Lady variety

821.9. Apples of the Lady variety of a size that will pass through a ring two and one-quarter inches in diameter are not required to meet the minimum size and packing requirements of this chapter, and the containers need not be marked with the "grade" of apples contained therein, however, such Lady apples shall comply with the provisions of the "C Grade," and shall not be deceptively packed.

SEC. 3. Section 823 of the Agricultural Code is amended to read:

Apple containers

823. All wrapped apples shall be in one of the following containers: standard wooden apple box, depth inside, $10\frac{1}{2}$ inches; width inside, $11\frac{1}{2}$ inches; length inside, 18 inches. Standard fibreboard apple box, depth inside, $11\frac{3}{8}$ inches; width inside, $11\frac{1}{2}$ inches; length inside, 18 inches, with a tolerance of one-fourth inch in all dimensions. Half wooden apple box, depth inside, $5\frac{1}{4}$ inches; width inside, $11\frac{1}{2}$ inches; length inside, 18 inches. Half fibreboard apple box, depth inside, $5\frac{11}{16}$ inches; width inside, $11\frac{1}{2}$ inches; length inside, 18 inches, with a tolerance of one-fourth inch in all dimensions. Apples which are not wrapped shall be in one of the standard containers defined in this section, or in one of the standard apple lugs of the following dimensions: (a) depth inside, $7\frac{1}{2}$ inches; width inside, $13\frac{1}{2}$ inches; length inside, $21\frac{1}{4}$ inches. (b) Depth inside, $7\frac{3}{4}$ inches; width inside, 14 inches; length inside, $22\frac{5}{8}$ inches. (c) Depth inside, $6\frac{1}{2}$ inches; width inside, $13\frac{1}{2}$ inches; length inside, $20\frac{5}{8}$ inches. (d) Depth inside, $9\frac{3}{4}$ inches; width inside, 11 inches; length inside, $20\frac{5}{8}$ inches. Containers designated as (a), (b) and (c) shall be considered as standard when used with or without cleats. Apples which are not wrapped may be in other size containers, and wrapped apples may be in containers smaller than the half apple box, if these are conspicuously marked, in letters not less than one-half inch in height, "irregular container." Such marking is not required on open containers of apples which are not place packed or well packed.

Apples of the Lady variety, regardless of the method of packing, may be placed in containers with a depth of 8¾ inches; width 10 inches, and length 16 inches, all inside measurements.

SEC. 4. Section 828.85 of said code is amended to read:

828.85. In standard containers numbers 32 and 34 the average inside length of the two compartments, between center and end pieces, shall be not less than $11\frac{15}{16}$ inches. Standard containers

Containers designated as standard for apricots, cherries, nectarines, peaches, pears and plums and fresh prunes in this chapter, shall be considered standard for each such commodity, when used with or without a cleat or cleats, even though the sides of the container are placed above the container head.

These standard containers are hereinafter referred to by their respective numbers.

CHAPTER 728

An act to amend Section 50022 of the Government Code, relating to fire prevention codes.

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 50022 of the Government Code is amended to read:

50022. A local agency may pass an ordinance adopting by reference fire prevention codes or all or a part of regulations for the construction of buildings, the installation of plumbing, the installation of electric wiring, or similar work, without posting or publishing the regulations if they have been printed as a code in book form and three copies of the code have been filed for use and examination by the public in the office of the clerk of the local agency prior to the adoption. Ordinance adopting fire prevention codes, etc

The ordinance adopting a fire prevention code by reference shall include a brief synopsis of the contents of such code. The synopsis shall be sufficiently detailed to give adequate notice of the subject matter regulated by the fire prevention code.

CHAPTER 729

An act to amend Sections 38440, 38451, 38452, 38460, and 38461, and to repeal Sections 38453 to 38459, inclusive, of the Government Code, relating to discontinuance of municipal parks.

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 38440 of the Government Code is amended to read:

38440. A city may discontinue and abandon the use as a public park of any land owned in fee by it and dedicated or Abandonment of public park

placed in such use by such city, and thereafter dispose of the land, pursuant to this article.

SEC. 2. Section 38451 of said code is amended to read:

Same Voting

38451. If a majority of the electors voting on the proposition are in favor of it, the legislative body shall adopt an ordinance declaring that use of the land described in the ordinance calling the election for park purposes is discontinued and abandoned.

SEC. 3. Section 38452 of said code is amended to read:

Same

38452. If less than a majority of such electors vote for it, the legislative body shall not initiate proceedings for discontinuance of the use of such land for park purposes for one year after the election.

SEC. 4. Section 38460 of said code is amended to read:

Land affected

38460. When the ordinance becomes effective, the land described in it is deemed held by the city in fee. The city may sell or otherwise dispose of the property in the same manner as it may dispose of other city property no longer required for municipal purposes.

SEC. 5. Section 38461 of said code is amended to read:

Disposition of proceeds

38461. If the land was acquired by money derived from bonds authorized for park purposes, and the land sold, the reasonable market value of the land at the time of adoption of the ordinance shall be transferred to the bond fund from such other municipal fund as the legislative body determines. If the land was not acquired from bond funds and the land is sold, the proceeds from such sale shall be deposited in the general fund of the city.

Repeal

SEC. 6. Sections 38453, 38454, 38455, 38456, 38457, 38458, and 38459 of said code are hereby repealed.

CHAPTER 730

An act to add Section 5410.8 to, amend Sections 5410.2, 5410.45, and 5425 of, and to repeal Section 5410.1 from, the Public Resources Code, relating to recreation, park and parkway districts.

In effect September 22, 1951

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Section 5410.1 of the Public Resources Code is repealed.

SEC. 2. Section 5410.2 of said code is amended to read:

Governing body

5410.2. The governing body of the city or county within which the district is situated may submit to the voters of a district either at the same election at which a question of the formation of the district is submitted, or at any subsequent election, the question as to whether the district shall be governed by its own board of directors.

SEC. 3. Section 5410.45 of said code is amended to read:

5410.45. Whenever provision is made for election of the governing board, the elections shall be held as provided in Section 5410.5. Of the members first so elected, the three elected by the highest vote shall hold office for four years, and the other two for two years, and until their successors are elected and qualified. Subsequent elections shall be for the term of four years. Vacancies shall be immediately filled by the board for the unexpired portion of the terms in which they occur. Directors shall be residents and electors of the districts from which they are elected. Elections, terms

SEC. 4. Section 5410.8 is added to said code, to read:

5410.8. Until and unless provision is made by the district to have an elective board of directors, pursuant to this chapter, the governing board shall be appointed as provided in Section 5404. The appointees shall hold office until their successors have been appointed, or elected, if, as and when provision for election is duly made, and have qualified. Appointment

SEC. 5. Section 5425 of the Public Resources Code is amended to read:

5425. If it determines to annex to or withdraw from the district any territory it shall so declare by resolution. The annexation or withdrawal shall be effective upon the date of the adoption of the resolution unless more than 1 percent of the total number of voters living within the territory to be annexed to the district have at or prior to the hearing filed written objections to the annexation, or more than 1 percent of the total number of voters residing in the territory proposed to be withdrawn have at or prior to the hearing filed written objections to the withdrawal. If written objection to the proposed annexation or withdrawal is made by the number of voters specified in this section, the resolution of annexation or withdrawal shall not be effective until it is approved by a majority vote of the voters of the territory proposed to be withdrawn in case of a proposed withdrawal of territory, or by a majority vote of the voters of the entire new proposed district in case of a proposed annexation of territory. An election shall be called for that purpose by the governing body not later than 60 days after the adoption of the resolution. If so approved, the territory is annexed or withdrawn, as the case may be. Annexation or withdrawal of territory

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CHAPTER 731

An act to add Section 30.06 to the Public Utility District Act, authorizing public utility districts to cooperate and contract with and to borrow or procure money from the United States.

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 30.06 is added to the Public Utility District Act, to read:

Cooperation, etc., with United States

Sec. 30.06. For the purpose of obtaining and supplying water for domestic, irrigation and fire protection purposes, public utility districts are hereby authorized to cooperate and contract with the United States and to borrow or procure money from the United States in the same manner and under the same procedures that irrigation districts are now authorized, or may hereafter be authorized, to do under Division 11, Part 6, Chapter 2 of the Water Code of the State of California.

CHAPTER 732

An act to amend Section 5024 of the Streets and Highways Code, relating to the definition of incidental expenses as used in the Improvement Act of 1911.

S. & H. C., §5000, ff

In effect September 22, 1951

[Approved by Governor May 30, 1951. Filed with Secretary of State May 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5024 of the Streets and Highways Code is amended to read:

"Incidental expenses"

5024. "Incidental expenses" includes:

(a) The compensation of the engineer for work done by him;

(b) The cost of printing and advertising provided for in this division, including the estimated cost of printing any bonds to be issued to represent or be secured by unpaid assessments;

(c) The compensation of the person appointed by the superintendent of streets to take charge of and superintend any of the work;

(d) The expenses of making the assessment, and of the collection of assessments by the superintendent of streets when directed by ordinance to receive payments pursuant to Section 5396 of this division, and of preparing and typing the resolutions, notices and other papers and proceedings for any work authorized by this division;

(e) The expenses of making any analysis and tests to determine that the work and any materials or appliances incorporated therein comply with the specifications;

(f) All costs and expenses incurred in carrying out the investigations and making the reports required by the provisions of the "Special Assessment Investigation, Limitation and Majority Protest Act of 1931";

(g) The cost of title searching, description writing, salaries of right of way agent, appraisal fees, partial reconveyance fees, surveys and sketches incident to securing rights of way for any work authorized by this division; and

(h) Any other expenses incidental to the construction, completion, and inspection of the work in the manner provided for in this division.

All demands for incidental expenses shall be presented to the street superintendent, by an itemized bill, duly verified by the demandant.

CHAPTER 733

An act to amend Section 13842 of the Revenue and Taxation Code, relating to exemptions from inheritance tax, including the exemption of nonprofit membership hospital associations or corporations.

[Approved by Governor May 29, 1951. Filed with Secretary of State May 30, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 13842 of the Revenue and Taxation Code is amended to read:

13842. Property transferred to any society, corporation, institution, or association exclusively engaged in or devoted to any charitable, educational, public, or other like work, pecuniary profit not being its object or purpose, or to any person, society, corporation, institution, or association in trust exclusively for or to be devoted exclusively to any charitable, educational, public, or other like work, including a nonprofit corporation or membership association which owns and operates a hospital, the facilities and services of which are available to its members and to the general public and all of whose funds and revenues are devoted exclusively to its operating expenses, retirement of indebtedness, and maintenance of surplus and reserves, is exempt from the tax imposed by this part, if any of the following conditions is present:

Exemptions to charitable, etc., societies, etc

(a) The society, corporation, institution, or association is organized solely for charitable, educational, public, or other like work, or work of the character hereinbefore referred to, under the laws of this State or of the United States;

(b) The property transferred is limited for use within this State;

(c) In the event that the society, corporation, institution, or association is organized or existing under the laws of a territory or another state of the United States or of a foreign state or country, at the date of the decedent's death either of the following concurred:

(1) The territory, other state, foreign state, or foreign country did not impose a legacy, succession, or death tax of any character in respect to property transferred to a similar society, corporation, institution, or association organized or existing under the laws of this State.

(2) The laws of the territory, other state, foreign state, or foreign country contained a reciprocal provision under which property transferred to a similar society, corporation, institution, or association organized or existing under the laws of another territory or state of the United States or foreign state or

country was exempt from legacy, succession, or death taxes of every character, if the other territory or state of the United States or foreign state or country allowed a similar exemption in respect to property transferred to a similar society, corporation, institution, or association organized or existing under the laws of another territory or state of the United States or foreign state or country.

CHAPTER 734

An act to amend Section 15442 of the Revenue and Taxation Code, relating to exemptions from gift tax, including the exemption of nonprofit membership hospital associations or corporations.

In effect September 22, 1951

[Approved by Governor May 29, 1951. Filed with Secretary of State May 30, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 15442 of the Revenue and Taxation Code is amended to read:

Exemptions to charitable etc., societies, etc

15442. Property transferred to any society, corporation, institution, or association exclusively engaged in or devoted to any charitable, educational, public, or other like work, pecuniary profit not being its object or purpose, or to any person, society, corporation, institution, or association in trust exclusively for or to be devoted exclusively to any charitable, educational, public, or other like work, including a nonprofit corporation or membership association which owns and operates a hospital, the facilities and services of which are available to its members and to the general public, and all of whose funds and revenues are devoted exclusively to its operating expenses, retirement of indebtedness, and maintenance of surplus and reserves, is exempt from the tax imposed by this part, if any of the following conditions is present:

(a) The society, corporation, institution, or association is organized solely for charitable, educational, public, or other like work, or work of the character hereinbefore referred to, under the laws of this State or of the United States.

(b) The property transferred is limited for use within this State.

(c) In the event that the society, corporation, institution, or association is organized or existing under the laws of a territory or another state of the United States or of a foreign state or country, at the date of the transfer of the property either of the following concurred:

(1) The territory, other state, foreign state, or foreign country did not impose a gift tax of any character in respect to property transferred to a similar society, corporation, institution, or association organized or existing under the laws of this State.

(2) The laws of the territory, other state, foreign state, or foreign country contained a reciprocal provision under which property transferred to a similar society, corporation, institution, or association organized or existing under the laws of another territory or state of the United States or foreign state or country was exempt from gift taxes of every character, if the other territory or state of the United States or foreign state or country allowed a similar exemption in respect to property transferred to a similar society, corporation, institution, or association organized or existing under the laws of another territory or state of the United States or foreign state or country.

CHAPTER 735

An act to amend Section 73 of the Agricultural Code, relating to fairs and expositions.

[Approved by Governor May 28, 1951. Filed with Secretary of State May 30, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 73 of the Agricultural Code is amended to read:

73. The board of directors of the State Agricultural Society, subject to the approval of the Department of Finance, shall provide for and manage an annual fair or exposition in Sacramento County of the industries and industrial products of this State and commercial products exported and imported through the ports of this State. Such fair shall be designated as the California State Fair. In any year during which an international exposition, conducted in whole or in part under the auspices of the State and endorsed by the United States Government, is held within the State of California, and the board of directors of the State Agricultural Society deems it inexpedient to hold a State Fair, the funds available for State Fair purposes for that year only may be expended with the approval of the Department of Finance, in cooperation with the management of said exposition to provide for a proper exhibition of the industries of California at such exposition. California State Fair

CHAPTER 736

An act to add Section 718 to the Vehicle Code, relating to penalties for overloading vehicles.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 718 is added to the Vehicle Code, to read:

Penalties for overloading

718. Penalties for Violating Weight Restrictions. Every person convicted of a violation of any weight limitation provision of this chapter and every person convicted of a violation of Section 731 of this code for requiring the operation of a vehicle upon a highway in violation of any weight limitation provision of this chapter shall be punished by a fine which shall equal the amounts specified in the following table:

Pounds of excess weight	Fine
1,000– 1,500	$10.00
1,501– 2,000	15.00
2,001– 2,500	20.00
2,501– 3,000	25.00
3,001– 3,500	30.00
3,501– 4,000	35.00
4,001– 4,250	40.00
4,251– 4,500	55.00
4,501– 4,750	70.00
4,751– 5,000	85.00
5,001– 5,250	100.00
5,251– 5,500	120.00
5,501– 5,750	140.00
5,751– 6,000	160.00
6,001– 6,250	180.00
6,251– 6,500	205.00
6,501– 6,750	230.00
6,751– 7,000	255.00
7,001– 7,250	280.00
7,251– 7,500	310.00
7,501– 7,750	340.00
7,751– 8,000	370.00
8,001– 8,250	400.00
8,251– 8,500	435.00
8,501– 8,750	470.00
8,751– 9,000	505.00
9,001– 9,250	540.00
9,251– 9,500	580.00
9,501– 9,750	620.00
9,751–10,000	660.00
10,001–10,250	700.00
10,251–10,500	730.00
10,501–10,750	760.00
10,751–11,000	790.00
11,001–11,250	820.00
11,251–11,500	850.00
11,501–11,750	880.00
11,751–12,000	910.00
12,001–12,250	940.00
12,251–12,500	970.00
12,501 and over	1,000.00

The maximum fine under this section shall be one thousand dollars ($1,000).

No part of the penalties prescribed by this section shall be suspended upon a second or subsequent conviction of a violation of any weight limitation provision of this chapter or of a violation of Section 731 of this code for requiring operation of a vehicle upon a highway in violation of any weight limitation provision of this chapter.

CHAPTER 737

An act creating the Interim San Francisco Bay Ports Commission, describing its powers and duties.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

WHEREAS, The Harbor of San Francisco Bay, with its various public and private ports and marine terminal facilities, comprises one of the major seaport areas of the world; and

WHEREAS, The Legislature is considering the establishment of a coordinating agency or limited type of nonregulatory ports agency for the Bay area; and

WHEREAS, Preliminary studies of ports organizations, harbor administration, shipping, traffic and ports development and legislation in the Bay area and in other major United States harbor areas indicate a need for a cooperative Bay area ports program; and

WHEREAS, There is recognition of the need for further examination in order to determine the type of regional ports organization to propose to the Legislature for creation in the Bay area, and such a study is possible only with the assistance and counsel of established Bay area public and private port and terminal operators and related civic agencies; and

WHEREAS, It is recognized further that the experience and knowledge of existing port and civic agencies can be utilized through the establishment of an interim regional bay ports organization to advise and assist any legislative committee dealing with ports and marine facilities on San Francisco Bay; now, therefore,

The people of the State of California do enact as follows:

CHAPTER 1. GENERAL PROVISIONS

SECTION 1. There is in the State Government a commission known as the Interim San Francisco Bay Ports Commission, consisting of nine commissioners appointed by the Governor, as set out in Section 2.

Interim San Francisco Bay Ports Commission

SEC. 2. The Governor shall appoint six commissioners who best represent the several geographic areas as well as the over-all public and economic interests of the San Francisco Bay area including two each to represent the State, municipal, and

Commissioners

private port authorities of the area. The Governor shall also appoint three commissioners to represent the public interests of the Bay area and Northern California. Each commissioner shall serve while this act is in effect without compensation but shall receive his actual expenses incurred in the discharge of his duties.

Officers, by-laws etc

SEC. 3. The commission shall select one of its members as chairman and one of its members as vice chairman, adopt by-laws and determine the times and places of its meetings.

Office, etc

SEC. 4. The commission shall maintain an office and appoint and fix the salary of an executive secretary and such other employees as it shall deem necessary to carry out the provisions of this act.

Quorum

SEC. 5. Five members of the commission shall constitute a quorum and five of the quorum must concur in any action taken by the commission.

Public meeting

SEC. 6. The commission shall take no action except at a public meeting but may hold closed executive meetings for deliberations on policy determinations. A record shall be kept of all public meetings which shall be open to inspection by any interested person at all reasonable times in the office of the commission.

Cooperation, etc., with legislative committees

SEC. 7. The commission shall cooperate and counsel with members and the staff of any legislative committee dealing with ports and marine facilities with respect to any activity carried on pursuant to the provisions of this act.

CHAPTER 2. POWERS AND DUTIES

Same

SEC. 10. The interim San Francisco Bay Ports Commission shall cooperate, coordinate and work jointly with any legislative committee for establishing a coordinating agency for the San Francisco Bay area, in determining the nature, characteristics and powers of such agency.

Investigations, etc

SEC. 11. The commission shall investigate and study the need for and the type of a cooperative bay ports program and organization encompassing:

(a) The provision of a clearinghouse for the coordination and cooperation, without compulsory regulation, of certain common interests of public and private Bay area ports and terminals, and transportation and maritime organizations;

(b) The provision of a centralized information center for statistics, research and other rate and traffic information;

(c) The development of rate protection measures;

(d) The representation before rate-making bodies and other government agencies and bodies;

(e) The promotion of new or additional commerce, and the carrying on of an exchange of contacts between buyers and sellers in foreign and domestic trades;

(f) The carrying on of any special study assignments.

SEC. 12. The commission may appoint committees from its membership and from other interested public and private groups. Committees

SEC. 13. The commission may accept contributions or appropriations from any public agency, private organization or persons. Contributions

SEC. 14. The commission shall, within fifteen (15) days after the commencement of the 1953 Regular Session, report to the Legislature the results of its investigation and study and its conclusions and recommendations. Report to Legislature

CHAPTER 3. DURATION OF ACT

SEC. 15. This act shall continue in effect until the ninety-first day after the adjournment of the Legislature in 1953, after which date it shall have no further force or effect. Duration

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CHAPTER 738

An act to amend Section 37101 of the Government Code, relating to powers of cities of the fifth and sixth classes.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 37101 of the Government Code is amended to read:

37101. The legislative body may license, for revenue and regulation, and fix the license tax upon, every kind of lawful business transacted in the city, including shows, exhibitions, and games. It may provide for collection of the license tax by suit or otherwise. If the legislative body levies a sales tax under the authority of this section it may impose a complementary tax at the same rate upon use or other consumption of tangible personal property; provided, however, there shall be excluded from the computation of such use tax the sales price of (a) purchases of property upon which a sales tax, purchase tax, use tax, purchase and use tax, or any of them, has been imposed by and paid on the same transaction to any city within the State of California; and (b) the use of tangible personal property actually employed in the transportation or transmission of persons, property, gas, electricity or communications in intrastate, inter-state or foreign commerce by public utilities regulated by the Public Utilities Commission of the State of California. Licensing of businesses

CHAPTER 739

An act to amend Section 3924 of the Elections Code, relating to ballots.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 3924 of the Elections Code is amended to read:

Ballot form

3924. The names of the candidates and the respective offices shall, except as may be hereinafter otherwise provided, be printed on the ballot in parallel columns, each two and one-half inches wide. These parallel columns shall be equally divided on the ballot for party and nonpartisan tickets by a solid black line, extending down from the printed lines separating the instructions to voters from the list of names of candidates to the bottom margin of the ballot.

CHAPTER 740

An act to amend Section 3830 of the Elections Code, relating to ballots.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 3830 of the Elections Code is amended to read:

Ballot form

3830. Except as to the order of the names of candidates, the ballots shall be printed substantially in the following form:

(This number to be torn off by inspector)

2247

Perforated Line

MARK CROSSES (+) ON BALLOT ONLY WITH RUBBER STAMP NEVER WITH PEN OR PENCIL

ABSENTEE BALLOTS MAY BE MARKED WITH PEN AND INK OR PENCIL

(Fold Ballot to this Perforated Line leaving Top Margin exposed)

PERFORATED LINE

GENERAL TICKET—7TH CONGRESSIONAL, 38TH SENATORIAL, 72ND ASSEMBLY DISTRICT

INSTRUCTIONS TO VOTERS:

To vote for a candidate of your selection, stamp a cross (+) in the voting square next to the right of the name of that candidate Where two or more candidates for the same office are to be elected, stamp a cross (+) after the names of all the candidates for that office for whom you desire to vote, not to exceed, however, the number of candidates who are to be elected To vote for all of the electors of a party stamp a cross (+) in the square opposite the names of the Presidential and Vice Presidential candidates of that party A cross (+) stamped in the square opposite the name of a party and its Presidential and Vice Presidential candidate, is a vote for all of the electors of that party, but for no other candidates To vote for a person not on the ballot, write his name under the title of the office in the blank space left for that purpose To vote on any measure, stamp a cross (+) in the voting square after the word "Yes" or after the word "No" All marks, except the cross (+) are forbidden All distinguishing marks or erasures are forbidden and make the ballot void If you wrongly stamp, tear or deface this ballot, return it to the inspector of election and obtain another

PRESIDENTIAL ELECTORS

(Vote for one party)

FRANKLIN D ROOSEVELT for President JOHN GARNER for Vice President	Democratic	
GEORGE P GOLDEN for President THOMAS GIBSON for Vice President	Socialist	
EDWARD KING for President FRED TYLER for Vice President	Prohibition	
ANDREW LEWIS for President JAMES CONNORS for Vice President	Republican	
for President for Vice President		

CONGRESSIONAL

UNITED STATES SENATOR — Vote for One

PHILIP BANCROFT Republican Progressive Incumbent	
J J SCOTT Democrat Attorney	
FRANK WILLARD EMERSON, Prohibition Governor of California	

REPRESENTATIVE IN CONGRESS SEVENTH DISTRICT — Vote for One

E A DENNKE, Democrat Incumbent	
A J WALLACE Republican, Progressive	

LEGISLATIVE

STATE SENATOR THIRTY EIGHTH SENATORIAL DISTRICT — Vote for One

SAMUEL MURPHY Democrat Incumbent	
M R HARRIS Republican Progressive Realtor	
STEPHEN H TAFT Prohibition Attorney	

MEMBER OF THE ASSEMBLY SEVENTY SECOND DISTRICT — Vote for One

FREDERICK HEAD Prohibition Incumbent	
R G FERNALD Republican Progressive Democrat Oakland City Councilman	

JUDICIAL

JUDGE OF THE SUPERIOR COURT — Vote for One

CHARLES R. WHEELER Incumbent	
BYRON E PADDOCK Attorney	

COUNTY

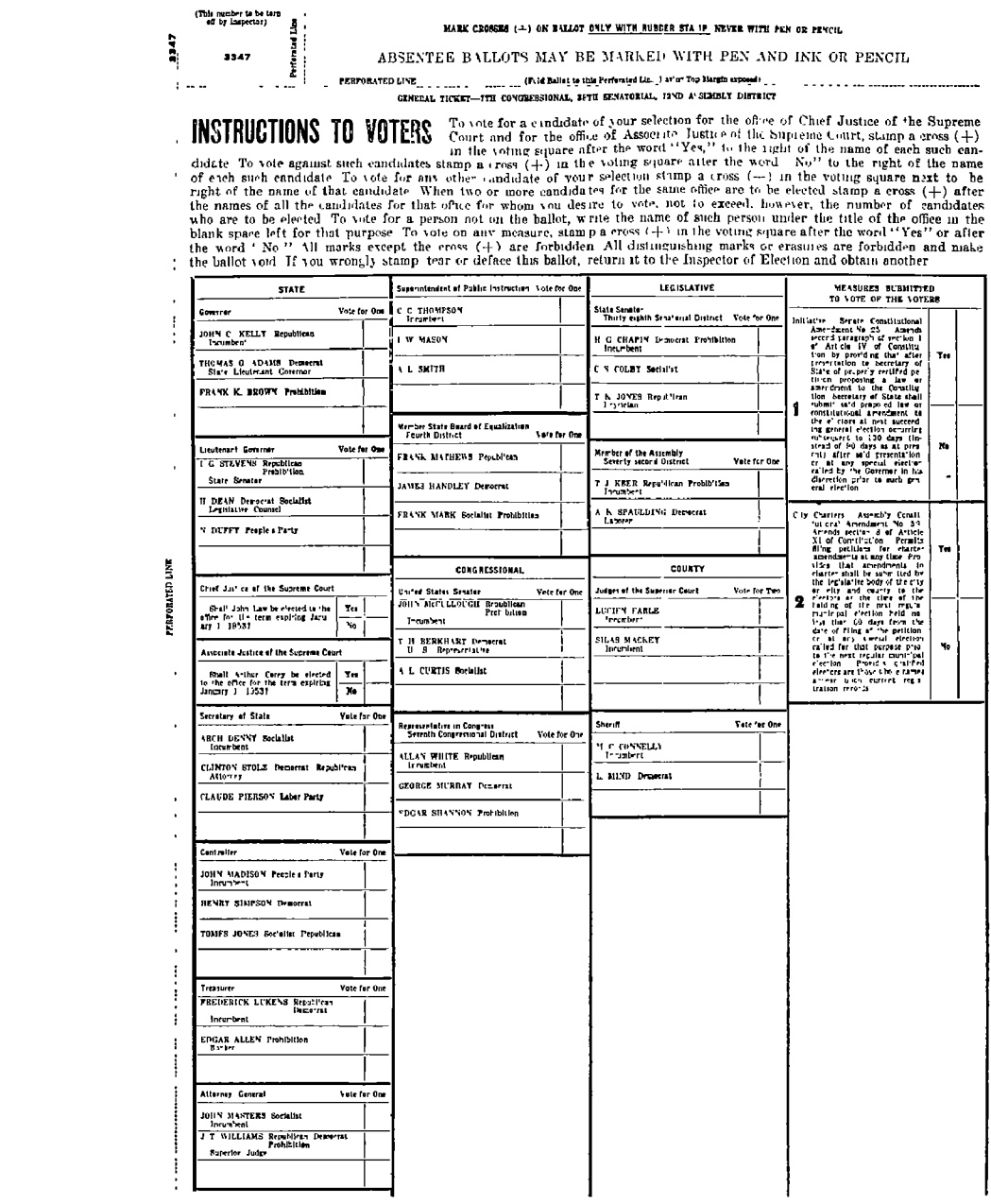
SUPERVISOR FOURTH DISTRICT — Vote for One

ALBERT E SMITH Incumbent	

MEASURES SUBMITTED TO VOTE OF VOTERS

1	Initiative Senate Constitutional Amendment 25 Amends second paragraph of section 1 of Article IV of Constitution by providing that after presentation to Secretary of State of properly certified petition proposing a law or amendment to the Constitution, Secretary of State shall submit said proposed law or constitutional amendment to the electors at next succeeding general election occurring subsequent to 130 days (instead of 90 days as at present) after said presentation, or at any special election called by the Governor in his discretion prior to such general election.	Yes	
		No	
2	City Charters Assembly Constitutional Amendment 59 Amends section 8 of Article XI of Constitution. Permits filing petitions for charter amendments at any time Provides that amendments to charter shall be submitted by the legislative body of the city or city and county to the electors at the time of the holding of the next regular municipal election held not less than 90 days from the date of filing of the petition or at any special election called for that purpose prior to the next regular municipal election. Provides qualified electors are those whose names appear upon current registration records	Yes	
		No	

PERFORATED LINE



(This number to be written by Inspector)

3347

Perforated Line

MARK CROSSES (+) ON BALLOT ONLY WITH RUBBER STAMP NEVER WITH PEN OR PENCIL

ABSENTEE BALLOTS MAY BE MARKED WITH PEN AND INK OR PENCIL

PERFORATED LINE (Fold Ballot to this Perforated Line and let Top Margin expose)

GENERAL TICKET—7TH CONGRESSIONAL, 30TH SENATORIAL, 72ND ASSEMBLY DISTRICT

INSTRUCTIONS TO VOTERS To vote for a candidate of your selection for the office of Chief Justice of the Supreme Court and for the office of Associate Justice of the Supreme Court, stamp a cross (+) in the voting square after the word "Yes," to the right of the name of each such candidate To vote against such candidates stamp a cross (+) in the voting square after the word "No" to the right of the name of each such candidate To vote for any other candidate of your selection stamp a cross (+) in the voting square next to the right of the name of that candidate When two or more candidates for the same office are to be elected stamp a cross (+) after the names of all the candidates for that office for whom you desire to vote, not to exceed, however, the number of candidates who are to be elected To vote for a person not on the ballot, write the name of such person under the title of the office in the blank space left for that purpose To vote on any measure, stamp a cross (+) in the voting square after the word "Yes" or after the word "No" All marks except the cross (+) are forbidden All distinguishing marks or erasures are forbidden and make the ballot void If you wrongly stamp tear or deface this ballot, return it to the Inspector of Election and obtain another

PERFORATED LINE

STATE

Governor — Vote for One
- JOHN C KELLY Republican Incumbent
- THOMAS O ADAMS Democrat State Lieutenant Governor
- FRANK K BROWN Prohibition

Lieutenant Governor — Vote for One
- T G STEVENS Republican Prohibition State Senator
- H DEAN Democrat Socialist Legislative Counsel
- N DUFFY People's Party

Chief Justice of the Supreme Court
Shall John Law be elected to the office for the term expiring January 1 1953? — Yes / No

Associate Justice of the Supreme Court
Shall Arthur Carey be elected to the office for the term expiring January 1 1953? — Yes / No

Secretary of State — Vote for One
- ARCH DENNY Socialist Incumbent
- CLINTON STOLE Democrat Republican Attorney
- CLAUDE PIERSON Labor Party

Controller — Vote for One
- JOHN MADISON People's Party Incumbent
- HENRY SIMPSON Democrat
- TOMES JONES Socialist Republican

Treasurer — Vote for One
- FREDERICK LUKENS Republican Democrat Incumbent
- EDGAR ALLEN Prohibition Barber

Attorney General — Vote for One
- JOHN MASTERS Socialist Incumbent
- J T WILLIAMS Republican Democrat Prohibition Superior Judge

Superintendent of Public Instruction — Vote for One
- C C THOMPSON Incumbent
- I W MASON
- A L SMITH

Member State Board of Equalization Fourth District — Vote for One
- FRANK MATHEWS Republican
- JAMES HANDLEY Democrat
- FRANK MARK Socialist Prohibition

CONGRESSIONAL

United States Senator — Vote for One
- JOHN McCULLOUGH Republican Prohibition Incumbent
- T H BERKHART Democrat U S Representative
- A L CURTIS Socialist

Representative in Congress Seventh Congressional District — Vote for One
- ALLAN WHITE Republican Incumbent
- GEORGE MURRAY Democrat
- EDGAR SHANNON Prohibition

LEGISLATIVE

State Senator Thirty eighth Senatorial District — Vote for One
- H G CHAPIN Democrat Prohibition Incumbent
- C S COLBY Socialist
- T R JONES Republican Physician

Member of the Assembly Seventy second District — Vote for One
- T J KEER Republican Prohibition Incumbent
- A A SPAULDING Democrat Laborer

COUNTY

Judges of the Superior Court — Vote for Two
- LUCIEN EARLE Incumbent
- SILAS MACKEY Incumbent

Sheriff — Vote for One
- M C CONNELLY Incumbent
- L MIND Democrat

MEASURES SUBMITTED TO VOTE OF THE VOTERS

1 Initiative Senate Constitutional Amendment No 25 Amends second paragraph of section 1 of Article IV of Constitution by providing that after reapportionment by legislature no county shall be divided in forming senatorial districts Amends section 6 of Article IV of Constitution by providing that after reapportionment by legislature no assembly district shall be divided in forming other districts Amends section 6 of Article IV of Constitution by providing that after reapportionment by legislature no assembly district shall be divided in forming other districts — Yes / No

2 City Charters Assembly Constitutional Amendment No 33 Amends section 8 of Article XI of Constitution Permits filing petitions for charter amendments at any time Provides that amendments to charter shall be submitted by the legislative body of the city or city and county to the electors at the time of the holding of the next regular municipal election Petitions must be filed not less than 60 days from the date of filing of the petition or at any special election called for that purpose prior to the next regular municipal election Provides qualified electors are those who are named thereon which current registration records — Yes / No

CHAPTER 741

An act to amend Section 3829 of the Elections Code, relating to elections in which presidential electors are to be chosen.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3829 of the Elections Code is amended to read:

3829. In elections when electors of President and Vice President of the United States are to be chosen, there shall be placed upon the ballot in addition to the instructions to voters as provided in this article, an additional instruction as follows: "To vote for all of the electors of a party, stamp a cross (+) in the square opposite the names of the presidential and vice presidential candidates of that party. A cross (+) stamped in the square opposite the name of a party and its presidential and vice presidential candidate, is a vote for all of the electors of that party, but for no other candidates," this instruction appearing immediately before the words: "To vote for a person not on the ballot."

Instructions to voters

If a group of candidates for electors has been nominated under the provisions of Chapter 3 of Division 5, and has under the provisions of Article 1 of that chapter designated the names of the candidates for President and Vice President of the United States for whom those candidates have pledged themselves to vote, then the instructions to voters shall also contain the following:

"To vote for those electors who have pledged themselves to vote for a candidate for President and for Vice President not supported by any particular party stamp a cross (+) in the square opposite the names of those presidential and vice presidential candidates."

If a group of candidates for electors has been nominated by a party not qualified to participate in the election, then the instructions to voters shall also contain the following:

"To vote for those electors who have pledged themselves to vote for a candidate for President and for Vice President of any party not qualified to participate in the election write in the names and party of those presidential and vice presidential candidates in the blank space provided for that purpose."

The names of presidential and vice presidential candidates and a list of presidential electors of nonqualified political parties shall be filed with the Secretary of State at least 40 days prior to the election.

CHAPTER 742

An act to amend Section 3041 of the Elections Code, relating to independent nominations.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 3041 of the Elections Code is amended to read:

Nomination papers

3041. Nomination papers shall be signed by voters of the area for which the candidate is to be nominated by not less than 5 percent nor more than 6 percent of the entire vote cast in the area at the preceding general election. Nomination papers for Representative in Congress, State Senator or Assemblyman, to be voted for at a special election to fill a vacancy shall be signed by voters in the district numbering not less than 1 percent of the entire vote cast in the area at the preceding general election.

CHAPTER 743

An act to amend Sections 3824 and 3945 of the Elections Code, relating to ballots.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 3824 of the Elections Code is amended to read:

Ballot form

3824. The number on each ballot shall be the same as that on the corresponding stub, and the ballots and stubs shall be numbered consecutively in each county, or the ballots and stubs may be numbered consecutively within political subdivisions in each county. All ballots printed by county clerks and registrars of voters, except those printed for a city and county, shall have printed immediately below the perforated line along the top of the ballot, and above the instructions to voters, in capital type at least 12-point in size the words "General Ballot," followed by the respective number of the congressional, senatorial, and assembly district, or the name of the county in which the ballot is to be voted and the date of the election. All ballots printed by the registrar of voters of a city and county and also all ballots printed by the clerk, or other officer of any incorporated city or town, shall have printed below the perforated line the words "Municipal Ballot." All municipal ballots shall be printed upon paper of a different tint from that of the general ballot.

SEC. 2. Section 3945 of said code is amended to read:

3945. The number on each ballot shall be the same as that on the corresponding stub, and the ballots and stubs shall be numbered consecutively in each county, or the ballots and stubs may be numbered consecutively within political subdivisions in each county. The sequence of numbers on the official ballots and stubs for each party shall begin with the number one. Same

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CHAPTER 744

An act to amend Sections 2897 and 2898 of the Elections Code, relating to ballots in case of the death or disqualification of a candidate.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2897 of the Elections Code is amended to read:

2897. Whenever anyone has declared or accepted a candidacy for a primary election, his name shall be printed upon the ballot for the primary election, unless he has died and that fact has been ascertained by the officer charged with the duty of printing the ballot, at least 40 days before the day of election. Death of candidate

SEC. 2. Section 2898 of said code is amended to read:

2898. Whenever a candidate has been nominated at any primary election after having a declaration certificate filed, the name of such candidate shall be printed upon the ballot for the ensuing general election unless the candidate has died and that fact has been ascertained by the officer charged with the duty of printing the ballots, at least 40 days before the day of election. Same

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CHAPTER 745

An act to amend Section 1513 of the Elections Code, relating to ballot pamphlets.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1513 of the Elections Code is amended to read:

1513. The second part shall be designated as the appendix, shall begin with page numbered one, shall be printed in Appendix

eight-point type, and shall contain, in the same order and with the same numbers and ballot titles as provided in this chapter, the text, existing provisions and all other matter connected with the proposed measures, except the arguments to be printed in the first part of the pamphlet.

The provisions of the proposed measures differing from the existing provisions shall be distinguished in print, so as to facilitate comparison.

CHAPTER 746

An act to amend Section 688 of the Elections Code, relating to oaths.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 688 of the Elections Code is amended to read:

Oaths during elections

688. Any member of a precinct board may administer and certify oaths required to be administered during the progress of an election. This authorization shall include the power to give any type of oath required of a public employee.

CHAPTER 747

An act to amend Section 658 of the Elections Code, relating to to the eligibility of election officers.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 658 of the Elections Code is amended to read:

Election officer

658. If a sufficient number of qualified persons to constitute a precinct board have not applied for the position of election officer each officer shall be a voter of the precinct for which he is appointed and in which he acts, or a voter of a precinct situated in the same general area of the municipality or township as the precinct for which he is appointed and in which he acts.

CHAPTER 748

An act to add Section 678.5 to the Elections Code, relating to precinct boards and polling places.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 678.5 is added to the Elections Code, to read:

678.5. If, through unforeseen circumstances, it has not been determined until less than 30 days before the election that there are more than 400 voters to a precinct, then the board or officer charged with conducting the election may divide the precinct as provided in Section 571.5 of this code, in which event no further publication is needed as to the additional board members appointed as required in Section 668 of this code. Division of precinct

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CHAPTER 749

An act to add Section 46.5 to the Elections Code, relating to circulators of petitions.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 46.5 is added to the Elections Code, to read:

46.5. Whenever, by the Constitution or laws of this State, the county clerk is required to determine what number of voters have signed any petition or paper, the affidavit of the person circulating such petition or paper shall have affixed thereto the residential voting address of such circulator. Affidavit of petition circulator

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CHAPTER 750

An act to amend Section 3702 of the Elections Code, relating to ballot paper.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3702 of the Elections Code is amended to read:

Ballot paper

3702. This paper shall be watermarked with a design, to be furnished by the Secretary of State, so that the watermark shall be plainly discernible on the outside of the ballot when folded according to law. The design shall be kept secret from all persons not engaged in the preparation, printing, or distribution of the paper or ballots, until the day of election. The design shall be changed for each general election, and the same design shall not be used again at any general election within the space of five years; but at any special or local election, paper marked with the design used at the previous election may be used.

CHAPTER 751

An act to amend Section 2540 of the Elections Code, relating to qualified political parties.

In effect September 22 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2540 of the Elections Code is amended to read:

Qualification of political parties

2540. A party is qualified to participate in any primary election:

(a) If at the last preceding gubernatorial election there was polled for any one of its candidates who was the candidate of that party only for any office voted on throughout the State, at least 3 percent of the entire vote of the State, or for any one of its candidates who, upon the date of such gubernatorial election, as shown by the affidavits of registration of voters in the county of his residence, was affiliated with that party and who was the joint candidate of that party and any other party for any office voted on throughout the State, at least 6 percent of the entire vote of the State; or

(b) If on or before the ninety-fifth day before any primary election it appears to the Secretary of State as a result of examining and totaling the statement of voters and their political affiliations transmitted to him by the county clerks, that voters, equal in number to at least 1 percent of the entire vote of the State at the last preceding gubernatorial election, have declared their intention to affiliate with that party; or

(c) If on or before the ninety-fifth day before any primary election there is filed with the Secretary of State a petition signed by voters, equal in number to at least 10 percent of the entire vote of the State at the last preceding gubernatorial election, declaring that they represent a proposed party, the name of which shall be stated therein, which proposed party those voters desire to have participate in that

primary election. This petition shall be circulated, signed, verified and the signatures of the voters thereon shall be certified to and transmitted to the Secretary of State by the county clerks substantially as provided for initiative petitions. Each page of the petition shall bear a caption in 18-point black-face type, which caption shall be the name of the proposed party followed by the words "Petition to participate in the primary election." No voters or organization of voters shall assume a party name or designation which is so similar to the name of an existing party as to mislead voters.

Exception

(d) Except that whenever the registration of any party which qualified in the previous direct primary election falls below one-tenth of 1 percent of the total state registration, that party shall not be qualified to participate in the primary election but shall be deemed to have been abandoned by the voters, since the expense of printing ballots and holding a primary election would be an unjustifiable expense and burden to the State for so small a group. The Secretary of State shall immediately remove the name of such party from any list, notice, ballot, or other publication containing the names of the parties qualified to participate in the primary election.

CHAPTER 752

An act to amend Sections 7964 and 7971 of the Elections Code, relating to canvass.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7964 of the Elections Code is amended to read:

Canvass

7964. When begun the canvass shall be continued until completed, which shall not be later than six o'clock in the afternoon of the twenty-fifth day following the primary election.

SEC. 2. Section 7971 of said code is amended to read:

Compilation of returns

7971. The Secretary of State shall, not later than the thirty-fourth day after any primary election, compile the returns for:

(a) All candidates voted for in more than one county.

(b) All candidates for the:

(1) Assembly.

(2) State Senate.

(3) Congress.

(4) State Board of Equalization.

(5) Judicial officers, except justices of the peace.

(c) All persons voted for at the presidential primary. He shall make out and file in his office a statement thereof.

CHAPTER 753

An act to amend Section 7964.5 of the Elections Code, relating to canvass.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 7964.5 of the Elections Code is amended to read:

Incomplete, etc., returns

7964.5. If the returns from any precinct are incomplete, or ambiguous, or not properly authenticated, or are otherwise defective, the board or person who canvasses the returns, may issue and serve subpenas, requiring the attendance before it or him of the members of the precinct board.

If three-fourths or more of the members of the precinct board appear, they may be examined under oath concerning the manner in which the votes were counted in their precinct, and concerning the result of the count.

The board or person conducting the canvass may require the precinct board to open the envelopes containing the ballots, retally them and correct or complete its returns or its authentication thereof so that they shall show correctly the votes cast in the precinct for each candidate voted for, and for or against each measure voted upon.

CHAPTER 754

An act to amend Sections 8001, 8002, 8003, 8004, 8005, and 8008 of the Elections Code, relating to recount of ballots.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 8001 of the Elections Code is amended to read:

Public recount of ballots

8001. By resolution duly entered upon its minutes and designating the place for recounting, an election board may order that the ballots voted in a precinct shall be publicly recounted, or the person authorized to canvass the returns may order that the ballots voted in a precinct shall be publicly recounted if:

(a) The returns from any precinct show a total of votes cast for all candidates for any office, or a total of votes cast for or against any measure, in excess of the number of votes cast in the precinct.

(b) The board or person who canvassed the returns has examined the precinct officers under oath, and the said precinct officers are unable to correct the returns of their respective precincts in this respect.

(c) No election contest is pending wherein a recount of the ballots in that precinct has been or will be ordered.

SEC. 2. Section 8002 of said code is amended to read:

Posting resolution

8002. On the day of its adoption, a copy of the resolution ordering the recount shall be posted in a conspicuous place at the regular meeting place of the election board, or at the time the recount is ordered, the person authorized to canvass the returns shall post a notice in his office and notify the candidates for any office, or the committee for or against any measure, by registered mail, of the date and place of the recount.

SEC. 3. Section 8003 of said code is amended to read:

Recount

8003. The recount may be made by the election board or by a special recounting board consisting of not less than six voters of the county appointed by the election board, or the recount may be made by four voters appointed by the person authorized to canvass the returns.

SEC. 4. Section 8004 of said code is amended to read:

Clerical assistants

8004. The election board or the person authorized to canvass the returns may appoint enough clerical assistants to aid it or him or the special counting board to make the recount.

SEC. 5. Section 8005 of said code is amended to read:

Time of recount

8005. The recount shall be commenced:

(a) After final elections, not less than three nor more than six days after the adoption of the resolution or order.

(b) After primaries, not later than three days after the adoption of the resolution or order.

The recount shall be continued daily, Sundays and holidays excepted, for not less than six hours each and every day until completed.

SEC. 6. Section 8008 of said code is amended to read:

Posting results

8008. A copy of the results of any recount pursuant to this article shall be posted conspicuously at the regular meeting place of the election board, or in the office of the person authorized to canvass the returns.

CHAPTER 755

An act to amend Section 9050 of the Elections Code, relating to elections.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 9050 of the Elections Code is amended to read:

Special, etc., election precincts

9050. The election board conducting local, special, or consolidated elections may, for the purpose of the election, divide the territory within which the election is to be held, into special election or consolidated election precincts by consolidating existing precincts, or otherwise, subject to the provisions of Section 575 and may change and alter the precincts for such elections, as often as occasion requires. Not more than six existing precincts may be consolidated into one special election or consolidated election precinct.

CHAPTER 756

An act to amend Section 32002.2 of the Health and Safety Code, relating to elections in hospital districts.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 32002.2 of the Health and Safety Code is amended to read:

Hospital district election procedure

32002.2. Not less than 30 days prior to the time of any hospital district election the governing body of the district shall, by resolution entered into its minutes:

(a) Designate a polling place for each precinct and appoint for each precinct an election board consisting of at least one inspector, one judge and two clerks, selected from the electors of the district.

(b) Mail notice of appointment to each election officer, and notice of polling place and sample ballot to each qualified elector of the district.

CHAPTER 757

An act to amend Sections 19090, 19091, 19092, 19094, and 19250 of the Streets and Highways Code, relating to calling and conducting elections.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 19090 of the Streets and Highways Code is amended to read:

Ordering election

19090. Within 30 days after acquiring jurisdiction to proceed, the board of supervisors shall by resolution order that an election be held in the proposed district to determine whether or not the district shall be formed. The board may establish one

or more voting precincts within the district and appoint one inspector, one judge, and two clerks residing in the district for each voting precinct to conduct the election, which must be held within 54 days after the date of the resolution ordering it to be held.

SEC. 2. Section 19091 of said code is amended to read:

Notice and publication

19091. The election shall be called by posting notice thereof in three public places in the proposed lighting district, and by publishing the notice in a daily or weekly newspaper, published and circulated in the district, if there is one, at least once a week for not less than 15 days. The notices shall specify the time, place and purposes of the election, give the boundaries of the proposed lighting district, and the hours during which the polls will be kept open. The polls shall be open the same hours as provided at general elections.

SEC. 3. Section 19092 of said code is amended to read:

Election procedure

19092. The election shall be conducted in accordance with the general election laws of this State, where applicable. The ballots shall contain the words, "For lighting district," and "Against lighting district," and the voter shall stamp his ballot with a rubber stamp in the space provided for that purpose, in accordance with the general election laws of this State.

SEC. 4. Section 19094 of said code is amended to read:

Canvass of votes

19094. The precinct boards shall canvass the votes in accordance with the general laws of this State. The board of supervisors may order the county clerk or the registrar of voters to conduct the official canvass within seven days subsequent to the holding of the election.

SEC. 5. Section 19250 of said code is amended to read:

Dissolution procedure

19250. Proceedings for the dissolution of the district may be instituted by filing with the board of supervisors a petition signed by 50 or more property owners and residents of the district, asking for its dissolution. The board of supervisors shall, within 30 days after receiving the petition, by resolution, order that an election be held in the district for the determination of the question of dissolution. The election shall be called and conducted in the same manner as other elections of the district.

CHAPTER 758

An act to amend Section 2707 of the Elections Code, relating to publications.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2707 of the Elections Code is amended to read:

Publication of list of candidates

2707. Every publication of the list of candidates and notice of election shall be made in not more than two newspapers of general circulation published in the county.

CHAPTER 759

An act to add Section 5620.5 to the Elections Code, relating to grounds for challenge.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5620.5 is added to the Elections Code, to read:

Grounds for challenge

5620.5. The grounds for challenge as set forth in Section 5620 under subdivisions (d) and (e) shall not apply to any person duly registered as an elector in any county in California and removing therefrom to another county in California within 90 days prior to an election.

CHAPTER 760

An act to amend Section 5932 of the Elections Code and to repeal Sections 5882 and 7791.5, and Article 3a of Chapter 5 of Division 8 of said code, relating to absent voting.

In effect September 22 1951

[Approved by Governor May 31, 1951 Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5932 of the Elections Code is amended to read:

Time limitation

5932. All ballots cast under the provisions of this chapter shall, in order that they may be counted, be received by the clerk from whom they were received within six days after the date of the election in which they are to be counted.

Repeal

SEC. 2. Sections 5882 and 7791 5 and Article 3a of Chapter 5 of Division 8 of said code are repealed.

CHAPTER 761

An act to amend Section 7072 of the Elections Code, relating to canvass at the precincts.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7072 of the Elections Code is amended to read:

7072. Every person who carries away or destroys, or attempts to carry away or destroy, any ballots, or ballot box, for the purpose of breaking up or invalidating any election, or wilfully detains, mutilates, or destroys any election returns, is guilty of a felony. Felony

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CHAPTER 762

An act to amend Sections 11108 and 11120 of the Elections Code, relating to municipal officers.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 11108 of the Elections Code is amended to read:

11108. The signatures to the petition need not all be appended to one paper but may be in sections. Each signer shall add to his signature the date of his signing and his residence, giving street and number. If no street or number exist, then a designation of the place of residence shall be given which will enable the location to be readily ascertained. The petition, when filed, must have designated therein the name or number of the respective precinct in which each of the signers resides. Signatures to petition

SEC. 2. Section 11120 of said code is amended to read:

11120. If the recall prevails and a majority of those voting on the question of filling the vacancy favor a special election for that purpose, the legislative body shall at its next regular meeting call an election to be held to fill the vacancy not less than 35 nor more than 40 days after the date of the order. If a regular municipal election is to occur not more than 60 nor less than 35 days from the date of canvassing the vote the legislative body may provide for filling the vacancy at such regular municipal election instead of at a special election. If a special election is not favored by a majority of the voters, the legislative body shall at once fill the vacancy by appointment. In either case the person elected or appointed shall hold office for the unexpired term of the former incumbent. Filling vacancy

CHAPTER 763

An act to amend Section 817 of the Penal Code, relating to peace officers.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 817 of the Penal Code is amended to read:

Peace officers

817. A peace officer is the sheriff, undersheriff, deputy sheriffs regularly employed and paid as such of a county, marshal of a municipal court, constable of a township, marshal, policeman of a city or town, the superintendent and the special criminal investigators of the Bureau of Criminal Identification and Investigation, the chief and inspectors of the Division of Narcotic Enforcement, a supervisor or guard employed by the Department of Corrections, while acting in the transportation of prisoners and in the apprehension of prisoners who have escaped, and any parole officer of the State Department of Corrections, and any placement or parole officer of the Youth Authority.

Inspectors and investigators regularly employed and paid as such in the office of a district attorney, members of the California Highway Patrol, policemen of the Board of State Harbor Commissioners for San Francisco Harbor, the chief and inspectors of the Bureau of Food and Drug Inspections, inspectors and investigators of the California State Board of Pharmacy not exceeding 10 in number, investigators of the Board of Medical Examiners of the State of California, special investigators of the Board of Osteopathic Examiners of the State of California, and investigators of the Board of Chiropractic Examiners of the State of California are each respectively peace officers for the purpose only of carrying out the duties of their respective employments.

When in any law a public officer or employee is designated as, given the powers of, or determined to be, a peace officer, such officer or employee shall be deemed to be a peace officer but only for the purpose of that law.

The restriction of peace officer functions of any public officer or employee shall not affect his status for purposes of retirement.

CHAPTER 764 *

An act to establish a Public Utilities Code, thereby consolidating and revising the law relating to and regulating public utilities and other regulated businesses and matters incidental thereto, the powers and duties of the Public Utilities Commission, local utility franchises, and publicly owned utilities, and repealing certain acts and parts of acts specified herein.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

NOTE: The Public Utilities Code, as prepared by the California Code Commission, consists of this chapter as originally enacted. As here set forth, Chapter 764 also contains all of the amendments to the code made during the 1951 Regular Session, namely, by Chapters 402, 561, 648, 817, 828, 830, 881, 948, 974, 1021 to 1038, inclusive, 1493, 1613, 1632, 1725, and 1726.

For approval, filing, and effective dates of the amendatory chapters, see the respective chapters in their numerical sequence.

The people of the State of California do enact as follows:

GENERAL PROVISIONS

Title

1. This act shall be known as the Public Utilities Code.

Continuation of existing law

2. The provisions of this code, insofar as they are substantially the same as existing statutory provisions relating to the same subject matter, shall be construed as restatements and continuations thereof, and not as new enactments.

Tenure

3. All persons who, at the time this code takes effect, hold office under any of the acts repealed by this code, which offices are continued by this code, continue to hold them according to their former tenure.

Pending proceedings

4. No action or proceeding commenced before this code takes effect, and no right accrued, is affected by this code, but all procedure thereafter taken therein shall conform to the provisions of this code so far as possible.

Construction

5. Unless the provision or the context otherwise requires, these definitions, rules of construction, and general provisions shall govern the construction of this code.

Headings

6. Division, part, chapter, article, and section headings do not in any manner affect the scope, meaning, or intent of the provisions of this code.

Delegation of powers

7. Whenever a power is granted to, or a duty is imposed upon, a public officer, the power may be exercised or the duty may be performed by a deputy of the officer or by a person authorized, pursuant to law, by the officer, unless this code expressly provides otherwise.

Writings

8. Writing includes any form of recorded message capable of comprehension by ordinary visual means. Whenever any notice, report, statement, petition, or record is required or

* A cross-reference table showing the origin of each section appears in the appendix to this volume

authorized by this code, it shall be made in writing in the English language unless it is expressly provided otherwise.

Reference to statutes

9. Whenever reference is made to any portion of this code or of any other law of this State, the reference applies to all amendments and additions heretofore or hereafter made.

"Section" "Subdivision"

10. "Section" means a section of this code unless some other statute is specifically mentioned. "Subdivision" means a subdivision of the section in which that term occurs unless some other section is expressly mentioned.

Tense

11. The present tense includes the past and future tenses, and the future, the present.

Gender

12. The masculine gender includes the feminine and the neuter.

Number

13. The singular number includes the plural, and the plural, the singular.

"Shall" and "may"

14. "Shall" is mandatory and "may" is permissive.

"Oath"

15. "Oath" includes affirmation.

"Signature" and "subscription"

16. "Signature" or "subscription" includes mark when the signer or subscriber cannot write, such signer's or subscriber's name being written near the mark by a witness who writes his own name near the signer's or subscriber's name; but a signature or subscription by mark can be acknowledged or can serve as a signature or subscription to a sworn statement only when two witnesses so sign their own names thereto.

"State"

17. "State" means the State of California, unless applied to the different parts of the United States. In the latter case, it includes the District of Columbia and the territories.

"County"

18. "County" includes city and county.

"City"

19. "City" includes city and county and "incorporated town," but does not include "unincorporated town" or "village."

"Commission," "commissioner"

20. "Commission" means the Public Utilities Commission created by Section 22 of Article XII of the State Constitution, and "commissioner" means a member of the commission.

Constitutionality

21. If any provision of this code, or the application thereof to any person or circumstance, is held invalid, the remainder of the code, or the application of such provision to other persons or circumstances, shall not be affected thereby.

Corporations existing prior to 1873

22. No corporation formed or existing before 12 o'clock m. of January 1, 1873, is affected by the provisions of Division 4 of this code unless the corporation has elected to continue its existence under the provisions of the Civil Code repealed by this code, or elects to continue its existence under this code, but the laws under which such corporations were formed and exist continue to apply to all such corporations, notwithstanding their repeal by this code or prior to its enactment.

DIVISION 1. REGULATION OF PUBLIC UTILITIES

PART 1. PUBLIC UTILITIES ACT

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

Short title

201. This part may be cited as the "Public Utilities Act."

Scope

202. Neither this part nor any provision thereof, except when specifically so stated, shall apply to commerce with foreign nations or to interstate commerce, except insofar as such application is permitted under the Constitution and laws of the United States, but with reference to passenger stage corporations operating in interstate commerce between any point within this State and any point in any other state or in any foreign nation, the commission may prescribe such reasonable, uniform, and nondiscriminatory rules in the interest and aid of public health, security, safety, convenience, and general welfare as, in its opinion, are required by public convenience and necessity.

Construction

203. Unless the context otherwise requires, the definitions and general provisions set forth in this chapter govern the construction of this part.

"Corporation"

204. "Corporation" includes a corporation, a company, an association, and a joint stock association.

"Person"

205. "Person" includes an individual, a firm, and a copartnership.

Same

206. As used in this chapter "person" and "corporation" include the lessees, trustees, receivers or trustees appointed by any court whatsoever, of the person or corporation.

"Public or any portion thereof"

207. "Public or any portion thereof" means the public generally, or any limited portion of the public, including a person, private corporation, municipality, or other political subdivision of the State, for which the service is performed or to which the commodity is delivered.

"Transportation of persons"

208. "Transportation of persons" includes every service in connection with or incidental to the safety, comfort, or convenience of the person transported and the receipt, carriage, and delivery of such person and his baggage.

"Transportation of property"

209. "Transportation of property" includes every service in connection with or incidental to the transportation of property, including in particular its receipt, delivery, elevation, transfer, switching, carriage, ventilation, refrigeration, icing, dunnage, storage, and handling, and the transmission of credit by express corporations.

"Rates"

210. "Rates" includes rates, fares, tolls, rentals, and charges, unless the context indicates otherwise.

"Common carrier"

211. "Common carrier" includes:

(a) Every railroad corporation; street railroad corporation; express corporation; freight forwarder; dispatch, sleeping car, dining car, drawing-room car, freight, freight-line,

refrigerator, oil, stock, fruit, car loaning, car renting, car loading, and every other car corporation or person operating for compensation within this State.

(b) Every corporation or person, owning, controlling, operating, or managing any vessel engaged in the transportation of persons or property for compensation between points upon the inland waters of this State or upon the high seas between points within this State, except as provided in Section 212. "Inland waters" as used in this section includes all navigable waters within this State other than the high seas.

(c) Every "passenger stage corporation" operating within this State.

(d) Every highway common carrier and every petroleum irregular route carrier operating within this State.

Same: Exclusion

212. "Common carrier" does not include any corporation or person owning, controlling, operating, or managing any vessel, by reason of the furnishing of water transportation service between points upon the inland waters of this State or upon the high seas between points within this State for affiliated or parent or subsidiary companies or for the products of other corporations or persons engaged in the same industry, if such water transportation service is furnished in tank vessels or barges specially constructed to hold liquids or fluids in bulk and if such service is not furnished to others not engaged in the same industry.

"Highway common carrier"

213. "Highway common carrier" means every corporation or person owning, controlling, operating, or managing any auto truck, or other self-propelled vehicle not operated upon rails, used in the business of transportation of property as a common carrier for compensation over any public highway in this State between fixed termini or over a regular route, and not operating exclusively within the limits of an incorporated city, or city and county, except passenger stage corporations transporting baggage and express upon passenger vehicles incidental to the transportation of passengers.

"Highway common carrier" does not include any such corporation or person while operating within lawfully established pickup and delivery limits of a common carrier in the performance for such carrier of transfer, pickup, or delivery services provided for in the lawfully published tariffs of such carrier insofar as such pickup and delivery limits do not include territory in excess of three miles from the corporate limits of any city or three miles from the post office of any unincorporated point.

"Petroleum irregular route carrier"

214. "Petroleum irregular route carrier" includes every corporation or person operating within this State, engaged as a common carrier, other than as a highway common carrier, for compensation in the ownership, control, operation, or management of any motor vehicle transporting petroleum or petroleum products in a tank truck or tank trailer over any public highway in this State.

215. "Between fixed termini or over a regular route" means the termini or route between or over which any highway common carrier usually or ordinarily operates any auto truck or other self-propelled vehicle, or any passenger stage corporation usually or ordinarily operates any passenger stage, even though there may be departures from such termini or route, whether such departures be periodic or irregular. "Between fixed termini or over a regular route"

216. (a) "Public utility" includes every common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, wharfinger, warehouseman, and heat corporation, where the service is performed for or the commodity delivered to the public or any portion thereof. "Public utility"

(b) Whenever any common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, wharfinger, warehouseman, or heat corporation performs a service or delivers a commodity to the public or any portion thereof for which any compensation or payment whatsoever is received, such common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, wharfinger, warehouseman, or heat corporation, is a public utility subject to the jurisdiction, control, and regulation of the commission and the provisions of this part.

(c) When any person or corporation performs any service or delivers any commodity to any person, private corporation, municipality or other political subdivision of the State, which in turn either directly or indirectly, mediately or immediately, performs such service or delivers such commodity to or for the public or some portion thereof, such person or corporation is a public utility subject to the jurisdiction, control, and regulation of the commission and the provisions of this part.

217. "Electric plant" includes all real estate, fixtures and personal property owned, controlled, operated, or managed in connection with or to facilitate the production, generation, transmission, delivery, or furnishing of electricity for light, heat, or power, and all conduits, ducts, or other devices, materials, apparatus, or property for containing, holding, or carrying conductors used or to be used for the transmission of electricity for light, heat, or power. "Electric plant"

218. "Electrical corporation" includes every corporation or person owning, controlling, operating, or managing any electric plant for compensation within this State, except where electricity is generated on or distributed by the producer through private property alone solely for his own use or the use of his tenants and not for sale to others. "Electrical corporation"

219. "Express corporation" includes every corporation or person engaged in or transacting the business of transporting any freight, merchandise, or other property for compensa- "Express corporation"

tion on the line of any common carrier or stage or auto stage line within this State.

"Freight forwarder"

220. "Freight forwarder" means any corporation or person who for compensation undertakes the collection and shipment of property of others, and as consignor or otherwise ships or arranges to ship the property via the line of any common carrier at the tariff rates of such carrier, or who receives such property as consignee thereof.

This section shall not apply to any agricultural or horticultural cooperative organization operating under and by virtue of the laws of this or any other state or the District of Columbia or under federal statute in the performance of its duties for its members, or the agents, individual or corporate, of such organization in the performance of their duties as agents.

This section shall not apply to the operation of a shipper, or a group or association of shippers, in consolidating or distributing freight for themselves or for the members thereof, on a nonprofit basis, for the purpose of securing the benefits of carload, truckload, or other volume rates, or to the operations of a warehouseman or other shippers' agent, in consolidating or distributing pool cars, whose services and responsibilities to shippers in connection with such operations are confined to the terminal area in which such operations are performed.

(Amended by Stats. 1951, Ch. 830.)

[ORIGINAL SECTION]

220. "Freight forwarder" means any corporation or person who for compensation undertakes the collection and shipment of property of others, and as consignor or otherwise ships or arranges to ship the property via the line of any common carrier at the tariff rates of such carrier, or who receives such property as consignee thereof

This section shall not apply to any agricultural or horticultural cooperative organization operating under and by virtue of the laws of this or any other state or the District of Columbia or under federal statute in the performance of its duties for its members, or the agents, individual or corporate, of such organization in the performance of their duties as agents.

"Gas plant"

221. "Gas plant" includes all real estate, fixtures, and personal property, owned, controlled, operated, or managed in connection with or to facilitate the production, generation, transmission, delivery, or furnishing of gas, natural or manufactured, for light, heat, or power.

"Gas corporation"

222. "Gas corporation" includes every corporation or person owning, controlling, operating, or managing any gas plant for compensation within this State, except where gas is made or produced on and distributed by the maker or producer through private property alone solely for his own use or the use of his tenants and not for sale to others.

"Heating plant"

223. "Heating plant" includes all real estate, fixtures, and personal property owned, controlled, operated, or managed in connection with or to facilitate the production, generation, transmission, delivery or furnishing of heat for domestic, business, industrial, or public use.

"Heat corporation"

224. "Heat corporation" includes every corporation or person owning, controlling, operating, or managing any heating

plant for compensation within this State, except where heat is generated on or distributed by the producer through private property alone solely for his own use or the use of his tenants and not for sale to others.

"Passenger stage"

225. "Passenger stage" includes every stage, auto stage, or other motor vehicle used in the transportation of persons, or persons and their baggage or express, or persons or baggage or express, when such baggage or express is transported incidental to the transportation of passengers.

"Passenger stage corporation"

226. "Passenger stage corporation" includes every corporation or person engaged as a common carrier, for compensation, in the ownership, control, operation, or management of any passenger stage over any public highway in this State between fixed termini or over a regular route except those whose operations are exclusively within the limits of a single city or city and county, or whose operations consist solely in the transportation of bona fide pupils attending an institution of learning between their homes and such institution.

"Pipe line"

227. "Pipe line" includes all real estate, fixtures, and personal property, owned, controlled, operated, or managed in connection with or to facilitate the transmission, storage, distribution, or delivery of crude oil or other fluid substances except water through pipe lines.

"Pipe line corporation"

228. "Pipe line corporation" includes every corporation or person owning, controlling, operating, or managing any pipe line for compensation within this State.

"Railroad"

229. "Railroad" includes every commercial, interurban, and other railway, other than a street railroad, and each branch or extension thereof, by whatsoever power operated, together with all tracks, bridges, trestles, rights of way, subways, tunnels, stations, depots, union depots, ferries, yards, grounds, terminals, terminal facilities, structures, and equipment, and all other real estate, fixtures, and personal property of every kind used in connection therewith, owned, controlled, operated, or managed for public use in the transportation of persons or property.

"Railroad corporation"

230. "Railroad corporation" includes every corporation or person owning, controlling, operating, or managing any railroad for compensation within this State.

"Street railroad"

231. "Street railroad" includes every railway, and each branch or extension thereof, by whatsoever power operated, being mainly upon, along, above or below any street, avenue, road, highway, bridge, or public place within any city or city and county, together with all real estate, fixtures, and personal property of every kind used in connection therewith, owned, controlled, operated, or managed for public use in the transportation of persons or property, but does not include a railway constituting or used as a part of a commercial or interurban railway.

"Street railroad corporation"

232. "Street railroad corporation" includes every corporation or person owning, controlling, operating, or managing any street railroad for compensation within this State, or own-

ing, controlling, operating, or managing as a part of or in conjunction with such street railroad any automobile, jitney bus, stage, or auto stage used in the business of transportation of persons or property for compensation over any public highway in this State between fixed termini or over a regular route.

"Telephone line"

233. "Telephone line" includes all conduits, ducts, poles, wires, cables, instruments, and appliances, and all other real estate, fixtures, and personal property owned, controlled, operated, or managed in connection with or to facilitate communication by telephone, whether such communication is had with or without the use of transmission wires

"Telephone corporation"

234. "Telephone corporation" includes every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this State.

"Telegraph line"

235. "Telegraph line" includes all conduits, ducts, poles, wires, cables, instruments, and appliances, and all other real estate, fixtures, and personal property owned, controlled, operated, or managed in connection with or to facilitate communication by telegraph, whether such communication is had with or without the use of transmission wires.

"Telegraph corporation"

236. "Telegraph corporation" includes every corporation or person owning, controlling, operating, or managing any telegraph line for compensation within this State.

"Toll bridge corporation"

237. "Toll-bridge corporation" includes every private corporation or person owning, controlling, operating, or managing any bridge or appurtenance thereto, used for the transportation of persons or property for compensation in this State.

"Vessel"

238. "Vessel" includes every species of water craft, by whatsoever power operated, which is owned, controlled, operated, or managed for public use in the transportation of persons or property, except rowboats, sailing boats, and barges under 20 tons dead weight carrying capacity, and other water craft propelled by steam, gas, fluid naphtha, electricity, or other motive power under the burden of five tons net register.

"Warehouseman"

239. "Warehouseman" includes:

(a) Every corporation or person owning, controlling, operating, or managing any building or structure in which property is regularly stored for compensation within this State, in connection with or to facilitate the transportation of property by a common carrier or vessel, or the loading or unloading of property, other than a dock, wharf, or structure, owned, operated, controlled, or managed by a wharfinger.

(b) Every corporation or person owning, controlling, operating, or managing any building, structure, or warehouse, in which merchandise, other than secondhand household goods or effects, and other than merchandise sold but retained in the custody of the vendor, is regularly stored for the public generally, for compensation, within this State, except warehouses conducted by any nonprofit, cooperative association or corporation which is engaged in the handling or marketing of the agricultural products of its members and warehouses conducted by the agents, individual or corporate, of such associations or cor-

porations, while acting within the limitations imposed by law on their principals.

"Water system"

240. "Water system" includes all reservoirs, tunnels, shafts, dams, dikes, headgates, pipes, flumes, canals, structures, and appliances, and all other real estate, fixtures, and personal property, owned, controlled, operated, or managed in connection with or to facilitate the diversion, development, storage, supply, distribution, sale, furnishing, carriage, apportionment, or measurement of water for power, irrigation, reclamation, or manufacturing, or for municipal, domestic, or other beneficial use.

"Water corporation"

241. "Water corporation" includes every corporation or person owning, controlling, operating, or managing any water system for compensation within this State.

"Wharfinger"

242 "Wharfinger" includes every corporation or person owning, controlling, operating, or managing any dock, wharf, or structure used by vessels in connection with or to facilitate the receipt or discharge of freight or passengers for compensation within this State.

Accrued rights, penalties or forfeitures

243. This part shall not release or waive any right of action by the State, the commission, or any person or corporation for any right, penalty, or forfeiture which may have arisen or accrued or may hereafter arise or accrue under any law of this State.

Chapter 2. The Public Utilities Commission: Organization

Membership, qualifications, tenure

301. The membership of the Public Utilities Commission, and the qualifications and tenure of the members of the commission are as provided in Section 22 of Article XII of the Constitution of this State.

Oath

302. Each commissioner shall, before entering upon the duties of his office, take and subscribe the constitutional oath of office.

Adverse interest

303. No person in the employ of or holding any official relation to any corporation or person that is subject in whole or in part to regulation by the commission, and no person owning stocks or bonds of any such corporation or who is in any manner pecuniarily interested therein shall be appointed to or hold the office of commissioner or be appointed or employed by the commission. If any such person becomes the owner of such stocks or bonds or becomes pecuniarily interested in such corporation otherwise than voluntarily, his office or employment shall become vacant unless within a reasonable time he divests himself of such ownership or interest.

Salary

304. The annual salary of each commissioner is provided for by Chapter 6 of Part 1 of Division 3 of Title 2 of the Government Code. The commissioners shall be civil executive officers and their salaries as fixed by law shall be paid in the same manner as are the salaries of other state officers.

(Amended by Stats. 1951, Ch. 1613.)

[ORIGINAL SECTION]

304. The annual salary of each commissioner shall be twelve thousand dollars ($12,000). The commissioners shall be civil executive officers and their salaries as fixed by law shall be paid in the same manner as are the salaries of other state officers.

President

305. The commissioners shall elect one of their number president of the commission.

Office, sessions, seal, etc

306. The office of the commission shall be in the City and County of San Francisco. The office shall always be open, legal holidays and nonjudicial days excepted. The commission shall hold its sessions at least once in each calendar month in the City and County of San Francisco. The commission may also meet at such other times and in such other places as may be expedient and necessary for the proper performance of its duties, and for that purpose may rent quarters or offices. The sessions of the commission shall be public.

The commission shall have a seal, bearing the inscription "Public Utilities Commission State of California." The seal shall be affixed to all writs and authentications of copies of records and to such other instruments as the commission shall direct. All courts shall take judicial notice of the seal.

The commission may procure all necessary books, maps, charts, stationery, instruments, office furniture, apparatus, and appliances.

Attorney

307. The commission may appoint as attorney to the commission an attorney at law of this State, who shall hold office during the pleasure of the commission. The attorney shall represent and appear for the people of the State of California and the commission in all actions and proceedings involving any question under this part or under any order or act of the commission. If directed to do so by the commission, he shall intervene, if possible, in any action or proceeding in which any such question is involved. The attorney shall commence, prosecute, and expedite the final determination of all actions and proceedings directed or authorized by the commission; advise the commission and each commissioner, when so requested, in regard to all matters in connection with the powers and duties of the commission and the members thereof; and generally perform all duties and services as attorney to the commission which the commission may require of him.

Secretary

308. The commission shall appoint a secretary, who shall hold office during its pleasure. The secretary shall keep a full and true record of all proceedings of the commission, issue all necessary process, writs, warrants, and notices, and perform such other duties as the commission prescribes.

The commission may appoint assistant secretaries who shall have all the powers conferred by law upon peace officers to carry weapons, make arrests, and serve warrants and other process in any county or city and county of this State.

Officers, employees, etc.

309. The commission may, subject to Section 18594 of the Government Code, employ such officers, examiners, experts, engineers, statisticians, accountants, inspectors, clerks, and

employees as it deems necessary to carry out the provisions of this part or to perform the duties and exercise the powers conferred upon it by law. All officers and employees shall receive such compensation as is fixed by the commission.

Quorum, procedures

310. A majority of the commissioners shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the commission. Any investigation, inquiry, or hearing which the commission has power to undertake or to hold may be undertaken or held by or before any commissioner or commissioners designated for the purpose by the commission. The evidence in any investigation, inquiry, or hearing may be taken by the commissioner or commissioners to whom such investigation, inquiry, or hearing has been assigned or, in his or their behalf, by an examiner designated for that purpose. Every finding, opinion, and order made by the commissioner or commissioners so designated, pursuant to such investigation, inquiry, or hearing, when approved or confirmed by the commission and ordered filed in its office, shall be deemed to be the finding, opinion, and order of the commission.

Oaths, certification, subpenas

311. The commission, each commissioner, the secretary, and the assistant secretaries may administer oaths, certify to all official acts, and issue subpenas for the attendance of witnesses and the production of papers, waybills, books, accounts, documents, and testimony in any inquiry, investigation, hearing, or proceeding in any part of the State.

The examiners may administer oaths, examine witnesses, issue subpenas, and receive evidence, under such rules as the commission adopts.

Issuance and service of process

312. The commission and each commissioner may issue writs of summons, subpenas, warrants of attachment, warrants of commitment, and all necessary process in proceedings for contempt, in like manner and to the same extent as courts of record. The process issued by the commission or any commissioner, extends to all parts of the State and may be served by any person authorized to serve process of courts of record, or by any person designated by the commission or a commissioner. The person executing any such process shall receive such compensation as is allowed by the commission, not to exceed the fees prescribed by law on August 8, 1915, for similar services, and such fees shall be paid in the same manner as provided in this part for payment of the fees of witnesses.

Out of state records

313. The commission may require, by order served on any public utility, the production within this State at such time and place as it designates, of any books, accounts, papers, or records kept by the public utility in any office or place without this State, or, at its option, verified copies in lieu thereof, so that an examination thereof may be made by the commission or under its direction.

Inspection, examination

314. The commission, each commissioner, and each officer and person employed by the commission may, at any time, inspect the accounts, books, papers, and documents of any public

utility. The commission, each commissioner, and any officer of the commission or any employee authorized to administer oaths may examine under oath any officer, agent, or employee of a public utility in relation to its business and affairs. Any person other than a commissioner or an officer of the commission demanding such inspection shall produce under the hand and seal of the commission his authority to make such inspection. A written record of the testimony or statement so given under oath shall be made and filed with the commission.

Accident investigation

315. The commission shall investigate the cause of all accidents occurring within this State upon the property of any public utility or directly or indirectly arising from or connected with its maintenance or operation, resulting in loss of life or injury to person or property and requiring, in the judgment of the commission, investigation by it, and may make such order or recommendation with respect thereto as in its judgment seems just and reasonable. Neither the order or recommendation of the commission nor any accident report filed with the commission shall be admitted as evidence in any action for damages based on or arising out of such loss of life, or injury to person or property. Every public utility shall file with the commission, under such rules as the commission prescribes, a report of each accident so occurring of such kinds or classes as the commission from time to time designates.

Report to Governor

316. The commission shall submit to the Governor on or before the first day of December of each year, a report containing a complete account of its transactions and proceedings for the preceding fiscal year, together with such other facts, suggestions, and recommendations as it deems of value to the people of the State.

CHAPTER 3. RIGHTS AND OBLIGATIONS OF PUBLIC UTILITIES

Article 1. Rates

Just and reasonable charges, service, rules

451. All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable. Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful.

Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.

All rules made by a public utility affecting or pertaining to its charges or service to the public shall be just and reasonable.

Charges below maximum reasonable rate

452. Nothing in this part shall be construed to prohibit any common carrier from establishing and charging a lower than a maximum reasonable rate for the transportation of property when the needs of commerce or public interest require.

However, no common carrier subject to the jurisdiction of the commission may establish a rate less than a maximum reasonable rate for the transportation of property for the purpose of meeting the competitive charges of other carriers or the cost of other means of transportation which is less than the charges of competing carriers or the cost of transportation which might be incurred through other means of transportation, except upon such showing as is required by the commission and a finding by it that the rate is justified by transportation conditions. In determining the extent of such competition the commission shall make due and reasonable allowance for added or accessorial service performed by one carrier or agency of transportation which is not contemporaneously performed by the competing agency of transportation.

Uniform treatment

453. No public utility shall, as to rates, charges, service, facilities, or in any other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No public utility shall establish or maintain any unreasonable difference as to rates, charges, service, facilities, or in any other respect, either as between localities or as between classes of service. The commission may determine any question of fact arising under this section.

Rate increase

454. No public utility shall raise any rate or so alter any classification, contract, practice, or rule as to result in any increase in any rate except upon a showing before the commission and a finding by the commission that such increase is justified.

Effective date of rates

455. Whenever any schedule stating an individual or joint rate, classification, contract, practice, or rule, not increasing or resulting in an increase in any rate, is filed with the commission, it may, either upon complaint or upon its own initiative, at once and if it so orders without answer or other formal pleadings by the interested public utility or utilities, but upon reasonable notice, enter upon a hearing concerning the propriety of such rate, classification, contract, practice, or rule. Pending the hearing and the decision thereon such rate, classification, contract, practice or rule shall not go into effect. The period of suspension of such rate, classification, contract, practice, or rule shall not extend beyond 120 days beyond the time when it would otherwise go into effect unless the commission extends the period of suspension for a further period not exceeding six months. On such hearing the commission shall establish the rates, classifications, contracts, practices, or rules proposed, in whole or in part, or others in lieu thereof, which it finds to be just and reasonable.

All such rates, classifications, contracts, practices, or rules not so suspended shall become effective on the expiration of 30 days from the time of filing thereof with the commission or such lesser time as the commission may grant, subject to the power of the commission, after a hearing had on its own motion or upon complaint, to alter or modify them.

Economies permitted

456. Nothing in this part shall be construed to prohibit any public utility from profiting, to the extent permitted by the commission, from any economies, efficiencies, or improvements which it may make, and from distributing by way of dividends, or otherwise disposing of, such profits. The commission may make or permit such arrangement with any public utility as it deems wise for the purpose of encouraging economies, efficiencies, or improvements and securing to the public utility making them such portion of the profits thereof as the commission determines.

Sliding scale of charges

457. Nothing in this part shall prevent a corporation or person engaged in the production, generation, transmission, or furnishing of heat, light, water, or power, or telegraph or telephone service, from establishing a sliding scale of charges when a schedule showing such scale of charges has been filed with the commission and the schedule and each rate set out therein has been approved by it. Nothing in this part shall prevent any such corporation or person from entering into an agreement for a fixed period for the automatic adjustment of charges for heat, light, water, or power, or telegraph or telephone service, in relation to the dividends to be paid to stockholders of such corporation, or the profit to be realized by such person when a schedule showing the scale of charges under such arrangement has been filed with the commission and the schedule and each rate set out therein has been approved by it.

Nothing in this section shall prevent the commission from revoking its approval at any time and fixing other rates and charges for the product or commodity or service, as authorized by this part.

False billing, weights, etc

458. No common carrier, or any officer or agent thereof, or any person acting for or employed by it, shall, by means of known false billing, classification, weight, weighing, or report of weight, or by any other device or means assist, suffer, or permit any corporation or person to obtain transportation for any person or property between points within this State at less than the rates and fares then established and in force as shown by the schedules filed and in effect at the time.

No person, corporation, or any officer, agent, or employee of a corporation shall, by means of false billing, false or incorrect classification, false weight or weighing, false representation as to contents or substance of a package, or false report or statement of weight, or by any other device or means, whether with or without the consent or connivance of a common carrier or any of its officers, agents, or employees, seek to obtain or obtain such transportation for such property at less than the rates then established and in force therefor.

Obtaining allowance by false billing, etc

459. No person or corporation, or any officer agent, or employee of a corporation, shall knowingly, directly or indirectly, by any false statement or representation as to cost or value, or the nature or extent of an injury, or by the use of any false billing, bill of lading, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition, or upon any false, fictitious,

or fraudulent statement or entry, obtain or attempt to obtain any allowance, rebate, or payment for damage, in connection with or growing out of the transportation of persons or property, or an agreement to transport such persons or property, whether with or without the consent or connivance of a common carrier or any of its officers, agents, or employees. No common carrier, or any of its officers, agents, or employees, shall knowingly pay or offer to pay any such allowance, rebate, or claim for damage.

Long and short haul charges

460. No common carrier subject to the provisions of this part shall charge or receive any greater compensation in the aggregate for the transportation of persons or of a like kind of property for a shorter than for a longer distance over the same line or route in the same direction, within this State, the shorter being included within the longer distance or charge any greater compensation as a through rate than the aggregate of the intermediate rates. This provision does not authorize any such common carrier to charge or receive as great a compensation for a shorter as for a longer distance or haul.

Upon application to the commission a common carrier may, in special cases, after investigation, be authorized by the commission to charge less for a longer than for a shorter distance for the transportation of persons or property, and the commission may from time to time prescribe the extent to which such carrier may be relieved from the operation and requirements of this section.

Long, short distance communications charges

461. No telephone or telegraph corporation subject to the provisions of this part shall charge or receive any greater compensation in the aggregate for the transmission of any long distance message or conversation for a shorter than for a longer distance over the same line or route in the same direction, within this State, the shorter being included within the longer distance, or charge any greater compensation for a through service than the aggregate of the intermediate rates or tolls subject to the provisions of this act. This provision does not authorize any such telephone or telegraph corporation to charge and receive as great a compensation for a shorter as for a longer distance.

Upon application to the commission, a telephone or telegraph corporation may, in special cases, after investigation, be authorized by the commission to charge less for a longer than for a shorter distance service for the transmission of messages or conversations, and the commission may from time to time prescribe the extent to which such telephone or telegraph corporation may be relieved from the operation and requirements of this section.

Street or interurban railway fares

462. No street or interurban railroad corporation shall charge or receive more than five cents ($0 05) for one continuous ride in the same general direction within the corporate limits of any city or city and county, except upon a showing before the commission that such greater charge is justified. Every street or interurban railroad corporation shall upon such terms as the commission finds to be just and reasonable furnish to its passengers transfers entitling them to one continuous trip in

the same general direction over and upon the portions of its lines within the same city or city and county not reached by the originating car.

Article 2. Tariff Schedules

Carriers Filing, etc., of schedules

486. Every common carrier shall file with the commission and shall print and keep open to the public inspection schedules showing the rates, fares, charges, and classifications for the transportation between termini within this State of persons and property from each point upon its route to all other points thereon; and from each point upon its route to all points upon every other route leased, operated, or controlled by it; and from each point on its route or upon any route leased, operated, or controlled by it to all points upon the route of any other common carrier, whenever a through route and a joint rate has been established or ordered between any two such points. If no joint rate over a through route has been established, the schedules of the several carriers in such through route shall show the separately established rates, fares, charges, and classifications applicable to the through transportation.

Same Contents, etc.

487. The schedules shall plainly state the places between which property and persons will be carried, and the classification of passengers or property in force, and shall state separately all terminal charges, storage charges, icing charges, and all other charges which the commission may require to be stated, all privileges or facilities granted or allowed, and all rules which may in any wise change, affect, or determine any part, or the aggregate of, such rates, fares, charges, and classifications, or the value of the service rendered to the passenger, shipper, or consignee. Subject to such rules as the commission prescribes, the schedules shall be plainly printed in large type, and a copy thereof shall be kept by every such carrier readily accessible to and for inspection by the public in every station or office of the carrier where passengers or property are respectively received for transportation, when such station or office is in charge of an agent, and in every station or office of such carrier where passenger tickets or tickets for sleeping, parlor car, or other train accommodations are sold or bills of lading, waybills, or receipts for property are issued.

Same· Inspection, form

488. The schedules shall be immediately produced by the carrier for inspection upon the demand of any person. A notice printed in bold type and stating that the schedules are on file with the agent and open to inspection by any person, and that the agent will assist any person to determine from such schedules any rates, fares, or rules in force, shall be kept posted by the carrier in two public and conspicuous places in every such station or office. The form of every such schedule shall be prescribed by the commission and shall conform, in the case of common carriers subject to the Interstate Commerce Act and the acts amendatory thereof and supplementary thereto, as nearly as possible to the form of schedules prescribed by the Interstate Commerce Commission.

Other utilities Filing, etc., of schedules

489. Under such rules as the commission prescribes, every public utility other than a common carrier shall file with the commission within such time and in such form as the commission designates, and shall print and keep open to public inspection, schedules showing all rates, tolls, rentals, charges, and classifications collected or enforced, or to be collected or enforced, together with all rules, contracts, privileges, and facilities which in any manner affect or relate to rates, tolls, rentals, classifications, or service. Nothing in this section shall prevent the commission from approving or fixing rates, tolls, rentals, or charges, from time to time, in excess of or less than those shown by such schedules.

Changes in form

490. The commission may from time to time determine and prescribe by order such changes in the form of the schedules referred to in this article as it finds expedient, and may modify the requirements of any of its orders or rules in respect to any matter referred to in this article.

Rate or classification changes Notice, etc

491. Unless the commission otherwise orders, no change shall be made by any public utility in any rate or classification, or in any rule or contract relating to or affecting any rate, classification, or service, or in any privilege or facility, except after 30 days' notice to the commission and to the public. Such notice shall be given by filing with the commission and keeping open for public inspection new schedules stating plainly the changes to be made in the schedule or schedules then in force, and the time when the changes will go into effect. The commission, for good cause shown, may allow changes without requiring the 30 days' notice, by an order specifying the changes so to be made, the time when they shall take effect, and the manner in which they shall be filed and published. When any change is proposed in any rate or classification, or in any form of contract or agreement or in any rule or contract relating to or affecting any rate, classification, or service, or in any privilege or facility, attention shall be directed to such change on the schedule filed with the commission, by some character to be designated by the commission, immediately preceding or following the item.

Joint rates, etc

492. The names of the several public utilities which are parties to any joint tariff, rate, contract, or classification shall be specified in the schedule. Unless otherwise ordered by the commission, a schedule showing such joint tariff, rate, contract, or classification need be filed with the commission by only one of the parties to it, if there is also filed with the commission, in such form as it may require, a concurrence therein by each of the other parties thereto.

Carriers Filing and publication of schedules

493. No common carrier subject to the provisions of this part shall engage or participate in the transportation of persons or property, between points within this State, until its schedules of rates, fares, charges, and classifications have been filed and published in accordance with the provisions of this part.

Same. Discrimination in rates etc

494. No common carrier shall charge, demand, collect, or receive a different compensation for the transportation of persons or property, or for any service in connection therewith, than the applicable rates, fares, and charges specified in its schedules filed and in effect at the time, nor shall any such carrier refund or remit in any manner or by any device any portion of the rates, fares, or charges so specified, except upon order of the commission as provided in this part, nor extend to any corporation or person any privilege or facility in the transportation of passengers or property except such as are regularly and uniformly extended to all corporations and persons.

Schedules of rates and classifications

495. Every common carrier and every telegraph and telephone corporation shall print and file with the commission schedules showing all the rates and classifications for the transportation of persons or property or the transmission of messages or conversations between all points within this State and all points without the State upon its route, and between all points within this State and all points without the State upon every route leased, operated, or controlled by it, and between all points on its route or upon any route, leased, operated, or controlled by it within this State and all points without the State upon the route of any other common carrier or telegraph or telephone corporation, whenever a through route and joint rate have been established between any two such points.

Article 3. Free or Reduced Rates

"Employees," "families"

521. As used in this article "employees" includes furloughed, pensioned, and superannuated employees of any common carrier subject to the provisions of this part, persons who have become disabled or infirm in the service of any such carrier, exemployees traveling for the purpose of entering the service of any such carrier, and the remains of persons dying while in the employment of any such carrier; and "families" includes the families of such persons and the families of persons killed, and the widows during widowhood and minor children during minority of persons who died while in the service of any such carrier.

Prohibition

522. Except as provided in this article, no common carrier subject to the provisions of this part shall, directly or indirectly, issue, give, or tender any free ticket, free pass, or free or reduced rate transportation for passengers between points within this State.

Officers, agents, etc

523. A common carrier may give free or reduced rate transportation between points within this State to:

(a) Its officers, agents, employees, attorneys, physicians and surgeons, and members of their families, but no free ticket, free pass, or free or reduced rate transportation shall be issued, given, or tendered to any officer, agent, or employee of a common carrier, who is at the same time a shipper or receiver of freight, or an officer, agent, or employee of a shipper or receiver

of freight, unless such officer, agent, or employee devotes substantially his entire time to the service of such carrier.

(b) Ministers of religions, traveling secretaries of railroad men's religious associations, or executive officers, organizers, or agents of railroad employees' mutual benefit associations giving the greater portion of their time to the work of any such association.

(c) Inmates of hospitals or charitable or eleemosynary institutions, and persons exclusively engaged in charitable or eleemosynary work, and persons and property engaged or employed in educational work or scientific research or in patriotic work when permitted by the commission.

(d) The executive officers of mercantile or promotion boards or bodies within this State when traveling in the performance of duties affecting the advancement of the business of such boards or bodies, or the development of trade or industry within or without this State, when authorized by the commission.

(e) Hotel employees of season resort hotels, when authorized by the commission.

(f) Indigent, destitute, and homeless persons, and to such persons when transported by charitable societies or hospitals, and the necessary agents employed in such transportation.

(g) Inmates of the national homes or state homes for disabled volunteer soldiers and of soldiers' and sailors' homes, including those about to enter and those returning home after discharge.

(h) Necessary caretakers, going and returning, of livestock, poultry, milk, fruit, and other freight, under uniform and nondiscriminatory regulations.

(i) Employees of sleeping-car corporations, express corporations, and telegraph and telephone corporations.

(j) Railway mail service employees, United States internal revenue officers, post-office inspectors, customs officers and inspectors, and immigration inspectors when traveling in the course of their official duty.

(k) Newsboys on trains, baggage agents, witnesses attending any legal investigation in which the carrier is interested, persons injured in accidents or wrecks, and physicians and nurses attending such persons.

Exchange for advertising space

524. Passenger transportation may issue to the proprietors and employees of newspapers and magazines and the members of their immediate families, in exchange for advertising space in such newspapers or magazines at full rates, subject to such reasonable restrictions as the commission may impose. Passenger stage corporations may issue free or reduced rate passenger transportation to any of their commission agents.

Blind

525. All blind residents of California may be granted free transportation on all street cars and may be permitted to travel on all other common carriers within the State for one-half the current fare, and when any blind person is accompanied by a guide, the combined fares for such blind person

and his guide may be fixed at not to exceed the current fare for an individual.

Express corporations

526. Express corporations may issue free or reduced rate transportation for express matter to their officers, agents, employees, attorneys, physicians and surgeons, and members of their families.

Reciprocal privilege

527. Nothing in this part shall prevent the interchange of free or reduced rate transportation for passenger or express matter between common carriers, their officers, agents, employees, attorneys, physicians and surgeons, and members of their families, where such common carriers are subject in whole or in part to the jurisdiction of the commission or of the Interstate Commerce Commission, or where such common carriers, though not in whole or in part subject to the jurisdiction of this commission or of the Interstate Commerce Commission, are engaged in the business of transporting passengers and freight by water between the United States and foreign countries, and are permitted by the Interstate Commerce Act to interchange such free transportation with common carriers which are subject to the jurisdiction of the Interstate Commerce Commission or to the jurisdiction of the Public Utilities Commission.

Same with carriers by motor vehicle

528. Nothing in this part shall prevent the interchange of free or reduced rate transportation for passengers or express matter between a common carrier and a corporation engaged in the carriage of persons or property by motor vehicle, or the officers, agents, employees, attorneys, physicians and surgeons of such common carrier or corporation and their families when the corporation is engaged in the carriage by motor vehicle of persons or property as a connecting carrier, or in the carriage by motor vehicle of persons or property over a portion of a route between the point of departure or shipment and arrival or delivery, part of which route is covered or traveled by a common carrier, whether the carriage by motor vehicle is an initial, an intermediate, or a final portion of the entire route between the point of departure or shipment and arrival or delivery.

This section does not authorize the interchange of free or reduced rate transportation for express matter which is not for the personal use of the person to or for whom it is granted, or of his family.

Other exceptions

529. Nothing in this part shall prevent:

(a) The issue of reduced rate transportation by a common carrier to children attending an institution of learning.

(b) The issue of passes or franks by telegraph or telephone corporations to their officers, agents, employees, attorneys, physicians and surgeons, and members of their families, or the exchange of passes or franks between such telegraph and telephone corporations or between such corporations and such common carriers, for their officers, agents, employees, attorneys, physicians and surgeons, and members of their families.

(c) The carrying out of contracts for free or reduced rate passenger transportation heretofore made, founded upon adequate consideration and lawful when made.

(d) A common carrier from transporting, storing or handling, free or at reduced rates, the household goods and personal effects of its employees, of persons entering or leaving its service, and of persons killed or dying while in its service.

Same

530. Every common carrier subject to the provisions of this part may transport, free or at reduced rates:

(a) Persons or property for the United States, state, county, or municipal governments, or for charitable or patriotic purposes, or to provide relief in cases of general epidemic, pestilence, or calamity.

(b) Property to or from fairs or expositions for exhibit thereat.

(c) Contractors and their employees, material or supplies for use or engaged in carrying out their contracts with such carriers, for construction, operation, or maintenance work or work incidental thereto on the line of the issuing carrier, to the extent only that such free or reduced rate transportation is provided for in the specifications upon which the contract is based and in the contract itself.

Common carriers may also enter into contracts with telegraph and telephone corporations for an exchange of service.

Public works

531. Every common carrier subject to the provisions of this part may transport free or at reduced rates contractors and their employees engaged in carrying out contracts with the United States, this State, or any county or municipal government, or other governmental agency in this State, and materials or supplies for use in carrying out such contracts, in each case to the extent only that such free or reduced rate transportation is provided for in the specifications upon which the contract is based and in the contract itself.

Scheduled rates

532. Except as in this article otherwise provided, no public utility shall charge, or receive a different compensation for any product or commodity furnished or to be furnished, or for any service rendered or to be rendered, than the rates, tolls, rentals, and charges applicable thereto as specified in its schedules on file and in effect at the time, nor shall any public utility engaged in furnishing or rendering more than one product, commodity, or service, charge, demand, collect, or receive a different compensation for the collective, combined, or contemporaneous furnishing or rendition of two or more of such products, commodities, or services, than the aggregate of the rates, tolls, rentals, or charges specified in its schedules on file and in effect at the time, applicable to each such product, commodity, or service when separately furnished or rendered, nor shall any such public utility refund or remit, directly or indirectly, in any manner or by any device, any portion of the rates, tolls, rentals, and charges so specified, nor extend to any corporation or person any form of contract or agreement or any rule

or regulation or any facility or privilege except such as are regularly and uniformly extended to all corporations and persons. The commission may by rule or order establish such exceptions from the operation of this prohibition as it may consider just and reasonable as to each public utility.

Commissioners, officers, employees

533. The commissioners and the officers and employees of the commission, shall, when in the performance of their official duties, have the right to pass, free of charge, on all railroads, cars, vessels, and other vehicles of every common carrier subject to control or regulation by the commission, between points within this State, whether such railroad, car, vessel, or other vehicle is used for the transportation of passengers or freight, and regardless of its class.

Article 4. Facilities

Carriers Passengers, freight, etc., of other lines

556. Every common carrier shall afford all reasonable, proper, and equal facilities for the prompt and efficient interchange and transfer of passengers, tonnage, and cars, loaded or empty, between the lines owned, operated, controlled, or leased by it and the lines of every other common carrier, and shall make such interchange and transfer promptly without discrimination between shippers, passengers, or carriers either as to compensation charged, service rendered, or facilities afforded.

Railways Cars of other lines

557. Every railroad corporation shall receive from every other railroad corporation, at any point of connection, freight cars of proper standard and in proper condition, and haul them to destination, if the destination is upon a line owned, operated, or controlled by it, or to the point of transfer according to the route billed, if the destination is upon the line of some other railroad corporation.

Communications

558. Every telephone corporation and telegraph corporation operating in this State shall receive, transmit, and deliver, without discrimination or delay, the conversations and messages of every other such corporation with whose line a physical connection has been made.

Effect on joint rates, etc

559. Nothing in Sections 556 to 558, inclusive, shall limit or modify the duty of a common carrier to establish joint rates, fares, and charges for the transportation of passengers and property over the lines owned, operated, controlled, or leased by it and the lines of other common carriers, or the power of the commission to require the establishment of such joint rates, fares, and charges.

Railways Connections, spurs for shippers, receivers

560. Upon the application of any shipper or receiver or contemplated shipper or receiver of freight for a connection between the railroad of a railroad corporation and its existing or contemplated private track or railroad, the railroad corporation shall make the connection, provide such switches and tracks as may be necessary for that purpose, and deliver and receive cars thereover, if the connection is reasonably practicable

and can be installed and used without materially increasing the hazard of the operation of the railroad with which the connection is sought, and if the business which may reasonably be expected to be received by the railroad corporation over the connection is sufficient to justify the expense of the connection to the railroad corporation.

Upon the same conditions, every railroad corporation, upon the application of any shipper or receiver or contemplated shipper or receiver of freight, shall construct upon its right of way a spur or spurs for the purpose of receiving and delivering freight thereby, and shall receive and deliver freight thereby.

Article 5. Reports

Required information

581. Every public utility shall furnish to the commission in such form and detail as the commission prescribes all tabulations, computations, and all other information required by it to carry into effect any of the provisions of this part, and shall make specific answers to all questions submitted by the commission.

Every public utility receiving from the commission any blanks with directions to fill them shall answer fully and correctly each question propounded therein, and if it is unable to answer any question, it shall give a good and sufficient reason for such failure.

Copies of records, etc

582. Whenever required by the commission, every public utility shall deliver to the commission copies of any or all maps, profiles, contracts, agreements, franchises, reports, books, accounts, papers, and records in its possession or in any way relating to its property or affecting its business, and also a complete inventory of all its property in such form as the commission may direct.

Secrecy

583. No information furnished to the commission by a public utility, except such matters as are specifically required to be open to public inspection by the provisions of this part, shall be open to public inspection or made public except on order of the commission, or by the commission or a commissioner in the course of a hearing or proceeding. Any officer or employee of the commission who divulges any such information is guilty of a misdemeanor.

Reports

584. Every public utility shall annually furnish a report to the commission at such time and in such form as the commission may require in which the utility shall specifically answer all questions propounded by the commission. The commission may require any public utility to file monthly reports of earnings and expenses, and to file periodical or special reports, or both, concerning any matter about which the commission is authorized by any law to inquire or to keep itself informed, or which it is required to enforce. All reports shall be under oath when required by the commission.

CHAPTER 4. REGULATION OF PUBLIC UTILITIES

Article 1. Generally

General power

701. The commission may supervise and regulate every public utility in the State and may do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction.

Compliance by public utilities

702. Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility, and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees.

Investigation of interstate rates

703. The commission may investigate all existing or proposed interstate rates, fares, tolls, charges, and classifications, and all rules and practices in relation thereto, for or in relation to the transportation of persons or property or the transmission of messages or conversations, where any act in relation thereto takes place within this State and when they are, in the opinion of the commission, excessive or discriminatory or in violation of the Interstate Commerce Act, or any other act of Congress, or in conflict with the rulings, orders, or regulations of the Interstate Commerce Commission, the commission may apply for relief by petition or otherwise to the Interstate Commerce Commission or to any court of competent jurisdiction.

Foreign corporations

704. Except as otherwise provided in this section, no foreign corporation, other than those which by compliance with the laws of this State are entitled to transact a public utility business within this State, shall henceforth transact within this State any public utility business, nor shall any foreign corporation which is at present lawfully transacting business within this State henceforth transact within this State any public utility business of a character different from that which it is at present authorized by its charter or articles of incorporation to transact. No license, permit, or franchise to own, control, operate, or manage any public utility business or any part or incident thereof shall be henceforth granted or transferred, directly or indirectly, to any foreign corporation which is not at present lawfully transacting within this State a public utility business of like character.

Foreign corporations engaging in commerce with foreign nations or commerce among the several states may transact within this State such commerce and intrastate commerce of a like character. Any foreign corporation which complies with the laws of this State respecting foreign corporations, and which owns at least 90 percent of the outstanding capital stock of any other foreign corporation transacting a public utility business in this State, may succeed to the public utility business, franchises, and rights of such latter corporation and, thereafter continue and carry on such public utility business.

705. Whenever in Articles 2, 3, and 4 of this chapter a hearing by the commission is required, the hearing may be had either upon complaint or upon motion of the commission. Hearing upon complaint or motion

Article 2. Rates

726. It is the policy of the State in rate making to be pursued by the commission to establish such rates as will promote the freedom of movement by carriers of agricultural commodities, including livestock, at the lowest lawful rates compatible with the maintenance of adequate transportation service. Rate policy

In any rate proceeding where more than one type or class of carrier, as defined in this part or in the Highway Carriers' Act, is involved, the commission shall consider all such types or classes of carriers, and, pursuant to the provisions of this part or the Highway Carriers' Act, fix as minimum rates applicable to all such types or classes of carriers the lowest of the lawful rates so determined for any such type or class of carrier. This provision does not prevent the commission from granting to carriers by water such differentials in rates as are permitted under other provisions of law. Ch. 1, Div. 2

727. It is the policy of the State that the use of all waterways, ports, and harbors of this State shall be encouraged, and to that end the commission is directed in the establishment of rates for water carriers applying to business moving between points within this State to fix those rates at such a differential under the rates of competing land carriers that the water carriers shall be able fairly to compete for such business. In fixing the rates there shall be taken into consideration quality and regularity of service and class and speed of vessels. "Competing land carriers" includes all land carriers as defined in this part, and includes a highway contract carrier and a radial highway common carrier as defined in the Highway Carriers' Act. Policy re water carriers

728. Whenever the commission, after a hearing, finds that the rates or classifications, demanded, observed, charged, or collected by any public utility for or in connection with any service, product, or commodity, or the rules, practices, or contracts affecting such rates or classifications are insufficient, unlawful, unjust, unreasonable, discriminatory, or preferential, the commission shall determine and fix, by order, the just, reasonable, or sufficient rates, classifications, rules, practices, or contracts to be thereafter observed and in force. Fixing of reasonable rates

729. The commission may, upon a hearing, investigate a single rate, classification, rule, contract, or practice, or any number thereof, or the entire schedule or schedules of rates, classifications, rules, contracts, and practices, or any thereof, of any public utility, and may establish new rates, classifications, rules, contracts, or practices or schedule or schedules in lieu thereof. Investigation of rates

730. The commission shall, upon a hearing, determine the kind and character of facilities and the extent of the operation Service by carriers

thereof, necessary reasonably and adequately to meet public requirements for service furnished by common carriers between any two or more points, and shall fix and determine the just, reasonable, and sufficient rates for such service. Whenever two or more common carriers are furnishing service in competition with each other, the commission may, after hearing, when necessary for the preservation of adequate service and when public interest demands, prescribe uniform rates, classifications, rules, and practices to be charged, collected, and observed by all such common carriers.

Competitive transportation rates

731. Whenever the commission, after a hearing, finds that any rate or toll for the transportation of property is lower than a reasonable or sufficient rate and that the rate is not justified by actual competitive transportation rates of competing carriers, or the cost of other means of transportation, the commission shall prescribe such rates as will provide an equality of transportation rates for the transportation of property between all such competing agencies of transportation. When in the judgment of the commission a differential is necessary to preserve equality of competitive transportation conditions, a reasonable differential between rates of common carriers by rail and water for the transportation of property may be maintained by such carriers, and the commission may by order require the establishment of such rates.

Joint rates

732. Whenever the commission, after a hearing finds that the rates, fares, or charges in force over two or more common carriers, between any two points in this State, are unjust, unreasonable, or excessive, or that no satisfactory through route or joint rate, fare, or charge exists between such points, and that the public convenience and necessity demand the establishment of such a through route and joint rate, fare, or charge, the commission may order such common carriers to establish such through route and may establish and fix a joint rate, fare, or charge which will be fair, just, reasonable, and sufficient, to be charged and collected in the future, and the terms and conditions under which such through route shall be operated. The commission may order that freight moving between such points shall be carried by the common carriers participating in such through route and joint rate, without being transferred from the originating cars.

Same

733. In case the common carriers do not agree upon the division between them of the joint rates, fares, or charges established by the commission over such through routes, the commission shall, after hearing, by supplemental order, establish such division. Where any railroad, or passenger stage corporation which is made a party to a through route has itself over its own line an equally satisfactory through route between the termini of the through route established, such railroad, or passenger stage corporation may require as its division of the joint rate, fare, or charge its local rate, fare, or charge over the portion of its line comprised in such through route, and the commission may, in its discretion, allow to such railroad or passenger stage

corporation, more than its local rate, fare, or charge whenever it will be equitable so to do. The commission may establish and fix through routes and joint rates, fares, or charges over common carriers and stage or auto stage lines which may not be otherwise subject to the provisions of this part, and may fix the division of such joint rates, fares, or charges.

Reparation for overcharges

734. When complaint has been made to the commission concerning any rate for any product or commodity furnished or service performed by any public utility, and the commission has found, after investigation, that the public utility has charged an unreasonable, excessive, or discriminatory amount therefor in violation of any of the provisions of this part, the commission may order that the public utility make due reparation to the complainant therefor, with interest from the date of collection if no discrimination will result from such reparation. No order for the payment of reparation upon the ground of unreasonableness shall be made by the commission in any instance wherein the rate in question has, by formal finding, been declared by the commission to be reasonable, and no assignment of a reparation claim shall be recognized by the commission except assignments by operation of law as in cases of death, insanity, bankruptcy, receivership, or order of court.

Suit to recover overcharges

735. If the public utility does not comply with the order for the payment of reparation within the time specified in the order, suit may be instituted in any court of competent jurisdiction to recover the payment within one year from the date of the order, and not after. All complaints for damages resulting from a violation of any of the provisions of this part, except Sections 494 and 533, shall either be filed with the commission, or where concurrent jurisdiction of the cause of action is vested by the constitution and laws of this State in the courts, in any court of competent jurisdiction, within two years from the time the cause of action accrues, and not after.

Limitation of actions

736. All complaints for damages resulting from the violation of any of the provisions of Sections 494 or 533 shall either be filed with the commission, or, where concurrent jurisdiction of the cause of action is vested in the courts of this State, in any court of competent jurisdiction within three years from the time the cause of action accrues, and not after. If claim for the asserted damages has been presented in writing to the public utility concerned within such period of three years, such period shall be extended to include six months from the date notice in writing is given by the public utility to the claimant of the disallowance of the claim, or of any part or parts thereof specified in the notice.

Actions for collection of tariffs

737. All complaints for the collection of the lawful tariff charges or any part thereof, of public utilities may be filed in any court of competent jurisdiction within three years from the time the cause of action accrues, and not after, but if a public utility presents its claim or demand in writing to the person from whom the tariff charges, or any part thereof, are alleged to be due within such period of three years, that period shall be

extended to include six months from the date notice in writing is given to the public utility, by such person, of refusal to pay the demand, or any part or parts thereof specified in the notice of refusal.

If suit for the collection of the lawful tariff charges or any portion thereof of a public utility is filed in any court in accordance with the terms of this section, or if such collection is made by the public utility without filing suit, the person against whom such suit is filed or from whom such collection is made may, within 90 days from the date of service of summons in the suit, or the date of the collection, file with the commission, or with any court of competent jurisdiction, a complaint for damages resulting from the violation of any of the provisions of this part with respect to the transaction to which the suit of the public utility relates, or for which such collection has been made.

Accrual of cause of action, cumulative remedies

738. For the purpose of Sections 734 to 737, inclusive, the cause of action shall accrue upon the delivery or tender of delivery of the shipment or the performance of the service or the furnishing of the commodity or product with respect to which complaint is filed or claim made. The remedies in those sections shall be cumulative and in addition to any other remedy or remedies in this part provided in case of failure of a public utility to obey an order or decision of the commission.

Article 3. Equipment, Practices, and Facilities

Fixing of rules, practices, etc

761. Whenever the commission, after a hearing, finds that the rules, practices, equipment, appliances, facilities, or service of any public utility, or the methods of manufacture, distribution, transmission, storage, or supply employed by it, are unjust, unreasonable, unsafe, improper, inadequate, or insufficient, the commission shall determine and, by order or rule, fix the rules, practices, equipment, appliances, facilities, service, or methods to be observed, furnished, constructed, enforced, or employed. The commission shall prescribe rules for the performance of any service or the furnishing of any commodity of the character furnished or supplied by any public utility, and, on proper demand and tender of rates, such public utility shall furnish such commodity or render such service within the time and upon the conditions provided in such rules.

Additions, extensions, etc

762. Whenever the commission, after a hearing, finds that additions, extensions, repairs, or improvements to, or changes in, the existing plant, equipment, apparatus, facilities, or other physical property of any public utility or of any two or more public utilities ought reasonably to be made, or that new structures should be erected, to promote the security or convenience of its employees or the public, or in any other way to secure adequate service or facilities, the commission shall make and serve an order directing that such additions, extensions, repairs, improvements, or changes be made or such structures be erected in the manner and within the time specified in the order. If the commission orders the erection of a new

structure, it may also fix the site thereof. If the order requires joint action by two or more public utilities, the commission shall so notify them and shall fix a reasonable time within which they may agree upon the portion or division of the cost which each shall bear. If at the expiration of such time the public utilities fail to file with the commission a statement that an agreement has been made for a division or apportionment of the cost, the commission may, after further hearing, make an order fixing the proportion of such cost to be borne by each public utility and the manner in which payment shall be made or secured.

Order to run sufficient cars, etc

763. Whenever the commission, after a hearing, finds that any railroad corporation or street railroad corporation does not run a sufficient number of trains or cars, or possess or operate sufficient motive power, reasonably to accommodate the traffic, passenger or freight, transported by or offered for transportation to it, or does not run its trains or cars with sufficient frequency or at a reasonable or proper time having regard to safety, or does not stop its trains or cars at proper places, or does not run any train or car upon a reasonable time schedule for the run, the commission may make an order directing such corporation to increase the number of its trains or cars or its motive power or to change the time for starting its trains or cars or to change the time schedule for the run of any train or car, or to change the stopping place or places thereof. The commission may make any other order that it determines to be reasonably necessary to accommodate and transport the traffic, passenger or freight, transported or offered for transportation

Connections between tracks

764. Whenever the commission, after a hearing, finds that the public convenience and necessity would be served by having connections made between the tracks of any two or more railroad or street railroad corporations, so that cars may readily be transferred from one to the other at any of the points specified in this section, the commission may order any two or more such corporations owning, controlling, operating, or managing tracks of the same gauge to make physical connections at any and all crossings, and at all points where a railroad or street railroad begins or terminates or runs near to any other railroad or street railroad. After the necessary franchise or permit has been secured from the city or city and county, the commission may likewise order such physical connection, within the city, or city and county, between two or more railroads which enter the limits thereof. The commission shall by order direct whether the expense of such connections shall be borne jointly or otherwise.

Spur tracks, etc

765. Whenever the commission, after a hearing, finds that application has been made to a railroad corporation for a connection or spur by any corporation or person entitled thereto pursuant to Section 560, and that the railroad corporation has refused to provide such connection or spur, the commission shall make an order requiring the providing of such connection or spur and the maintenance and use thereof upon such reasonable terms as the commission may prescribe. Whenever any such

connection or spur has been so provided, any corporation or person may connect with the private track or railroad thereby connected with the railroad of the railroad corporation and may use the private track or railroad or the spur upon payment to the party incurring the primary expense of such private track or railroad, or the connection or spur, of a reasonable proportion of the cost thereof to be determined by the commission after notice to the interested parties and a hearing thereon, if such connection and use can be made without unreasonable interference with the rights of the party incurring such primary expense.

The commission may require one railroad corporation to switch to private spurs and industrial tracks upon its own railroad the cars of a connecting railroad corporation and may prescribe the terms and compensation for such service.

Physical connections between telephone, etc., lines

766. Whenever the commission, after a hearing finds that a physical connection can reasonably be made between the lines of two or more telephone corporations or two or more telegraph corporations whose lines can be made to form a continuous line of communication, by the construction and maintenance of suitable connections for the transfer of messages or conversations, and that public convenience and necessity will be served thereby, or finds that two or more telegraph or telephone corporations have failed to establish joint rates, tolls, or charges for service by or over their lines, and that joint rates, tolls, or charges ought to be established, the commission may, by its order, require that such connection be made on the payment of such compensation, if any, as it finds to be just and reasonable, except where the purpose of the connection is primarily to secure the transmission of local messages or conversations between points within the same city, or city and county. The commission may, by order, require that conversations be transmitted and messages transferred over such connection under such rules as it may establish, and may prescribe through lines and joint rates, tolls, and charges If such telephone or telegraph corporations do not agree upon the division between them of the cost of such physical connection or connections or the division of such joint rates, tolls, or charges established by the commission over such through lines, the commission may after further hearing, establish such division by supplemental order.

Use of conduits, etc., of one company by another

767. Whenever the commission, after a hearing had upon its own motion or upon complaint of a public utility affected, finds that public convenience and necessity require the use by one public utility of all or any part of the conduits, subways, tracks, wires, poles, pipes, or other equipment, on, over, or under any street or highway, and belonging to another public utility, and that such use will not result in irreparable injury to the owner or other users of such property or equipment or in any substantial detriment to the service, and that such public utilities have failed to agree upon such use or the terms and conditions or compensation therefor, the commission may by

order direct that such use be permitted, and prescribe a reasonable compensation and reasonable terms and conditions for the joint use. If such use is directed, the public utility to whom the use is permitted shall be liable to the owner or other users for such damage as may result therefrom to the property of the owner or other users thereof, and the commission may ascertain and direct the payment, prior to such use, of fair and just compensation for damage suffered, if any.

Safety devices

768. The commission may, after a hearing, by general or special orders, rules, or otherwise, require every public utility to construct, maintain, and operate its line, plant, system, equipment, apparatus, tracks, and premises in such manner as to promote and safeguard the health and safety of its employees, passengers, customers, and the public, and may prescribe, among other things, the installation, use, maintenance, and operation of appropriate safety or other devices or appliances, including interlocking and other protective devices at grade crossings or junctions and block or other systems of signalling, establish uniform or other standards of construction and equipment, and require the performance of any other act which the health or safety of its employees, passengers, customers, or the public may demand.

Rules re facilities for handling freight, etc

769. The commission may provide by proper rules the time within which all railroad corporations shall furnish, after demand therefor, all cars, equipment, and facilities necessary for the handling of freight in carload and less than carload lots, the time within which consignors or persons ordering cars shall load the cars, and the time within which consignees or persons to whom freight is consigned shall unload and discharge the cars and receive freight from the freight rooms, and may provide penalties to be paid for failure on the part of the railroad corporations, consignors, and consignees to conform to such rules. Charges for demurrage shall be uniform so that the same penalty shall be paid by both shipper or consignee and railroad corporation for an equal number of cars for each day for which demurrage is charged.

The commission may provide the time within which express packages shall be received, gathered, transported, and delivered at destination, and the limits within which express packages shall be gathered and distributed and telegraph and telephone messages delivered without extra charge.

Fixing of standards, etc

770. The commission may after hearing:

(a) Ascertain and fix just and reasonable standards, classifications, regulations, practices, measurements, or service to be furnished, imposed, observed, and followed by all electrical, gas, water, and heat corporations.

(b) Ascertain and fix adequate and serviceable standards for the measurement of quantity, quality, pressure, initial voltage, or other condition pertaining to the supply of the product, commodity, or service furnished or rendered by any such public utility.

(c) Prescribe reasonable regulations for the examination and testing of such product, commodity, or service and for the measurement thereof.

(d) Establish reasonable rules, specifications, and standards to secure the accuracy of all meters and appliances for measurements.

(e) Provide for the examination and testing of any and all appliances used for the measurement of any product, commodity, or service of any such public utility.

Entry, examination

771. The commissioners and their officers and employees may enter upon any premises occupied by any public utility, for the purpose of making the examinations and tests and exercising any of the other powers provided for in this part, and may set up and use on such premises any apparatus and appliances necessary therefor. The agents and employees of the public utility may be present at the making of such examinations and tests.

Testing of measuring appliances

772. Any consumer or user of any product, commodity, or service of a public utility may have any appliance used in the measurement thereof tested upon paying the fees fixed by the commission. The commission shall establish and fix reasonable fees to be paid for testing such appliances on the request of the consumer or user. The fee shall be paid by the consumer or user at the time of his request, but if the appliance is found defective or incorrect to the disadvantage of the consumer or user, the fee shall be paid by the public utility and repaid to the consumer or user under such rules as the commission prescribes.

Article 4. Books and Accounts

Office, records

791. Each public utility shall have an office in a county of this State in which its property or some portion thereof is located and shall keep in that office all the books, accounts, papers, and records required by the commission to be kept within this State. No such books, accounts, papers, or records shall be at any time removed from the State except upon such conditions as the commission prescribes.

System of accounts, etc

792. The commission may establish a system of accounts to be kept by the public utilities subject to its jurisdiction, or classify such public utilities and establish a system of accounts for each class, and may prescribe the manner in which such accounts shall be kept. It may also prescribe the forms of accounts, records, and memoranda to be kept by such public utilities, including the accounts, records, and memoranda of the movement of traffic as well as the receipts and expenditures of moneys, and any other forms, records, and memoranda which in the judgment of the commission may be necessary to carry out any of the provisions of this part.

Same

793. The system of accounts and the forms of accounts, records, and memoranda prescribed by the commission for corporations subject to the provisions of the Interstate Commerce Act and the acts amendatory thereof and supplementary

thereto, shall not be inconsistent with the systems and forms from time to time established for such corporations by the Interstate Commerce Commission. Nothing in this section or Section 794 shall affect the power of the commission to prescribe forms of accounts, records, and memoranda covering information in addition to that required by the Interstate Commerce Commission.

Other records unlawful

794. The commission may, after hearing, prescribe by order the accounts in which particular outlays and receipts shall be entered, charged, or credited. Where the commission has prescribed the forms of accounts, records, or memoranda to be kept by any public utility for any of its business, it is unlawful for such public utility to keep any accounts, records, or memoranda for such business other than those so prescribed, or those prescribed by or under the authority of any other state or of the United States, except such accounts, records, or memoranda as are explanatory of and supplemental to those prescribed by the commission.

Depreciation account

795. The commission may, after hearing, require any or all public utilities to carry a proper and adequate depreciation account in the form and in accordance with such rules as the commission prescribes. The commission may, from time to time, ascertain and by order fix the proper and adequate rates of depreciation of the several classes of property of each public utility. Each public utility shall conform its depreciation accounts to the rates so fixed, and shall set aside the money so provided for out of earnings, carry it in a depreciation fund, and expend such fund only for such purposes and under such rules, both as to original expenditure and subsequent replacement, as the commission prescribes. The income from investments of money in such fund shall likewise be carried in that fund.

Article 5. Stocks and Security Transactions

Power to issue stocks etc

816. The power of public utilities to issue stocks and stock certificates or other evidence of interest or ownership and bonds, notes, and other evidences of indebtedness and to create liens on their property situated within this State is a special privilege, the right of supervision, regulation, restriction, and control of which is vested in the State, and such power shall be exercised as provided by law under such rules as the commission prescribes.

Highway common carriers and petroleum irregular route carriers

816.5. Nothing contained in this article shall be construed to require a highway common carrier or a petroleum irregular route carrier to secure from the commission authority to execute any conditional sales contract for the purchase of motor vehicle equipment or any chattel mortgage on motor vehicle equipment securing the payment of all or any part of the purchase price of such motor vehicle equipment.

(Added by Stats. 1951, Ch. 1493.)

Purposes

817. A public utility may issue stocks and stock certificates or other evidence of interest or ownership, and bonds,

notes, and other evidences of indebtedness payable at periods of more than 12 months after the date thereof, for any one or more of the following purposes and no others:

(a) For the acquisition of property.

(b) For the construction, completion, extension, or improvement of its facilities.

(c) For the improvement or maintenance of its service.

(d) For the discharge or lawful refunding of its obligations.

(e) For the reorganization or readjustment of its indebtedness or capitalization upon a merger, consolidation, or other reorganization.

(f) For the retirement of or in exchange for one or more outstanding stocks or stock certificates or other evidence of interest or ownership of such public utility, or bonds, notes, or other evidence of indebtedness of such public utility, with or without the payment of cash.

(g) For the reimbursement of moneys actually expended from income or from any other money in the treasury of the public utility not secured by or obtained from the issue of stocks or stock certificates or other evidence of interest or ownership, or bonds, notes, or other evidences of indebtedness of the public utility, for any of the aforesaid purposes except maintenance of service and replacements, in cases where the applicant has kept its accounts and vouchers for such expenditures in such manner as to enable the commission to ascertain the amount of money so expended and the purposes for which such expenditure was made.

Authorization of issue

818. No public utility may issue stocks and stock certificates, or other evidence of interest or ownership, or bonds, notes, or other evidences of indebtedness payable at periods of more than 12 months after the date thereof unless, in addition to the other requirements of law it shall first have secured from the commission an order authorizing the issue, stating the amount thereof and the purposes to which the issue or the proceeds thereof are to be applied, and that, in the opinion of the commission, the money, property, or labor to be procured or paid for by the issue is reasonably required for the purposes specified in the order, and that, except as otherwise permitted in the order in the case of bonds, notes, or other evidences of indebtedness, such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

Same
Hearing, etc.

819. To enable it to determine whether it will issue the order, the commission may hold a hearing and may make such additional inquiry or investigation, examine such witnesses, books, papers, documents, and contracts, and require the filing of such data as it deems of assistance. The commission may by its order grant permission for the issue of such stocks or stock certificates or other evidence of interest or ownership, or bonds, notes, or other evidences of indebtedness in the amount applied for, or in a lesser amount, or refuse such permission,

or grant it subject to such conditions as it deems reasonable and necessary. The commission may authorize issues of bonds, notes, or other evidences of indebtedness, less than, equivalent to or greater than the authorized or subscribed capital stock of a public utility corporation, and Section 7503, insofar as it prohibits the creation by corporations of indebtedness, evidenced by bonds, notes or otherwise, in excess of their total authorized or subscribed capital stock does not apply to public utility corporations.

Capitalization of franchise, etc

820. The commission shall have no power to authorize the capitalization of the right to be a corporation, or the capitalization of any franchise or permit, or the right to own, operate, or enjoy any such franchise or permit, in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, permit, or right. No contract for consolidation or lease shall be capitalized, nor shall any public utility issue any bonds, notes, or other evidences of indebtedness against or as a lien upon any contract for consolidation or merger.

Conversion rights

821. Subject to the provisions of this article, any public utility may issue bonds, or other interest bearing securities maturing at periods of more than 12 months after the date thereof, and may issue one or more classes of preferred stock which may have attached thereto warrants entitling the holder to subscribe for shares of common stock in such amounts, at such future dates, at such prices and on such terms and conditions as may be specified in the warrants. Such bonds, or other interest bearing obligations and such preferred stock also may be issued with provision therein that they may be converted into shares of common stock in such amounts, at such future dates, at such prices, and on such terms and conditions as may be specified therein.

Consideration for issue

822. Pursuant to this part the commission may, upon an application for an order to issue stocks, bonds, debentures, notes, or other securities in exchange for one or more bona fide outstanding stocks, bonds, debentures, notes, or other securities, claims or property interests, or partly in such exchange and partly for cash, approve the terms and conditions of such issuance and exchange, after a hearing upon the fairness thereof. All persons to whom it is proposed to issue stocks, bonds, debentures, notes, or other securities in such exchange may appear at such hearing.

Use of issue or proceeds

823. No public utility shall, without the consent of the commission, apply any part of the issue of any stock or stock certificate or other evidence of interest or ownership, or bond, note, or other evidence of indebtedness, or any proceeds thereof, to any purpose not specified in the commission's order, or to any purpose specified in the order in excess of the amount authorized for such purpose, or issue or dispose thereof on any terms less favorable than those specified in the order, or a modification thereof. A public utility may issue notes, for proper

Notes

purposes and not in violation of any provision of law, payable at periods of not more than 12 months after the date of issuance of the notes without the consent of the commission, but no such note shall, in whole or in part, be refunded by any issue of stocks or stock certificates or other evidence of interest or ownership, or of bonds, notes of any term or character, or any other evidence of indebtedness, without the consent of the commission.

Accounting for proceeds

824. The commission may require public utilities to account for the disposition of the proceeds of all sales of stocks and stock certificates or other evidence of interest or ownership, and bonds, notes, and other evidences of indebtedness, in such form and detail as it deems advisable, and may establish such rules as it deems reasonable and necessary to insure the disposition of such proceeds for the purposes specified in its order.

Improper issue Validity

825. All stock and every stock certificate or other evidence of interest or ownership, and every bond, note, or other evidence of indebtedness, of a public utility, issued without an order of the commission authorizing the issue thereof then in effect or not conforming in its provisions to any of the provisions which it is required by the order of authorization to contain, is void. No failure in any other respect to comply with the terms or conditions of the order of authorization of the commission shall render void any stock or stock certificate or other evidence of interest or ownership, or any bond, note, or other evidence of indebtedness, except as to a corporation or person taking it otherwise than in good faith and for value and without actual notice.

Penalty

826. Every public utility which, directly or indirectly issues or causes to be issued, any stock or stock certificate or other evidence of interest or ownership, or bond, note, or other evidence of indebtedness, in nonconformity with the order of the commission authorizing the issue, or contrary to the provisions of this part, or of the Constitution of this State, or which applies any part of the proceeds from the sale thereof, to any purpose other than the purpose or purposes specified in the commission's order or in an amount in excess of the amount authorized for a specified purpose in the order, is subject to a penalty of not less than five hundred dollars ($500), nor more than twenty thousand dollars ($20,000) for each offense.

Felonious acts

827. Every officer, agent, or employee of a public utility, and every other person is guilty of a felony who does any of the following acts:

(a) Knowingly authorizes, directs, aids in, issues, or executes, or causes to be issued or executed, any stock or stock certificate or other evidence of interest or ownership, or bond, note, or other evidence of indebtedness, in nonconformity with the order of the commission authorizing the issue, or contrary to the provisions of this part or of the Constitution of this State.

(b) Knowingly makes any false statement or representation in any proceeding before the commission or with knowledge of its falsity files or causes to be filed with the commission any

false statement or representation which tends in any way to influence the commission to make an order authorizing the issue of any stock or stock certificate or other evidence of interest or ownership, or any bond, note, or other evidence of indebtedness, or which results in procuring from the commission the making of any such order.

(c) With knowledge that any false statement or representation was made to the commission, in any proceeding, tending in any way to influence the commission to make such order, issues or executes or negotiates, or causes to be issued, executed, or negotiated any such stock or stock certificate or other evidence of interest or ownership, or bond, note, or other evidence of indebtedness.

(d) Directly or indirectly, knowingly applies, or causes or assists to be applied any part of the proceeds from the sale of any stock or stock certificate or other evidence of interest or ownership, or bond, note, or other evidence of indebtedness, to any purpose not specified in the commission's order, or to any purpose specified in the commission's order in excess of the amount authorized for such purpose.

(e) With knowledge that any stock or stock certificate or other evidence of interest or ownership, or bond, note, or other evidence of indebtedness, has been issued or executed in violation of any of the provisions of this part, negotiates, or causes the same to be negotiated.

Nonliability of State

828. No provision of this part, and no act done or performed under or in connection therewith, shall obligate the State to pay or guarantee, in any manner whatsoever, any stock or stock certificate or other evidence of interest or ownership, or bond, note, or other evidence of indebtedness, authorized, issued, or executed under the provisions of this part.

Exemptions, etc

829. This article shall not apply to any person or corporation which transacts no business subject to regulation under this part, except performing services or delivering commodities for or to public utilities or municipal or other public corporations primarily for resale or use in serving the public or any portion thereof but shall nevertheless apply to any public utility if the commission finds, in a proceeding to which the public utility is or may become a party, that the application of this article is required by the public interest. The commission may from time to time by order or rule, and subject to such terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from the provisions of this article if it finds that the application thereof to such public utility or class of public utility is not necessary in the public interest.

Utility as guarantor, etc

830. No public utility shall assume any obligation or liability as guarantor, endorser, surety, or otherwise in respect of the securities of any other person, firm, or corporation, when such securities are payable at periods of more than 12 months after the date thereof, without having first secured from the

commission an order authorizing it so to do. Every such assumption made other than in accordance with the order of the commission authorizing it is void.

Article 6. Transfer or Encumbrance of Utility Property

Selling, leasing, etc., of utilities

851. No public utility shall sell, lease, assign, mortgage, or otherwise dispose of or encumber the whole or any part of its railroad, street railroad, line, plant, system, or other property necessary or useful in the performance of its duties to the public, or any franchise or permit or any right thereunder, nor by any means whatsoever, directly or indirectly, merge or consolidate its railroad, street railroad, line, plant, system, or other property, or franchises or permits or any part thereof, with any other public utility, without first having secured from the commission an order authorizing it so to do. Every such sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation made other than in accordance with the order of the commission authorizing it is void. The permission and approval of the commission to the exercise of a franchise or permit under Article 1 of Chapter 5 of this part, or the sale, lease, assignment, mortgage, or other disposition or encumbrance of a franchise or permit under this article shall not revive or validate any lapsed or invalid franchise or permit, or enlarge or add to the powers or privileges contained in the grant of any franchise or permit, or waive any forfeiture.

Nothing in this section shall prevent the sale, lease, encumbrance or other disposition by any public utility of property which is not necessary or useful in the performance of its duties to the public, and any disposition of property by a public utility shall be conclusively presumed to be of property which is not useful or necessary in the performance of its duties to the public, as to any purchaser, lessee or encumbrancer dealing with such property in good faith for value.

(Amended by Stats. 1951, Ch. 402.)

[ORIGINAL SECTION]

851 No public utility shall sell, lease, assign, mortgage, or otherwise dispose of or encumber the whole or any part of its railroad, street railroad, line, plant, system, or other property necessary or useful in the performance of its duties to the public, or any franchise or permit or any right thereunder, nor by any means whatsoever, directly or indirectly, merge or consolidate its railroad, street railroad, line, plant, system, or other property, or franchises or permits or any part thereof, with any other public utility, without first having secured from the commission an order authorizing it so to do. Every such sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation made other than in accordance with the order of the commission authorizing it is void. The permission and approval of the commission to the exercise of a franchise or permit under Article 1 of Chapter 5 of this part, or the sale, lease, assignment, mortgage, or other disposition or encumbrance of a franchise or permit under this article shall not revive or validate any lapsed or invalid franchise or permit, or enlarge or add to the powers or privileges contained in the grant of any franchise or permit, or waive any forfeiture

Nothing in this section shall prevent the sale, lease, or other disposition by any public utility of property which is not necessary or useful in the performance of its duties to the public, and any property sold by a public

utility shall be conclusively presumed to be property which is not useful or necessary in the performance of its duties to the public, as to any purchaser of such property in good faith for value.

Acquisition of stock of another utility

852. No public utility shall purchase or acquire, take or hold, any part of the capital stock of any other public utility, organized or existing under or by virtue of the laws of this State, without having been first authorized to do so by the commission. Every assignment, transfer, contract, or agreement for assignment or transfer of any stock by or through any person or corporation to any corporation or otherwise in violation of any of the provisions of this article is void and of no effect, and no such transfer shall be made on the books of any public utility. Nothing herein contained shall prevent the holding of stock heretofore lawfully acquired.

Exemptions, etc

853. The provisions of Sections 851 and 852 shall not apply to any person or corporation which transacts no business subject to regulation under this part, except performing services or delivering commodities for or to public utilities or municipal or other public corporations primarily for resale or use in serving the public or any portion thereof but shall nevertheless apply to any public utility if the commission finds, in a proceeding to which the public utility is or may become a party, that the application thereof is required by the public interest. The commission may from time to time by order or rule and subject to such terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from the provisions of Sections 851 and 852 if it finds that the application thereof with respect to such public utility or class of public utility is not necessary in the public interest.

CHAPTER 5. CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

Article 1. Specified Utilities

Certificate required

1001. No railroad corporation whose railroad is operated primarily by electric energy, street railroad corporation, gas corporation, electrical corporation, telegraph corporation, telephone corporation, or water corporation shall begin the construction of a street railroad, or of a line, plant, or system, or of any extension thereof, without having first obtained from the commission a certificate that the present or future public convenience and necessity require or will require such construction.

This article shall not be construed to require any such corporation to secure such certificate for an extension within any city or city and county within which it has theretofore lawfully commenced operations, or for an extension into territory either within or without a city or city and county contiguous to its street railroad, or line, plant, or system, and not theretofore served by a public utility of like character, or for an extension within or to territory already served by it, necessary in the

ordinary course of its business. If any public utility, in constructing or extending its line, plant, or system, interferes or is about to interfere with the operation of the line, plant, or system of any other public utility, already constructed, the commission, on complaint of the public utility claiming to be injuriously affected, may, after hearing, make such order and prescribe such terms and conditions for the location of the lines, plants, or systems affected as to it may seem just and reasonable.

Same

1002. No public utility of a class specified in Section 1001 shall henceforth exercise any right or privilege under any franchise or permit hereafter granted, or under any franchise or permit heretofore granted but not heretofore actually exercised, or the exercise of which has been suspended for more than one year, without first having obtained from the commission a certificate that public convenience and necessity require the exercise of such right or privilege. This section shall not validate any right or privilege now invalid or hereafter becoming invalid under any law of this State.

Preliminary order

1003. If a public utility desires to exercise a right or privilege under a franchise or permit which it contemplates securing, but which has not as yet been granted to it, such public utility may apply to the commission for an order preliminary to the issue of the certificate. The commission may thereupon make an order declaring that it will, upon application, under such rules as it prescribes, issue the desired certificate upon such terms and conditions as it designates, after the public utility has obtained the contemplated franchise or permit. Upon the presentation to the commission of evidence satisfactory to it that the franchise or permit has been secured by the public utility, the commission shall issue the certificate.

Articles, etc., to be filed

1004. Before any certificate may issue, under this article, a certified copy of its articles of incorporation or charter, if the applicant is a corporation, shall be filed in the office of the commission. Every applicant for a certificate shall file in the office of the commission such evidence as is required by the commission to show that the applicant has received the required consent, franchise, or permit of the proper county, city and county, city, or other public authority.

Hearing and order

1005. The commission may, after hearing, issue the certificate as prayed for, or refuse to issue it, or issue it for the construction of a portion only of the contemplated street railroad line, plant, or system, or extension thereof, or for the partial exercise only of the right or privilege, and may attach to the exercise of the rights granted by the certificate such terms and conditions, including provisions for the acquisition by the public of the franchise or permit and all rights acquired thereunder and all works constructed or maintained by authority thereof, as in its judgment the public convenience and necessity requires.

Complaint of violation

1006. When a complaint has been filed with the commission alleging that a public utility of the class specified in Section

1001 is engaged or is about to engage in construction work without having secured from the commission a certificate of public convenience and necessity as required by this article, the commission may, with or without notice, make its order requiring the public utility complained of to cease and desist from such construction until the commission makes and files its decision on the complaint or until the further order of the commission.

Vessels

1007. No corporation or person shall begin to operate or cause to be operated any vessel for the transportation of persons or property, for compensation, between points in this State, without first having obtained from the commission a certificate declaring that public convenience and necessity require such operation, but no such certificate shall be required as to termini between which any such corporation or person is lawfully operating vessels in good faith under this part as it existed prior to August 17, 1923, under tariffs and schedules of such corporations or persons, lawfully on file with the commission Every applicant for such a certificate shall file in the office of the commission application and evidence in the form required by the commission. The commission may, after hearing, issue the certificate as prayed for, or refuse to issue it, or issue it for the partial exercise only of the privilege sought, or issue it for operation between certain points only, and may attach to the exercise of the rights granted by the certificate such terms and conditions as, in its judgment, the public convenience and necessity require.

Ports, port districts, etc.

1008. Any municipal corporation or port district operating or maintaining a port may apply to the commission for the issuance of a certificate of convenience and necessity to require any person or corporation operating vessels between points in this State, to serve that port. The commission may, after hearing, issue the certificate as prayed for, or refuse to issue it, or issue it for the partial exercise of the rights granted by any such certificate, upon such terms and conditions as in its judgment the public convenience and necessity require, and upon making the order the person or corporation to which the certificate is issued, shall be compelled to perform the service.

Vessels Transfer of rights, etc

1009. Any right, privilege, franchise, or permit held, owned or obtained by any person or corporation for the operation of vessels between points in this State may be sold, assigned, leased, transferred, or inherited as other property, only upon authorization by the commission. The commission may at any time for a good cause suspend, and upon notice to the grantee of any certificate or operative right and opportunity to be heard revoke, alter, or amend any certificate or operative right issued or existing under the provisions of Sections 1007 or 1008.

Express corporations and freight forwarders

1010. No express corporation or freight forwarder shall after August 1, 1933, commence operating between points in this State or extend its operations to or from any point or points in this State not theretofore served by it, unless and until it first secures from the commission, upon formal application

therefor, a certificate that public convenience and necessity require such operation. The commission may, with or without hearing, issue such certificate, or refuse to issue it, or issue it for the partial exercise only of the privilege sought, and may attach to its order granting the certificate such terms and conditions as, in its judgment, the public convenience and necessity require. The commission may at any time, for good cause shown and upon notice to the holder of any such certificate, revoke, alter, or amend any such certificate.

Scope of article

1011. The provisions of this article are enacted under the State's reserved power over public utilities or corporations, or both, as the case may be, for the purpose of acting on the right of the grantee of a public utility franchise granted by a city, county, or city and county, to exercise rights thereunder, and not for the purpose of acting on the right of any city or city and county to grant any such franchise. The Legislature hereby declares that the provisions of this article shall remain in full force and effect concurrently with the right of any city or city and county to grant franchises for public utilities upon the terms and conditions and in the manner prescribed by law.

Article 2. Passenger Stage Corporations

Certificate required

1031. No passenger stage corporation shall operate or cause to be operated any passenger stage over any public highway in this State without first having obtained from the commission a certificate declaring that public convenience and necessity require such operation, but no such certificate shall be required of any passenger stage corporation as to the fixed termini between which, or the route over which, it was actually operating in good faith on July 29, 1927, in compliance with the provisions of Chapter 213, Statutes of 1917, nor shall any such certificate be required of any person or corporation who on January 1, 1927, was operating, or during the calendar year 1926 had operated a seasonal service of not less than three consecutive months' duration, sight-seeing buses on a continuous sight-seeing trip with one terminus only. Any right, privilege, franchise, or permit held, owned, or obtained by any passenger stage corporation may be sold, assigned, leased, mortgaged, transferred, inherited, or otherwise encumbered as other property, only upon authorization by the commission.

Application, disposition

1032. Every applicant for a certificate shall file in the office of the commission an application therefor in the form required by the commission. The commission may, with or without hearing, issue the certificate as prayed for, or refuse to issue it, or issue it for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted by the certificate such terms and conditions as, in its judgment, the public convenience and necessity require. The commission may, after hearing, issue a certificate to operate in a territory already served by a certificate holder under this part only when the existing passenger stage corporation or corporations serving

such territory will not provide such service to the satisfaction of the commission.

City, county permit, etc Conflict

1033. The commission, in the exercise of the jurisdiction conferred upon it by the Constitution of this State and by this part, may grant certificates of public convenience and necessity, make decisions and orders, and prescribe rules affecting passenger stage corporations, notwithstanding the provisions of any ordinance or permit of any city, county, or city and county, and in case of conflict between any such order or rule and any such ordinance or permit, the certificate, decision, order, or rule of the commission shall prevail.

Complaint of violation

1034. When a complaint has been filed with the commission alleging that any passenger stage is being operated without a certificate of public convenience and necessity, contrary to or in violation of the provisions of this part, the commission may, with or without notice, make its order requiring the corporation or person operating or managing such passenger stage, to cease and desist from such operation, until the commission makes and files its decision on the complaint, or until further order of the commission.

Finding of commission Finality

1035. Whether or not any stage, auto stage, or other motor vehicle is being, or is proposed to be operated as a passenger stage corporation "between fixed termini or over a regular route" within the meaning of this part is a question of fact, and the finding of the commission thereon is final and is not subject to review. Any act of transporting or attempting to transport any person or persons by stage, auto stage, or other motor vehicle upon a public highway of this State between two or more points not both within the limits of a single city or city and county, where the rate, charge, or fare for such transportation is computed, collected, or demanded on an individual fare basis, shall be presumed to be an act of operating as a passenger stage corporation within the meaning of this part.

Fee

1036. Each application for a certificate of public convenience and necessity made under the provisions of this article shall be accompanied by a fee of fifty dollars ($50), unless the applicant is already operating in the immediate vicinity under the jurisdiction of the commission.

Penalty

1037. Every passenger stage corporation which violates any provision of this article, or aids or abets, or without being present advises or encourages any person or corporation in such violation, is guilty of a misdemeanor and, upon conviction thereof, if a person, shall be punished by a fine not exceeding five hundred dollars ($500) or by imprisonment in a county jail for a term not to exceed six months, or by both such fine and imprisonment, or, if a corporation, shall be punished by a fine not to exceed five hundred dollars ($500).

Article 3. Warehousemen

Certificate required

1051. No warehouseman shall begin to operate any business of a warehouseman, as defined in subdivision (b) of Section

239, in any city or city and county of this State having a population of 150,000 or more, without first having obtained from the commission a certificate declaring that public convenience and necessity require or will require the transaction of business by such warehouseman. No such warehouseman shall add to, extend, or otherwise increase his storage or warehouse floor space by more than 50,000 square feet in any such city or city and county, without first having obtained from the commission a certificate declaring that public convenience and necessity require or will require such addition or extension or increase of such storage or warehouse floor space, except that any warehouseman may without securing such certificate, extend or increase his storage or warehouse floor space for the sole and exclusive purpose of storing therein the goods, wares, and merchandise owned by the lessor or owner of the building or premises in which the additional or increased storage or warehouse floor space is situated.

Exception

1052. No such certificate shall be required by any warehouseman as to storage or warehouse space actually operated in good faith on August 2, 1927, under tariffs and schedules of such warehouseman lawfully on file with the commission.

Transfer

Any right, privilege, franchise, or permit held, owned, or obtained by any warehouseman may be sold, assigned, leased, transferred, or inherited as other property, only upon authorization by the commission. The commission may, with or without hearing, issue the certificate as prayed for, or refuse to issue it, or issue it for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted by the certificate such terms and conditions, as in its judgment, the public convenience and necessity requires

Suspension, revocation, etc.

1053. The commission may at any time for a good cause suspend and, upon notice to the grantee of any certificate and opportunity to be heard, revoke, alter, or amend any certificate issued under this article.

Complaint of violation

1054. When a complaint has been filed with the commission alleging that any warehouseman is operating any storage or warehouse floor space without a certificate of public necessity and convenience, as required by this article, the commission may, with or without notice, make its order requiring the warehouseman to cease and desist from such operation, until the commission makes and files its decision on the complaint, or until further order of the commission

Article 4. Highway Common Carriers and Petroleum Irregular Route Carriers

Carriers subject to regulation

1061. No highway common carrier, or petroleum irregular route carrier, shall operate or cause to be operated any auto truck, or other self-propelled vehicle not operated on rails, for the transportation of property as a common carrier for compensation on any public highway in this State except in accordance with the provisions of this part

Powers of commission

1062. The commission may:

(a) Supervise and regulate every highway common carrier and petroleum irregular route carrier in this State.

(b) Fix the rates, fares, charges, classifications, and rules of each such carrier.

(c) Regulate the accounts, service, and safety of operations of each such carrier, and require the filing of annual and other reports and of other data by such carriers.

(d) Supervise and regulate such carriers in all other matters affecting the relationship between them and the shipping public.

The commission, by general order or otherwise, may prescribe rules applicable to any and all highway common carriers and petroleum irregular route carriers The commission, in the exercise of the jurisdiction conferred upon it by the Constitution of this State and by this part, may make orders and prescribe rules affecting highway common carriers and petroleum irregular route carriers, notwithstanding the provisions of any ordinance or permit of any city, city and county, or county, and in case of conflict between any such order or rule and any such ordinance or permit, the order or rule of the commission shall prevail.

Certificate required

1063. No highway common carrier, or petroleum irregular route carrier, shall begin to operate any auto truck, or other self-propelled vehicle, for the transportation of property for compensation on any public highway in this State without first having obtained from the commission a certificate declaring that public convenience and necessity require such operation. No such certificate shall be required of any highway common carrier as to the fixed termini between which or the route over which it was actually operating as a highway common carrier on July 26, 1917, and in good faith continuously thereafter, or for operations exclusively within the limits of a city or city and county, or for the performance of pickup, delivery, or transfer services by such carrier within such carrier's lawfully published pickup and delivery zones insofar as such pickup and delivery limits do not include territory in excess of three miles from the corporate limits of any city or three miles from the post office of any unincorporated point. Any right, privilege, franchise, or permit held, owned, or obtained by any highway common carrier, or petroleum irregular route carrier, may be sold, leased, transferred, or inherited as other property, only upon authorization by the commission.

Transfer of right, etc

Disposition of application

1064. The commission may, with or without hearing, issue the certificate as prayed for, or refuse to issue it, or issue it for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted by the certificate such terms and conditions as, in its judgment, the public convenience and necessity require.

Combining, etc., of certificates or operative rights

1065. Without the express approval of the commission, no certificate of public convenience and necessity issued to one highway common carrier, or petroleum irregular route carrier,

under the provisions of this article, or heretofore issued by the commission to one highway common carrier, or petroleum irregular route carrier, for the transportation of property by auto truck or self-propelled vehicle, nor any operative right of one highway common carrier, or petroleum irregular route carrier, founded upon operations actually conducted in good faith on July 26, 1917, shall be combined, united, or consolidated with another such certificate or operative right issued to or possessed by another such carrier, so as to permit through service between any point or points served by one highway common carrier, or petroleum irregular route carrier, on the one hand, and any point or points served by another such carrier, on the other hand.

Through routes or joint, etc., rates

1066. Without the express approval of the commission no through route or joint, through, combination, or proportional rate shall be established by one highway common carrier, or petroleum irregular route carrier, between any point or points which it serves, on the one hand, and any point or points served by another such carrier, on the other hand. Unless prohibited by the terms and conditions of any certificate that may be involved, any one highway common carrier, or petroleum irregular route carrier, may establish through routes and joint rates, charges, and classifications between any and all points served by it under any and all certificates or operative rights issued to or possessed by it.

(Amended by Stats. 1951, Ch. 1493.)

[ORIGINAL SECTION]

1066. Without the express approval of the commission no through route or joint, through, combination, or proportional rate shall be established by one highway common carrier, or petroleum irregular route carrier, *between any point or points which it serves, on the one hand, and any point* or points served by another such carrier, on the other hand. Any one highway common carrier, or petroleum irregular route carrier, may establish through routes and joint rates, charges, and classifications between any and all points served by it under any and all certificates or operative rights issued to or possessed by it.

Certificate required

1067. No petroleum irregular route carrier shall engage in any operation on any public highway in this State unless there is in force a certificate of public convenience and necessity issued by the commission, authorizing such operations.

Transportation of petroleum or petroleum products

1068. The transportation of petroleum or of petroleum products in any tank-truck or trailer for compensation over any public highway in this State is a highly specialized type of truck transportation. The provisions of this article relating thereto have been enacted for the limited purpose of providing necessary regulation for that specialized type of truck transportation only, and are not to be construed for any purpose as a precedent for the extension of such regulation to any other type of truck transportation not presently so restricted.

Application Form

1069. An applicant shall submit his written verified application to the commission. The application shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as the commission requires.

Suspension, revocation, etc

1070. The commission may at any time for a good cause suspend, and upon notice to the holder of an operating right acquired by virtue of operations conducted on July 26, 1917, or to the grantee of any certificate, and opportunity to be heard, revoke, alter, or amend any such operative right or certificate.

Complaint of violation

1071. When a complaint has been filed with the commission alleging that any vehicle is being operated without a certificate of public convenience and necessity, as required by this part, or when the commission has reason to believe that this part is being violated, the commission shall investigate such operations and may, after a hearing, make its order requiring the owner or operator of the vehicle to cease and desist from any operation in violation of this part. The commission shall enforce compliance with such order under the powers vested in the commission by law.

Finding of commission Review

1072. Whether or not any auto truck or other self-propelled vehicle is operated by a highway common carrier "between fixed termini or over a regular route" within the meaning of this part is a question of fact, and the findings of the commission thereon are subject to review.

Cargo insurance

1073. The commission may, upon its own motion, or upon application of any interested party, and after hearing, require any highway common carrier or petroleum irregular route carrier to procure and maintain cargo insurance in such amounts and upon such terms as the commission may determine.

(Added by Stats. 1951, Ch. 881.)

CHAPTER 6. RAILROAD CROSSINGS

Permission to construct

1201. No public road, highway, or street shall be constructed across the track of any railroad corporation at grade, nor shall the track of any railroad corporation be constructed across a public road, highway, or street at grade, nor shall the track of any railroad corporation be constructed across the track of any other railroad or street railroad corporation at grade, nor shall the track of a street railroad corporation be constructed across the track of a railroad corporation at grade, without having first secured the permission of the commission. This section shall not apply to the replacement of lawfully existing tracks. The commission may refuse its permission or grant it upon such terms and conditions as it prescribes.

Powers of commission

1202. The commission has the exclusive power:

(a) To determine and prescribe the manner, including the particular point of crossing, and the terms of installation, operation, maintenance, use, and protection of each crossing of one railroad by another railroad or street railroad, and of a street railroad by a railroad, and of each crossing of a public or publicly used road or highway by a railroad or street railroad, and of a street by a railroad or vice versa, subject to the provisions of Sections 1121 to 1127, inclusive, of the Streets and Highways Code so far as applicable.

(b) To alter, relocate, or abolish by physical closing any such crossing heretofore or hereafter established.

(c) To require, where in its judgment it would be practicable, a separation of grades at any such crossing heretofore or hereafter established and to prescribe the terms upon which such separation shall be made and the proportions in which the expense of the construction, alteration, relocation, or abolition of such crossings or the separation of such grades shall be divided between the railroad or street railroad corporations affected or between such corporations and the State, county, city, or other political subdivision affected.

Payment of expense

1203. Each corporation and political subdivision to which any of the expense is apportioned shall pay from the funds available therefor in its treasury the amount apportioned to it at the time and to the parties specified by the order of the commission. If that amount is not so paid the corporation or political subdivision entitled thereto under the order may sue therefor in any court of competent jurisdiction. If no such funds are available the appropriate boards, officers, and employees intrusted with the levy and collection of the taxes or assessments of such political subdivision shall do all acts necessary to include in the next succeeding tax or assessment levy the amount due and shall collect that amount, whereupon the amount due shall be paid in accordance with the commission's order. The commission may by order designate the State, certain of the corporations, and political subdivisions affected, to do all or specified portions of the acts required by any order of the commission made under the provisions of Sections 1202 to 1205, inclusive, and may prescribe the manner and the time within which the parties so designated shall be paid or reimbursed by the other corporations, the State, and political subdivisions among which the expense of the work has been apportioned by the commission.

Assessments against districts

1204. If the legislative body of the political subdivision determines that special benefits will accrue from the separation of grades to one or more districts within the political subdivision, and has made a finding to that effect and that the cost thereof, other than the portion to be paid by the railroad, interurban railroad, or street railroad involved, should be paid by such district or partly by the district and partly by the political subdivision, the commission may provide that such proportion of the total cost of the separation of grades, including the acquisition of property and the damage to property or an interest therein, as is not payable by the owners of the railroad, interurban railroad, or street railroad involved, may be assessed upon the district or that a part thereof may be paid by the district and a part by the political subdivision in accordance with the finding of the legislative body of the latter. The commission may provide that the physical work of making the grade separation as well as the proceedings for letting contracts therefor, collecting and enforcing the assessments, and making payment for damages and for the acquisition of property shall be done through the agency of the political subdivision in accordance

with law. The order of the commission shall authorize the officers of the political subdivision to enter upon so much of the right of way of the railroad, interurban railroad, or street railroad as is necessary to effect the physical grade separation.

Modification of order

1205. If any order of the commission provides for the payment of a portion of the cost of any such grade separation by a political subdivision without authorizing the assessment of all or any part thereof upon a benefited district, the legislative body of the political subdivision may at any time thereafter apply to the commission to have the order modified in accordance with any finding made by the legislative body, and the commission may thereupon make a new or modified order in the same manner as if such application had been made to it before the making of the order.

Power to fix just compensation

1206. The commission may fix the just compensation to be paid for property or any interest in or to property to be taken or damaged in the separation of grades at any crossing specified in Section 1202, or for property or any interest in or to property to be taken or damaged in the construction, alteration, or relocation, under the order or with the approval of the commission, of elevated tracks or subways for any railroad or street railroad over or under any public road, street, highway, or private right of way, or of any public road, street, or highway over or under the tracks of any railroad corporation or street railroad corporation, and upon the payment of the compensation so fixed may make a final order of condemnation.

Same Commencement of proceedings

1207. Proceedings under Section 1206 may be commenced by order on the commission's own motion or by a petition filed by the State, county, city and county, city, political subdivision, railroad corporation, or street railroad corporation affected. Any such proceeding may be made a part of any proceeding commenced under Sections 1202 to 1205, inclusive.

The petition shall set forth the name and interest of the petitioner. The order on the commission's own motion and the petition shall set forth (a) a statement of the purpose of the proceedings and the use for which property or interest in or to property is sought to be taken, (b) a description of each piece of land or other property or interest in or to property sought to be taken, and whether it includes the whole or only a part of an entire parcel or tract or piece of property or interest in or to property, and (c) the names and addresses of all owners and claimants thereof, if known, or a statement that they are unknown, and a statement of each railroad corporation, the State and political subdivision which in the opinion of the commission or the petitioner has an interest in the proceeding.

The petition shall pray (a) that the commission fix the just compensation to be paid for the acquisition of or damage to the property and interest in or to property specified in the petition, (b) that the commission designate the party or parties to the proceeding who shall pay such compensation and the owners and claimants of the property and interest in or to property condemned to whom such compensation shall be paid,

and (c) that the commission make its final order of condemnation. When the proceeding is commenced by order on the commission's own motion such matters shall be included in the statement of the purpose of the proceeding.

The petition shall be verified. At the time it is filed with the commission the petitioner shall also file additional copies thereof equal in number to three more than the number of owners and claimants named in the petition.

Same
Order to show cause

1208. Upon the filing of the petition or the making of the order on the commission's own motion, the commission shall make its order to show cause. The order shall (a) specify the nature of the proceeding, (b) contain a general description of the property and interest to be condemned, and (c) direct the owners and claimants and the railroad corporations, street railroad corporations, and governmental authorities in interest named in the petition or order on the commission's own motion, who shall also be named in the order to show cause, to appear before the commission at a time and place specified in the order, to show cause, if any they have, why the commission should not proceed after hearing to fix the just compensation to be paid for the acquisition of or damage to the specified property and interest, to designate the party or parties to the proceeding who shall pay such compensation and the owners and claimants to whom such compensation shall be paid, and to make its final order of condemnation.

The order to show cause shall direct the secretary of the commission to serve or cause to be served upon each owner and claimant, railroad corporation, street railroad corporation, and governmental authority in interest a copy of the order certified under the seal of the commission to which shall be attached a copy of the petition or order on the commission's own motion.

When the proceeding is commenced by order on the commission's own motion the order to show cause may be incorporated in the order on the commission's own motion.

Service of order

1209. Personal service shall be made in accordance with the provisions of the Code of Civil Procedure or by depositing a copy of the order to show cause certified under seal of the commission with a copy of the petition or order on the commission's own motion attached thereto or made a part thereof in the United States mail, enclosed in a sealed envelope, registered, with postage prepaid, addressed to the party to be served.

Service by publication, etc

1210. If any owner or claimant named in the petition or order on the commission's own motion resides out of the State or has departed from the State or cannot after due diligence be found within the State, or conceals himself to avoid service, or is a corporation having no managing or business agent, cashier or secretary or other officer upon whom summons may be served, who, after due diligence, can be found within the State, and the fact appears by affidavit to the satisfaction of the commission, and it also appears by such affidavit or by the petition or order on the commission's own motion that a cause

of action exists against such owner or claimant on whom service is to be made and that he is a necessary or proper party to the proceeding, the commission may make an order that the service be made on such owner or claimant by publication of the commission's order to show cause. The order shall direct that the publication be made in a newspaper designated by the commission as likely to give notice to the owner or claimant to be served, and for such time as the commission finds to be reasonable, at least once a week, but publication against an owner or claimant residing out of the State or absent therefrom shall not be less than two months.

If the address of any owner or claimant as stated in the petition or order on the commission's own motion is out of the State, the secretary of the commission shall, within 15 days after the making and filing of the order to show cause, deposit or cause to be deposited a copy of that order, certified under the seal of the commission, with a copy of the petition or order on the commission's own motion attached thereto or made part thereof, in the United States mail, enclosed in a sealed envelope, registered, with postage prepaid, addressed to such owner or claimant at the address specified in the petition or order on the commission's own motion. Personal service of a copy of the order to show cause and of the petition or order on the commission's own motion out of the State is equivalent to publication and deposit in the United States mail.

Notice of hearing

1211. Within 10 days prior to the time set for the first hearing on the petition or order on the commission's own motion, which time shall be not less than 30 days after the filing of the petition or the making of that order, the secretary shall serve or cause to be served upon the petitioner a written notice, specifying the time and place of the hearing. In all respects not in this chapter otherwise provided, service and the proof of service shall be made as provided by the Code of Civil Procedure. Upon the completion of service upon the petitioner or upon any party in interest named in the petition or order, the commission shall have full and complete jurisdiction insofar as such petitioner or party in interest is concerned, to make each finding referred to in this chapter, to fix the just compensation to be paid for the acquisition of or damage to any property or interest therein specified in the petition or order, to designate the party or parties to the proceeding who shall pay such compensation and the owner or claimant to whom such compensation shall be paid, and to make its final order of condemnation. The failure to make service upon any person alleging that he is an owner or claimant or party in interest but not named in the petition or order or to acquire jurisdiction over such person shall in no way affect the jurisdiction of the commission over owners and claimants and parties in interest on whom service has been made.

Amendment of petition or order

1212. The commission at any time subsequent to the filing of the petition, and prior to making and filing its finding of just compensation, may authorize the amendment of the petition, or in case the proceeding is by order on the commission's

own motion may amend the order, by altering or modifying the description of the property or interest therein, or by adding to or deducting from the property or interest therein, or by bringing in any additional party or parties, or in any other respect including jurisdictional allegations.

Hearing and finding

1213. At the time and place specified in the order to show cause, or at such other time and place as, for good cause, is otherwise ordered by the commission, the commission shall proceed to a hearing upon the petition or order on the commission's own motion. When the proceeding has been submitted the commission shall make and file its finding upon the question whether the use to which the property or interest therein is to be applied is a use authorized by law and whether the taking is necessary to such use, and shall make and file its written finding fixing the just compensation to be paid for the property or interest. If the commission finds that severance damages should be paid, the just compensation for such damages shall be found and stated separately. The just compensation shall be fixed by the commission as of the day on which the petition was filed or the order on the commission's own motion was made.

Order re payment

1214. The commission shall also make its order designating the party or parties to the proceeding who shall pay the just compensation so fixed, or any portion thereof, the amounts in which it shall be paid, the times at which it shall be paid, the property or interest therein for which it shall be paid, and the owners and claimants of such property or interest to whom it shall be paid. The commission may prescribe any other terms or conditions with reference to the payment of such compensation as the commission deems proper, including a provision that the money due be paid to the commission to be distributed to the parties entitled thereto.

The party or parties whom the commission designates to pay such compensation or any part thereof are thereupon liable therefor, and may be sued in any court of competent jurisdiction by the party or parties entitled to such compensation as provided in the commission's order. In cases in which the order of the commission authorizing any work to be done under the provisions of this chapter is permissive in character and not mandatory, the commission may prescribe the time within which the party receiving such permission shall elect to proceed and notify the commission thereof, and only in the event such party elects to proceed and so notifies the commission shall any liability arise to pay the compensation or any part thereof under the provisions of this section. When any political subdivision of the State is designated by the commission to pay such compensation or any portion thereof it shall be collectible in the manner provided in Section 1203 for the collection of expenses apportioned by the commission to political subdivisions of the State.

Final order of condemnation

1215. When the just compensation has been paid in accordance with the commission's order, the commission shall make its final order of condemnation which shall describe the

property or interest therein condemned and the purpose of such condemnation. A copy of the order certified under the seal of the commission shall thereupon be filed in the office of the recorder of the county in which the property described is situated, and thereupon the property or interest in or to property described therein shall vest in the parties and for the purposes specified in the order.

Finding of commission. Finality, rehearing, review

1216. The finding of the commission on the question of the necessity for the taking and the finding fixing the just compensation to be paid for any property or interest in or to property under the provisions of Sections 1206 to 1216, inclusive, are final and shall not be subject to modification, alteration, reversal, or review by any court of this State. The provisions of this part with reference to rehearing and review shall be applicable to the findings of the commission made and filed under the provisions of this chapter. Petitions for rehearing shall be filed within 20 days from the date of making and filing the finding as to which a rehearing is desired. If a finding of the commission made and filed under the provisions of this chapter is set aside by the Supreme Court of the State of California, the matter shall be referred back to the commission for further action in a proceeding before the commission, and the commission shall have the right, on taking further action, to consider the entire testimony theretofore taken in the proceeding before the commission as well as such further testimony, if any, as may be presented in connection with such further action.

Alternative procedure

1217. The procedure provided in this chapter shall be alternative and cumulative and not exclusive to the right to pursue any other procedure providing for the acquisition under eminent domain proceedings of property or interest in or to property.

Right to damages

1218. Nothing in this chapter shall entitle any owner or claimant of property and interest in or to property to receive damages when the right to receive such damages does not exist under the laws of this State apart from the provisions of this chapter.

Germane to jurisdiction

1219. The Legislature declares that Sections 1201 to 1205, inclusive, are enacted as germane and cognate parts of and as aids to the jurisdiction vested in the commission for the supervision, regulation, and control of railroad and street railroad corporations in this State, and the Legislature further declares that the authority and jurisdiction thus vested in the commission involve matters of state-wide importance and concern and have been enacted in aid of the health, safety, and welfare of the people of this State.

Same

1220. The Legislature declares that Sections 1206 to 1218, inclusive, are enacted as a germane and cognate part of and as an aid to the jurisdiction of the commission in the supervision and regulation of railroad and street railroad corporations.

CHAPTER 7. VALUATION OF PUBLIC UTILITY PROPERTIES

Valuation by commission

1351. The commission may ascertain for each purpose specified in this part, the value of the property of every public utility in this State and every fact and element of value which in its judgment may or does have any bearing on such value. The commission may make revaluations from time to time and ascertain the value of all additions, betterments, extensions, and new construction to the property of every public utility.

Hearing, notice

1352. For the purpose of ascertaining the matters and things specified in Section 1351, the commission may cause a hearing to be held at such time and place as it may designate. Before any hearing is had, the commission shall give the public utility affected thereby at least 30 days' written notice, specifying the time and place of the hearing, and such notice shall be sufficient to authorize the commission to inquire into the matters designated in Sections 1351 to 1354, inclusive, but this provision shall not prevent the commission from making any preliminary examination or investigation into those matters. All public utilities affected shall be entitled to be heard and may introduce evidence at such hearing. The evidence introduced at such hearing shall be reduced to writing and certified under the seal of the commission.

Findings of fact

1353. The commission may make and file its written findings of fact upon such matters concerning which evidence has been introduced before it as, in its judgment, have bearing on the value of the property of the public utility affected. Such findings shall be subject to review by the Supreme Court of this State in the same manner and within the same time as other orders and decisions of the commission. The findings of the commission so made and filed, when certified under the seal of the commission, shall be admissible in evidence in any action, proceeding, or hearing before the commission or any court in which the commission, the State, or any officer, department, or institution thereof, or any county, city and county, city, or other body politic and the public utility affected may be interested, whether arising under the provisions of this part, or otherwise. Such findings, when so introduced, shall be conclusive evidence of the facts therein stated as of the date therein stated under conditions then existing, and such facts can only be controverted by showing a subsequent change in conditions bearing upon the facts therein determined.

Revaluations, etc

1354. The commission may, from time to time, cause further hearings and investigations to be had for the purpose of making revaluations or ascertaining the value of any additions, betterments, extensions, and new construction made by any public utility subsequent to any prior hearing or investigation, and may examine into all matters which may change, modify, or affect any finding of fact previously made, and may at such time make findings of fact supplementary to those theretofore made. Such hearings shall be had upon the same notice, and be conducted in the same manner, and the findings so made shall

have the same force and effect as is provided in this chapter for original notice, hearing, and findings. Findings made at such supplemental hearings or investigations shall be considered in connection with and as a part of the original findings, except insofar as such supplemental findings change or modify the findings made at the original hearing or investigation.

CHAPTER 8. DETERMINATION OF JUST COMPENSATION FOR ACQUISITION OF UTILITY PROPERTIES

"Lands, property, and rights"

1401. As used in this chapter, "lands, property, and rights" includes a part or portion thereof.

"Political subdivision"

1402. As used in this chapter, "political subdivision" means a county, city and county, city, municipal water district, county water district, irrigation district, public utility district, or any other public corporation.

Proceedings to acquire public utility

1403. Any political subdivision may, at any time, file with the commission either a petition of the first class, setting forth the intention of the political subdivision to acquire under eminent domain proceedings, or otherwise, the lands, property, and rights of any character whatsoever of any public utility or a petition of the second class, setting forth the intention of the political subdivision to initiate such proceedings as may be required under the law governing the political subdivision for the purpose of submitting to the voters of the political subdivision a proposition to acquire under eminent domain proceedings, or otherwise, the lands, property, and rights of any character whatsoever of any public utility.

Petition

1404. Each such petition shall contain the name of the political subdivision appearing as petitioner therein, a description of the lands, property, and rights which the political subdivision intends to acquire, and the names and addresses of all owners and claimants thereof, including each trustee and mortgagee under each deed of trust and mortgage, if known, or a statement that they are unknown. The petition shall pray that the commisison fix the just compensation which shall be paid by the political subdivision, under the law, for such lands, property, and rights. The petition shall be signed in the name of the political subdivision and verified by the chairman or other presiding officer or by the secretary or clerk of the legislative or other governing body of the political subdivision. At the time the petition is filed, the petitioner shall also file with the commission additional copies thereof equivalent in number to three more than the number of owners and claimants named in the petition.

Order to show cause

1405. Upon the filing of the petition the commission shall make its order to show cause. The order shall specify the nature of the proceeding, contain a general description of the lands, property, and rights which petitioner desires to acquire by condemnation or otherwise, and direct the owners and claimants named in the petition, who shall also be named in the order, to appear before the commission at a time and place specified in the

order, to show cause, if any they have, why the commission should not proceed to hear the petition and to fix the just compensation to be paid for the lands, property, and rights.

The order shall direct the secretary of the commission to serve or cause to be served upon each owner and claimant a copy of the order certified under the seal of the commission to which shall be attached a copy of the petition.

Same Service

1406. Service of the order to show cause shall be made in accordance with the provisions of the Code of Civil Procedure or by depositing a copy of the order to show cause certified under the seal of the commission with a copy of the petition attached thereto, in the United States mail, enclosed in a sealed envelope, registered, with postage prepaid, addressed to each of the owners or claimants, at the address specified in the petition.

Same Publication

1407. If any owner or claimant named in the petition resides out of the State or has departed from the State or cannot after due diligence be found within the State, or conceals himself to avoid service, or is a corporation having no managing or business agent, cashier or secretary or other officer upon whom summons may be served, who, after due diligence, can be found within the State, and the fact appears by affidavit to the satisfaction of the commission, and it also appears by such affidavit or by the petition that a cause of action exists against the owner or claimant on whom the service is to be made or that he is a necessary or proper party to the proceeding, the commission shall make an order that the service be made on such owner or claimant by publication of the commission's order to show cause. The order shall direct that the publication be made in a newspaper designated by the commission as likely to give notice to the person to be served, and for such time as the commission finds to be reasonable, at least once a week, but publication against an owner or claimant residing out of the State or absent therefrom shall not be less than two months. If the address of any owner or claimant, as stated in the petition, is out of the State, the secretary of the commission shall, within 15 days after the making and filing of the order to show cause, deposit or cause to be deposited a copy of that order, certified under the seal of the commission, with a copy of the petition attached thereto, in the United States mail, enclosed in a sealed envelope, registered, with postage prepaid, addressed to such owner or claimant at the address specified in the petition. When publication is ordered, personal service of a copy of the order to show cause and of the petition out of the State is equivalent to publication and deposit in the United States mail.

Notice of hearing

1408. Within 10 days prior to the time set for the first hearing on the petition, which time shall be not less than 30 days after the filing of the petition, the secretary of the commission shall serve or cause to be served upon the petitioner a written notice specifying the time and place of the hearing. In all respects not in this chapter otherwise specified, service and the proof of service shall be made as provided by the Code of Civil Procedure. Upon the completion of service upon the peti-

tioner or upon any owner or claimant named in the petition, the commission shall have full and complete jurisdiction over such petitioner, owner, or claimant, with full and complete jurisdiction, insofar as such petitioner, owner, or claimant is concerned, to make each finding referred to in this chapter. The failure to make service upon any person alleging that he is an owner or claimant but not named in the petition shall in no way affect the jurisdiction of the commission over owners and claimants on whom service has been made.

Hearing Costs, evidence

1409. At the time and place specified in the order to show cause, or at such other time and place as, for good cause, is otherwise ordered by the commission, the commission shall proceed to a hearing on the petition. At such times and in such amounts as is directed by the commission, the political subdivision shall pay to the commission all extra costs as determined by the commission, which the commission incurs to comply with the requirements of this chapter, and if such amounts are not paid by the political subdivision as directed by the commission, the commission may suspend further proceedings on the petition. Evidence may be presented by the political subdivision, by each owner or claimant named in the petition, and by the commission.

Amendment of petition

1410. The commission may, at any time subsequent to the filing of the petition, and prior to making and filing its finding as to just compensation, authorize the amendment of the petition by altering or modifying the description of the lands, property, and rights, or by adding to or deducting from the lands, property, and rights, and in each other respect including jurisdictional allegations.

Finding

1411. When the proceeding has been submitted, the commission shall make and file its written finding fixing, in a single sum, the just compensation to be paid by the political subdivision for the lands, property, and rights. If the commission finds that severance damages should be paid, the just compensation for such damages shall be found and stated separately. The just compensation shall be fixed by the commission as of the day on which the petition was filed with the commission.

Proceedings on acceptance

1412. Within 20 days after the commission has made and filed its finding, the owner of the lands, property, and rights may file with the legislative or other governing body of the political subdivision a written stipulation consenting and agreeing to accept the just compensation fixed by the commission. Upon the filing of the stipulation, the political subdivision shall proceed with all due diligence to provide the necessary funds under the law governing the providing of such funds, for paying the just compensation fixed by the commission. Whenever the just compensation has been tendered by the political subdivision, a deed of grant, bargain, and sale conveying the owner's right, title, and interest in and to the lands, property, and rights to the political subdivision shall be executed and delivered by the owner, and the other claimants who have any

right, title, or interest in the property shall execute appropriate instruments conveying or releasing to the political subdivision their respective rights, titles, and interests therein. If the deed or the instruments of conveyance or release are not executed and delivered within 60 days after such tender has been made, the political subdivision may commence an action in a court of competent jurisdiction or proceed under Section 1413.

Proceedings on failure to accept

1413. In the case of a petition of the first class, if the owner does not file the stipulation within such 20 days, the political subdivision, within 60 days after the commission has made and filed its finding, shall commence an action in a court of competent jurisdiction to take such lands, property, and rights, under eminent domain proceedings. In the case of a petition of the second class, if the owner does not file the stipulation within such 20 days, the political subdivision, within 60 days after the commission has made and filed its finding, shall initiate proceedings for the purpose of submitting to its voters a proposition to acquire under eminent domain proceedings the lands, property, and rights. The political subdivision shall not be required, in either case, to delay for more than 20 days after the commission has made and filed its finding, before commencing such further proceedings. In the case of a petition of the second class, if the voters of the political subdivision, as provided by the law governing the political subdivision, vote in favor of any proposition to acquire under eminent domain proceedings, or otherwise, such lands, property, and rights, the political subdivision shall, within 60 days thereafter, commence an action in a court of competent jurisdiction to take such lands, property, and rights, under eminent domain proceedings, unless the owner has filed with the political subdivision a written stipulation consenting and agreeing to accept the just compensation fixed by the commission.

Failure to commence action, etc

1414. If the political subdivision, in a petition of the first class, fails to file such action in a court of competent jurisdiction within such period of 60 days after the commission has made and filed its finding, or if the political subdivision, in a petition of the second class, fails to proceed diligently to submit the proposition to its voters or fails, if its voters have voted in favor of the acquisition of the lands, property, and rights, to file such action in a court of competent jurisdiction within 60 days thereafter, the owner of such lands, property, and rights may file with the commission a verified petition in writing setting forth that fact. The petition may also set forth in detail the expenditures which the owner has necessarily incurred in the proceeding before the commission.

The commission shall thereupon cause written notice, with a copy of the owners' petition attached thereto, to be served upon the political subdivision, to appear before the commission at a time and place specified in the notice, to show cause why an order should not be made by the commission (a) finding that the political subdivision has failed to pursue diligently its rights, (b) determining that the finding as to just compensation shall

no longer be of any force or effect, and (c) determining the reasonable expenditures necessarily incurred by the owner which, in the opinion of the commission, should be assessed against the political subdivision. The time specified in the notice shall be not less than 10 days subsequent to the date of service.

Finding and order of commission

1415. If the commission determines that the political subdivision, in case of a petition of the first class, has failed to commence the action in a court of competent jurisdiction within 60 days after the commission has made and filed its finding of just compensation, or that the political subdivision, in case of a petition of the second class, has failed to proceed diligently to submit the proposition to its voters or has failed, after its voters have voted in favor of the acquisition of the lands, property or rights, to file such action in a court of competent jurisdiction within 60 days thereafter, the commission shall make and file its order declaring that such finding shall no longer be of any force or effect, and make its finding as to the reasonable expenditures necessarily incurred by the owner in the proceeding before the commission, which should be assessed against the political subdivision. The political subdivision shall thereupon be liable to the owner in the amount thus found by the commission, and the owner may thereupon maintain an action against the political subdivision for such amount in any court of competent jurisdiction.

Finding of amount Finality

1416. The finding of the commission fixing the just compensation to be paid by the political subdivision for the lands, property, and rights shall be final and shall not be subject to modification, alteration, reversal, or review by any court of this State. If the court in which the political subdivision has commenced its action, subsequent to the making and filing by the commission of its finding as to just compensation, decides that the political subdivision has the right and power under the law to take the lands, property, and rights, it shall enter a judgment in favor of the complainant in the action, fixing as the just compensation which shall be paid for the taking of the lands, property, and rights, the just compensation fixed by the commission. The judgment may include the allowance of such costs between the parties as is provided for in the law of eminent domain of this State. The judgment of the court insofar as it refers to the just compensation to be paid for the lands, property, and rights, shall be final and shall not be subject to modification, alteration, reversal, or review by any court except as specified in this chapter. The judgment of the court shall include a provision, in substance, that it is subject to modification by reason of such increase or decrease in the just compensation to be paid as may thereafter be certified to the court by the commission, as provided in this chapter.

Petition for change Hearing, notice etc

1417. At any time within 30 days subsequent to the entry of such judgment, the owner of the lands, property, and rights may file with the commission a verified petition in writing, alleging that by reason of expenditures made by the owner subsequent to the date of the filing of the original petition with the

commission, for the purpose of preserving or improving the lands, property, and rights, or by reason of other acts and occurrences subsequent to that date, the just compensation theretofore fixed by the commission should be increased, and praying that the commission make its finding increasing such compensation. At any time within 30 days subsequent to the entry of the judgment, the political subdivision may file with the commission a verified petition in writing, alleging that by reason of loss or destruction of the lands, property, and rights, or by reason of depreciation or deterioration thereof or by reason of other acts and occurrences, subsequent to the date of the filing of the original petition, the just compensation theretofore fixed by the commission should be decreased, and praying that the commission make its finding decreasing the compensation. The commission shall in each instance cause a copy of such petition or petitions to be served upon each party other than the petitioner, who was named as the political subdivision, owner, or claimant in the original proceeding before the commission, together with a written notice specifying the time and place of hearing on such petition or petitions, which time shall be within 45 days after the entry of the judgment by the court, and shall cause written notice of the time and place of the hearing to be served upon each petitioner in such petition or petitions. If both such petitions are filed, the commission may consolidate them for hearing and decision.

Finding

1418. After a hearing, the commission shall make and file its finding fixing, as of the date on which the finding is made and filed, the extent to which the just compensation theretofore fixed should be increased or decreased by reason of the matters alleged in the petition or petitions. If the claim is made that the just compensation theretofore fixed by the commission should be increased by reason of expenditures made by the owner subsequent to the date of the filing of the original petition with the commission for the purpose of preserving or improving the lands, property, and rights the commission may increase the just compensation only to the extent to which the commission determines that such expenditures were beneficial to the lands, property, and rights, and reasonably and prudently made. The finding of the commission fixing the extent to which the just compensation theretofore fixed should be thus increased or decreased shall be final and shall not be subject to modification, alteration, reversal, or review by any court of this State.

Same
Modification of judgment

1419. The commission shall thereupon transmit to the court its finding, certified under the seal of the commission, fixing the extent to which the just compensation theretofore fixed by the commission shall be increased or decreased. The court shall thereupon modify its judgment so as to conform with the finding of the commission. The judgment of the court, as thus modified, insofar as it refers to the just compensation to be paid for the lands, property, and rights, shall be final and shall not be subject to modification, alteration, reversal, or review by any court. The filing of either or both the petitions specified in Sec-

tion 1417 shall not act as a stay of the judgment in condemnation, but upon the payment of the just compensation fixed in the original judgment of condemnation the plaintiff in the action shall be entitled to immediate possession of the lands, property, and rights.

Rehearing, review

1420. The provisions of this part with reference to rehearing and review shall be applicable to the findings of the commission made and filed under the provisions of this chapter. Petitions for rehearing shall be filed within 20 days from the date of making and filing the finding as to which a rehearing is desired. If such finding of the commission is set aside by the Supreme Court of the State of California, the matter shall be referred back to the commission for further action in the proceeding before the commission, and the commission may, in taking further action, consider the entire testimony theretofore taken in the proceeding before the commission as well as such further testimony as may be presented in connection with such further action. Should a writ of review be obtained from the Supreme Court of the State of California, the time within which the political subdivision shall file an action in a court of competent jurisdiction or submit the proposition to its voters shall be extended to not more than 60 days beyond the final decision of the Supreme Court upon that writ.

Alternative procedure

1421. The procedure provided in this chapter shall be alternative and cumulative and not exclusive, and the political subdivision shall continue to have the right to pursue any other procedure providing for the acquisition under eminent domain proceedings of the lands, property, and rights of any public utility. This chapter shall not be construed as repealing any law of this State providing for such eminent domain proceedings.

CHAPTER 8.5. EXCESS RATE ESCHEAT PROCEEDINGS

Toll refund Notice limitation

1501. If the persons or corporations who are entitled, under the provisions of Sections 1761 to 1766, inclusive, to excess money collected by a toll-bridge corporation do not claim the money within six months after the final decision of the Supreme Court, the commission shall cause to be published a notice to the effect that the money is available for refund to the proper claimants. The notice shall state the names of the persons or corporations, if known, who are entitled to the money and the amount due to each person or corporation. The notice shall be published in Los Angeles and San Francisco twice a week for two successive weeks in one newspaper of general circulation published in each city.

The State shall be entitled to all such money, including money which the toll-bridge corporation has unsuccessfully attempted to refund, which is not claimed within six months after the first publication of the notice.

If a judgment of the Supreme Court of this State affirming an order of the commission is stayed on appeal to the Supreme Court of the United States, the provisions of this section shall

take effect upon the final decision of the Supreme Court of the United States if the decision of the Supreme Court of this State is affirmed.

Escheat action

1502. When a period of six months has elapsed after the first publication of the notice, the commission shall notify the Attorney General, who shall bring an action in the Superior Court in and for the County of Sacramento, to have it adjudged that the title to the money is vested in the State. The toll-bridge corporation and any bank in which such money has been impounded shall be made parties.

Service of process, notice

1503. Service of process shall be made by delivery of a copy of the complaint and summons to the president or managing officer of the toll-bridge corporation, and the president or managing officer of any bank holding such money, and by publication once a week for a period of four weeks of a copy of such summons in a newspaper of general circulation published in the county.

The clerk of the court shall issue a notice signed by him, directed to all persons, other than those named as defendants in the action, claiming any interest in the money mentioned in the complaint, and requiring them to appear within 60 days after the first publication of the summons and show cause why it should not be adjudged that title to the money has vested in the State, and notifying them that if they fail to appear and show cause, the State will apply to the court for the relief prayed in the complaint. A copy of the notice shall be published with the copy of the summons. The notice shall show the date of the first publication of the summons and notice and shall set forth the title and number of the action.

Jurisdiction

1504. Upon the completion of the publication of the summons and notice, the court shall have full jurisdiction over the money and the person of every one who has or claims any interest in the money, and shall have full jurisdiction to determine the issues in the action and render an appropriate judgment.

Trial and judgment, excess rate fund

1505. Upon the trial, the court shall hear all the parties who appear in the action. If it is determined that the State is entitled to the excess money collected by the toll-bridge corporation, the court shall render judgment in favor of the State, declaring that title to the money has vested in the State, and commanding the toll-bridge corporation and any bank holding such money forthwith to deposit all such money, less the cost of publication and expenses incurred by the commission, with the State Treasurer. The Treasurer shall credit such money to the excess rate fund, which fund is continued in existence.

Costs

1506. Subsequent to an order of the court made under Section 1505, the commission shall submit to the toll-bridge corporation a statement of the cost of publication and the necessary expenses incurred by the commission in connection with such money. The toll-bridge corporation shall remit this amount to the commission, but not to exceed the amount legally escheatable to the State, and shall pay the remainder of the money into the State Treasury.

Action against State. Procedure, limitations

1507. Within four years after a judgment had under Section 1505, any person who did not appear as a party in the action may file a verified petition in the Superior Court in and for the County of Sacramento to show his claim to any of the money. A copy of the petition shall be served on the Attorney General at least 20 days before the hearing of the petition. The Attorney General shall answer the petition.

The court shall try the issues as issues are tried in civil actions. If it is determined that the person is entitled to any of the excess money paid into the excess rate fund under the judgment, the court shall order the Controller to draw his warrant on the Treasurer for the payment of the amount from the excess rate fund, but without interest or cost to the State. A copy of the order, under the seal of the court, shall be a sufficient voucher for drawing the warrant.

All persons who fail to appear and file their petitions within the time limited in this section, are forever barred.

Disposition of money

1508. When a period of four years has elapsed after a judgment is secured under Section 1505, the State Treasurer shall place the excess money paid into the excess rate fund under the judgment in the State Highway Fund in the State Treasury.

Chapter 9. Hearings and Judicial Review

Article 1. Hearings

Rules of procedure

1701. All hearings, investigations, and proceedings shall be governed by this part and by rules of practice and procedure adopted by the commission, and in the conduct thereof the technical rules of evidence need not be applied. No informality in any hearing, investigation, or proceeding or in the manner of taking testimony shall invalidate any order, decision or rule made, approved, or confirmed by the commission.

Proper complainants, issues

1702. Complaint may be made by the commission of its own motion or by any corporation or person, chamber of commerce, board of trade, labor organization, or any civic, commercial, mercantile, traffic, agricultural, or manufacturing association or organization, or any body politic or municipal corporation, by written petition or complaint, setting forth any act or thing done or omitted to be done by any public utility, including any rule or charge heretofore established or fixed by or for any public utility, in violation or claimed to be in violation, of any provision of law or of any order or rule of the commission. No complaint shall be entertained by the commission, except upon its own motion, as to the reasonableness of any rates or charges of any gas, electrical, water, or telephone corporation, unless it is signed by the mayor or the president or chairman of the board of trustees or a majority of the council, commission, or other legislative body of the city or city and county within which the alleged violation occurred, or by not less than 25 actual or prospective consumers or purchasers of such gas, electricity, water, or telephone service.

Joinder of causes

1703. All matters upon which complaint may be founded may be joined in one hearing, and no motion shall be entertained against a complaint for misjoinder of causes of action or grievances or misjoinder or nonjoinder of parties. In any review by the courts of orders or decisions of the commission the same rule shall apply with regard to the joinder of causes and parties as herein provided. The commission shall not be required to dismiss any complaint because of the absence of direct damage to the complainant.

Service of process

1704. Upon the filing of a complaint, the commission shall cause a copy thereof to be served upon the corporation or person complained of. Service in all hearings, investigations, and proceedings pending before the commission may be made upon any person upon whom a summons may be served in accordance with the provisions of the Code of Civil Procedure, and may be made personally or by mailing in a sealed envelope, registered, with postage prepaid. The commission shall fix the time when and place where a hearing will be had upon the complaint and shall serve notice thereof, not less than 10 days before the time set for such hearing, unless the commission finds that public necessity requires that such hearing be held at an earlier date.

Hearing, order, etc

1705. At the time fixed for any hearing before the commission or a commissioner, or the time to which the hearing has been continued, the complainant and the corporation or person complained of, and such corporations or persons as the commission allows to intervene, shall be entitled to be heard and to introduce evidence. The commission shall issue process to enforce the attendance of all necessary witnesses. After the conclusion of the hearing, the commission shall make and file its order, containing its decision. A copy of such order, certified under the seal of the commission, shall be served upon the corporation or person complained of, or his or its attorney. The order shall, of its own force, take effect and become operative 20 days after the service thereof, except as otherwise provided, and shall continue in force either for a period designated in it or until changed or abrogated by the commission. If the commission believes that an order can not be complied with within 20 days, it may prescribe such additional time as in its judgment is reasonably necessary to comply with the order, and may on application and for good cause shown, extend the time for compliance fixed in its order.

Record of proceedings

1706. A complete record of all proceedings and testimony before the commission or any commissioner on any formal hearing shall be taken down by a reporter appointed by the commission, and the parties shall be entitled to be heard in person or by attorney. In case of an action to review any order or decision of the commission, a transcript of such testimony, together with all exhibits or copies thereof introduced, and of the pleadings, record, and proceedings in the cause, shall constitute the record of the commission, but if the petitioner and the commission stipulate that certain questions alone and a specified portion only of the evidence shall be certified to the Supreme Court

for its judgment, such stipulation and the questions and the evidence therein specified shall constitute the record on review.

Utility as complainant

1707. Any public utility may complain on any of the grounds upon which complaints are allowed to be filed by other parties, and the same procedure shall be adopted and followed as in other cases, except that the complaint may be heard ex parte by the commission or may be served upon any parties designated by the commission.

Modification, rescission of order

1708. The commission may at any time, upon notice to the public utility affected, and after opportunity to be heard as provided in the case of complaints, rescind, alter, or amend any order or decision made by it. Any order rescinding, altering, or amending a prior order or decision shall, when served upon the public utility affected, have the same effect as an original order or decision.

Orders conclusive

1709. In all collateral actions or proceedings, the orders and decisions of the commission which have become final shall be conclusive.

Article 2. Rehearings

Application for rehearing

1731. After any order or decision has been made by the commission, any party to the action or proceeding, or any stockholder or bondholder or other party pecuniarily interested in the public utility affected, may apply for a rehearing in respect to any matters determined in the action or proceeding and specified in the application for rehearing. The commission may grant and hold a rehearing on those matters, if in its judgment sufficient reason is made to appear. No cause of action arising out of any order or decision of the commission shall accrue in any court to any corporation or person unless the corporation or person has made, before the effective date of the order or decision, application to the commission for a rehearing.

Same Content

1732. The application for a rehearing shall set forth specifically the ground or grounds on which the applicant considers the decision or order to be unlawful. No corporation or person shall in any court urge or rely on any ground not so set forth in the application.

Same Time

1733. Any application for a rehearing made 10 days or more before the effective date of the order as to which a rehearing is sought, shall be either granted or denied before the effective date, or the order shall stand suspended until the application is granted or denied. Any application for a rehearing made within less than 10 days before the effective date of the order as to which a rehearing is sought, and not granted within 20 days, may be taken by the party making the application to be denied, unless the effective date of the order is extended for the period of the pendency of the application.

Hearing

1734. If any application for a rehearing is granted without a suspension of the order involved, the commission shall forthwith proceed to hear the matter with all dispatch and shall determine the matter within 20 days after final submis-

sion. If no determination is made within that time, it may be taken by any party to the rehearing that the order involved is affirmed.

Effect of application

1735. An application for rehearing shall not excuse any corporation or person from complying with and obeying any order or decision, or any requirement of any order or decision of the commission theretofore made, or operate in any manner to stay or postpone the enforcement thereof, except in such cases and upon such terms as the commission by order directs.

Order of abrogation, Change Effect

1736. If, after such rehearing and a consideration of all the facts, including those arising since the making of the order or decision, the commission is of the opinion that the original order or decision or any part thereof is in any respect unjust or unwarranted, or should be changed, the commission may abrogate, change, or modify it. The order or decision abrogating, changing, or modifying the original order or decision shall have the same force and effect as an original order or decision, but shall not affect any right or the enforcement of any right arising from or by virtue of the original order or decision unless so ordered by the commission.

Article 3. Judicial Review

Writ of certiorari or review

1756. Within 30 days after the application for a rehearing is denied, or, if the application is granted, then within 30 days after the decision on rehearing, the applicant may apply to the Supreme Court of this State for a writ of certiorari or review for the purpose of having the lawfulness of the original order or decision or of the order or decision on rehearing inquired into and determined. The writ shall be made returnable not later than 30 days after the date of issuance, and shall direct the commission to certify its record in the case to the court. On the return day, the cause shall be heard by the Supreme Court, unless for a good reason shown it is continued.

Scope of review

1757. No new or additional evidence may be introduced in the Supreme Court, but the cause shall be heard on the record of the commission as certified to by it. The review shall not be extended further than to determine whether the commission has regularly pursued its authority, including a determination of whether the order or decision under review violates any right of the petitioner under the Constitution of the United States or of this State. The findings and conclusions of the commission on questions of fact shall be final and shall not be subject to review except as provided in this article. Such questions of fact shall include ultimate facts and the findings and conclusions of the commission on reasonableness and discrimination.

Appearance, judgment

1758. The commission and each party to the action or proceeding before the commission may appear in the review proceeding. Upon the hearing the Supreme Court shall enter judgment either affirming or setting aside the order or decision of the commission. The provisions of the Code of Civil Procedure relating to writs of review shall, so far as applicable and not in

conflict with the provisions of this part, apply to proceedings instituted in the Supreme Court under the provisions of this article.

Jurisdiction in Supreme Court

1759. No court of this State, except the Supreme Court to the extent specified in this article, shall have jurisdiction to review, reverse, correct, or annul any order or decision of the commission or to suspend or delay the execution or operation thereof, or to enjoin, restrain, or interfere with the commission in the performance of its official duties, except that the writ of mandamus shall lie from the Supreme Court to the commission in all proper cases.

Constitutional questions

1760. In any proceeding wherein the validity of any order or decision is challenged on the ground that it violates any right of petitioner under the Constitution of the United States, the Supreme Court shall exercise an independent judgment on the law and the facts, and the findings or conclusions of the commission material to the determination of the constitutional question shall not be final.

Staying of commission's orders

1761. The pendency of a writ of review shall not of itself stay or suspend the operation of the order or decision of the commission, but during the pendency of the writ the Supreme Court in the manner provided in this article in its discretion may stay or suspend in whole or in part the operation of the commission's order or decision.

Same

1762. Except as provided in this section, no order staying or suspending an order or decision of the commission shall be made by the Supreme Court except upon five days' notice and after hearing. If the order or decision of the commission is stayed or suspended the order suspending it shall contain a specific finding based upon evidence submitted to the court and identified by reference thereto, that great or irreparable damage would otherwise result to the petitioner and specifying the nature of the damage, but the Supreme Court may grant a temporary stay restraining the operation of the commission order or decision at any time before such hearing and determination of the application for a stay when, in its opinion irreparable loss or damage would result to petitioner unless such temporary stay is granted. Such temporary stay shall remain in force only until the hearing and determination of the application for a stay upon notice. The hearing of such application for a stay shall be given precedence and assigned for hearing at the earliest practicable day after the expiration of the notice

Temporary stay

1763. No temporary stay shall be granted by the Supreme Court unless it clearly appears from specific facts shown by the verified petition that immediate and irreparable injury, loss, or damage will result to the applicant before notice can be served and hearing had on a motion for a stay as provided in this article. Every such temporary stay shall be endorsed with the date and hour of issuance, shall be forthwith filed in the clerk's office and entered of record, shall define the injury and state why it appears to be irreparable and why the order was granted without notice, and shall by its terms expire within

such time after entry not to exceed 10 days as the court may fix unless within the time so fixed the order is extended for a like period for good cause shown, and the reasons for such extension shall be entered of record. In case a temporary stay is granted without notice the matter of the issuance of a stay shall be set down for hearing at the earliest possible time, and when it comes up for hearing the party obtaining the temporary stay shall proceed with the application for a stay and if he does not do so the court shall dissolve the temporary stay.

Suspending bond, special deposit of collections

1764. In case the order or decision of the commission is stayed or a temporary stay granted, the order of the court shall not become effective until a suspending bond is executed and filed with and approved by the court, payable to the people of the State of California and sufficient in amount and security to insure the prompt payment by the party petitioning for the review, of all damages caused by the delay in the enforcement of the order or decision of the commission and of all money which any person or corporation may be compelled to pay pending the review of the proceedings, for transportation, transmission, product, commodity, or service in excess of the charges fixed by the order or decision of the commission, in case such order or decision is sustained. The court, in case it stays or suspends the order or decision of the commission in any matter affecting rates or classifications, may also in its discretion direct the public utility affected to pay into court from time to time, there to be impounded until the final decision of the case, or into some bank or trust company paying interest on deposits, under such conditions as the court prescribes, all sums of money which it collects from any corporation or person in excess of the sum such corporation or person would have been compelled to pay if the order or decision of the commission had not been stayed or suspended.

Conditional stay

1765. In case the Supreme Court stays any order or decision denying to the utility an increase in any rate or classification, the court may condition such stay or temporary stay so as to permit petitioner to charge a higher rate pending the determination of the review and may attach other reasonable conditions to such stay or temporary stay.

Stay of order lowering rates, etc

1766. In case the Supreme Court stays or suspends any order or decision lowering any rate or classification or stays any order or decision denying petitioner the right to charge an increased rate or classification and as a condition thereof permits the charging of higher rates, the court shall require the public utility affected to keep such accounts, verified by oath as may, in the judgment of the court, suffice to show the amounts being charged or received by such public utility, pending the review, in excess of the charges allowed by the order or decision of the commission, together with the names and addresses of the corporations or persons to whom overcharges will be refundable in case the order or decision of the commission is upheld. The court may from time to time require the petitioner to give additional security, or to increase the sus-

pending bond, whenever in its opinion such action is necessary to insure the prompt payment of the damages and overcharges. If the final decision by the Supreme Court upholds the commission's order or decision, all money which the public utility has collected pending the appeal in excess of that authorized by the order or decision of the commission, together with such interest as may be reasonable, shall be promptly paid to the corporations or persons entitled thereto in the manner prescribed by the court.

Priority of actions and proceedings

1767. All actions and proceedings under this part and all actions or proceedings to which the commission or the people of the State of California are parties in which any question arises under this part, or under or concerning any order or decision of the commission, shall be preferred over, and shall be heard and determined in preference to, all other civil business except election causes, irrespective of position on the calendar. The same preference shall be granted upon application of the attorney of the commission in any action or proceeding in which he is allowed to intervene.

Article 4. Witnesses

Fees, mileage

1791. Each witness who appears by order of the commission or a commissioner shall receive for his attendance the same fees and mileage allowed by law to a witness in civil cases, which shall be paid by the party at whose request the witness is subpenaed. When any witness who has not been required to attend at the request of any party is subpenaed by the commission, his fees and mileage shall be paid from the funds appropriated for the use of the commission in the same manner as other expenses of the commission are paid. Any witness subpenaed except one whose fees and mileage may be paid from the funds of the commission, may, at the time of service, demand the fee to which he is entitled for travel to and from the place at which he is required to appear, and one day's attendance. If such witness demands such fees at the time of service, and they are not at that time paid or tendered, he shall not be required to appear. All fees or mileage to which any witness is entitled under the provisions of this section may be collected by action therefor instituted by the person to whom such fees are payable. No witness furnished with free transportation shall receive mileage for the distance he may have traveled on such free transportation.

Compelling attendance Petition

1792. In case of the refusal of any witness to attend or testify or produce any papers required by a subpena issued by the commission or any commissioner, the commission or the commissioner may file, in the superior court in and for the county, or city and county, in which the proceeding is pending, a petition, setting forth that due notice has been given of the time and place of attendance of the witness, or the production of the papers, and that the witness has been summoned in the manner prescribed in this part and has failed and refused to

attend or produce the papers required by the subpena, or has refused to answer questions propounded to him in the course of the proceeding. The petition shall include a request for an order of the court, compelling the witness to attend and testify or produce the papers before the commission.

Same: Hearing, court order

1793. Upon the filing of the petition the court shall enter an order directing the witness to appear before the court at a time and place fixed in the order and show cause why he has not attended and testified or produced said papers before the commission. The time fixed shall not be more than 10 days from the date of the order. A copy of the order shall be served upon the witness. If it appears to the court that the subpena was regularly issued by the commission or a commissioner, the court shall thereupon enter an order that the witness appear before the commission or commissioner at the time and place fixed in the order, and testify or produce the required papers, and upon failure to obey the order, the witness shall be dealt with as for contempt of court. The remedy provided in this section is cumulative, and shall not be construed to impair or interfere with the power of the commission or a commissioner to enforce the attendance of witnesses and the production of papers, and to punish for contempt in the same manner and to the same extent as courts of record.

Depositions

1794. The commission or any commissioner or any party may, in any investigation or hearing before the commission, cause the deposition of witnesses residing within or without the State to be taken in the manner prescribed by law for like depositions in civil actions in the superior courts of this State and to that end may compel the attendance of witnesses and the production of books, waybills, documents, papers, and accounts.

Immunity

1795. No person shall be excused from testifying or from producing any book, waybill, document, paper, or account in any investigation or inquiry by or hearing before the commission or any commissioner, when ordered to do so, upon the ground that the testimony or evidence, book, waybill, document, paper, or account required of him may tend to incriminate him or subject him to penalty or forfeiture, but no person shall be prosecuted, punished, or subjected to any penalty or forfeiture for or on account of any act, transaction, matter or thing concerning which, under oath, he has testified or produced documentary evidence, but no person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in his testimony. Nothing herein contained shall be construed as in any manner giving to any public utility immunity of any kind.

CHAPTER 10. OFFICIAL DOCUMENTS AND FEES

Certified copies as evidence

1901. Copies of all official documents and orders filed or deposited according to law in the office of the commission, certified by a commissioner or by the secretary or the assistant secretary under the official seal of the commission to be true

copies of the originals, shall be evidence in like manner as the originals.

Orders, etc., to be in writing

1902. Every order, authorization, or certificate issued or approved by the commission under the following provisions of this part shall be in writing and entered on the records of the commission:

(a) Sections 764 to 767, inclusive.

(b) Sections 815 to 829, inclusive.

(c) Sections 851 to 853, inclusive.

(d) Sections 1001 to 1010, inclusive.

(e) Sections 1201 to 1220, inclusive.

Recording

Any such order, authorization, or certificate, or a copy thereof, or a copy of the record thereof, certified by a commissioner or by the secretary or the assistant secretary under the official seal of the commission to be a true copy of the original, may be recorded in the office of the recorder of any county, or city and county, in which is located the principal place of business of any public utility affected thereby, or in which is situated any property of any such public utility, and such record shall impart notice of its provisions to all persons. A certificate under the seal of the commission that any such order, authorization, or certificate has not been modified, stayed, suspended, or revoked may also be recorded in the same offices in the same manner and with like effect.

Fees for documents

1903. The commission shall charge and collect the following fees:

(a) For copies of papers and records not required to be certified or otherwise authenticated by the commission (except transcripts of testimony, other evidence or proceedings prepared by or under the direction or supervision of the official reporters of the commission), twenty cents ($0.20) for each folio.

(b) For certified copies of official documents and orders filed in its office, twenty-five cents ($0.25) for each folio and one dollar ($1) for every certificate under seal affixed thereto.

(c) For certifying a copy of any report made by a public utility, two dollars ($2).

(d) For each certified copy of the annual report of the commission, one dollar and fifty cents ($1.50).

(e) For certified copies of evidence and proceedings before the commission (except transcripts of testimony, other evidence or proceedings prepared by or under the direction or supervision of the official reporters of the commission), twenty-five cents ($0.25) for each folio.

The commission, subject to the approval of the Department of Finance, may establish and fix the charge to be made and collected by it for transcripts of testimony, other evidence and proceedings taken before the commission, where such transcripts are prepared by or under the direction or supervision of the official reporters of the commission.

Other fees

1904. The commission shall also charge and collect the following fees:

(a) For filing each application for a certificate of public convenience and necessity (except as otherwise provided in Section 1036), or for the mortgage, lease, transfer, or assignment thereof, fifty dollars ($50).

(b) For a certificate authorizing an issue of bonds, notes, or other evidences of indebtedness, one dollar ($1) for each thousand dollars ($1,000) of the face value of the authorized issue or fraction thereof up to one million dollars ($1,000,000), fifty cents ($0.50) for each one thousand dollars ($1,000) over one million dollars ($1,000,000) and up to ten million dollars ($10,000,000), and twenty-five cents ($0.25) for each one thousand dollars ($1,000) over ten million dollars ($10,000,000), with a minimum fee in any case of twenty-five dollars ($25). No fee need be paid on such portion of any such issue as may be used to guarantee, take over, refund, discharge, or retire any bond, note, or other evidence of indebtedness on which a fee has theretofore been paid to the commission. If the commission modifies the amount of the issue requested in any case and the applicant thereupon elects not to avail itself of the commission's authorization, no fee need be paid.

Copies furnished to public officers

1905. No fees shall be charged or collected for copies of papers, records, or official documents, furnished to public officers for use in their official capacity, or for the annual reports of the commission in the ordinary course of distribution, but the commission may fix, with the approval of the Department of Finance, reasonable charges for publications issued under its authority.

Disposition of fees

1906. All fees collected under this chapter shall be paid, except as provided in Chapter 6, Division 2 of this code, at least once each month into the State Treasury to the credit of the General Fund.

(Amended by Stats. 1951, Ch. 881.)

[ORIGINAL SECTION]

1906. All fees collected under this chapter shall be paid at least once each month into the State Treasury to the credit of the General Fund.

CHAPTER 11. VIOLATIONS

Enforcement Duty of Attorney General or district attorneys

2101. The commission shall see that the provisions of the Constitution and statutes of this State affecting public utilities, the enforcement of which is not specifically vested in some other officer or tribunal, are enforced and obeyed, and that violations thereof are promptly prosecuted and penalties due the State therefor recovered and collected, and to this end it may sue in the name of the people of the State of California. Upon the request of the commission, the Attorney General or the district attorney of the proper county or city and county shall aid in any investigation, hearing, or trial had under the provisions of this part, and shall institute and prosecute actions or proceedings for the enforcement of the provisions of the Constitution and statutes of this State affecting public utilities and for the punishment of all violations thereof.

Action by commission

2102. Whenever the commission is of the opinion that any public utility is failing or omitting or about to fail or omit, to do anything required of it by law, or by any order, decision, rule, direction, or requirement of the commission, or is doing anything or about to do anything, or permitting anything or about to permit anything to be done, in violation of law or of any order, decision, rule, direction, or requirement of the commission, it shall direct the attorney of the commission to commence an action or proceeding in the superior court in and for the county, or city and county, in which the cause or some part thereof arose, or in which the corporation complained of has its principal place of business, or in which the person complained of resides, for the purpose of having such violations or threatened violations stopped and prevented, either by mandamus or injunction. The attorney of the commission shall thereupon begin such action or proceeding in the name of the people of the State of California, by petition to such superior court, alleging the violation or threatened violation complained of, and praying for appropriate relief by way of mandamus or injunction.

Same: Procedure

2103. Upon the filing of a petition pursuant to Section 2102, the court shall specify a time, not exceeding 20 days after the service of the copy of the petition, within which the public utility complained of shall answer the petition, and in the meantime the public utility may be restrained. In case of default in answer, or after answer, the court shall immediately inquire into the facts and circumstances of the case. Such corporations or persons as the court deems necessary or proper to be joined as parties, in order to make its judgment, order or writ effective, may be joined as parties. The final judgment in any such action or proceeding shall either dismiss the action or proceeding or direct that the writ of mandamus or injunction issue or be made permanent as prayed for in the petition, or in such modified or other form as will afford appropriate relief. An appeal may be taken to the Supreme Court from such final judgment in the same manner and with the same effect, subject to the provisions of this part, as appeals are taken from judgments of the superior court in other actions for mandamus or injunction.

Action to recover penalties

2104. Actions to recover penalties under this part shall be brought in the name of the people of the State of California, in the superior court in and for the county, or city and county, in which the cause or some part thereof arose, or in which the corporation complained of has its principal place of business, or in which the person complained of resides. Such action shall be commenced and prosecuted to final judgment by the attorney of the commission. In any such action, all penalties incurred up to the time of commencing the action may be sued for and recovered. In all such actions, the procedure and rules of evidence shall be the same as in ordinary civil actions, except as otherwise herein provided. All fines and penalties recovered by the State in any such action, together with the costs thereof,

shall be paid into the State Treasury to the credit of the General Fund. Any such action may be compromised or discontinued on application of the commission upon such terms as the court approves and orders.

Cumulative penalties

2105. All penalties accruing under this part shall be cumulative, and a suit for the recovery of one penalty shall not be a bar to or affect the recovery of any other penalty or forfeiture or be a bar to any criminal prosecution against any public utility, or any officer, director, agent, or employee thereof, or any other corporation or person, or to the exercise by the commission of its power to punish for contempt.

Liability of utilities

2106. Any public utility which does, causes to be done, or permits any act, matter, or thing prohibited or declared unlawful, or which omits to do any act, matter, or thing required to be done, either by the Constitution, any law of this State, or any order or decision of the commission, shall be liable to the persons or corporations affected thereby for all loss, damages, or injury caused thereby or resulting therefrom. If the court finds that the act or omission was wilful, it may, in addition to the actual damages, award exemplary damages. An action to recover for such loss, damage, or injury may be brought in any court of competent jurisdiction by any corporation or person.

No recovery as provided in this section shall in any manner affect a recovery by the State of the penalties provided in this part or the exercise by the commission of its power to punish for contempt.

Residuary penalty

2107. Any public utility which violates or fails to comply with any provision of the Constitution of this State or of this part, or which fails or neglects to comply with any part or provision of any order, decision, decree, rule, direction, demand, or requirement of the commission, in a case in which a penalty has not otherwise been provided, is subject to a penalty of not less than five hundred dollars ($500) nor more than two thousand dollars ($2,000) for each offense.

Separate offense

2108. Every violation of the provisions of this part or of any part of any order, decision, decree, rule, direction, demand, or requirement of the commission, by any corporation or person is a separate and distinct offense, and in case of a continuing violation each day's continuance thereof shall be a separate and distinct offense.

Imputed acts

2109. In construing and enforcing the provisions of this part relating to penalties, the act, omission, or failure of any officer, agent, or employee of any public utility, acting within the scope of his official duties or employment, shall in every case be the act, omission, or failure of such public utility.

Liability of utility employees

2110. Every officer, agent, or employee of any public utility, who violates or fails to comply with, or who procures, aids, or abets any violation by any public utility of any provision of the Constitution of this State or of this part, or who fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the commission, or who procures, aids, or abets any public utility in such violation or non-

compliance in a case in which a penalty has not otherwise been provided for such officer, agent, or employee, is guilty of a misdemeanor and is punishable by a fine not exceeding one thousand dollars ($1,000), or by imprisonment in a county jail not exceeding one year, or by both such fine and imprisonment.

Liability of nonutility corporation

2111. Every corporation, other than a public utility, which violates any provision of this part, or which fails to comply with any part of any order, decision, rule, direction, demand, or requirement, of the commission, in a case in which a penalty has not otherwise been provided for such corporation, is subject to a penalty of not less than five hundred dollars ($500) nor more than two thousand dollars ($2,000) for each offense.

Liability of nonutility corporation employee

2112. Every person who, either individually, or acting as an officer, agent, or employee of a corporation other than a public utility, violates any provision of this part, or fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the commission, or who procures, aids, or abets any public utility in such violation or noncompliance, in a case in which a penalty has not otherwise been provided for such person, is guilty of a misdemeanor, and is punishable by a fine not exceeding one thousand dollars ($1,000), or by imprisonment in a county jail not exceeding one year, or by both such fine and imprisonment.

Contempt of commission

2113. Every public utility, corporation, or person which fails to comply with any part of any order, decision, rule, regulation, direction, demand, or requirement of the commission or any commissioner is in contempt of the commission, and is punishable by the commission for contempt in the same manner and to the same extent as contempt is punished by courts of record. The remedy prescribed in this section does not bar or affect any other remedy prescribed in this part, but is cumulative and in addition thereto.

PART 2. SPECIFIC PUBLIC UTILITIES

CHAPTER 1. FOOD WAREHOUSEMEN ACT

Article 1. General Provisions and Definitions

Short title

2501. This chapter may be cited as the "Food Warehousemen Act."

Purpose of chapter

2502. The Legislature declares that the purpose of this chapter is to safeguard the public against the creation and perpetuation of monopolies, and to foster and encourage competition, by prohibiting unfair and discriminating practices by which fair and honest competition is destroyed. The Legislature further declares that food warehousemen are engaged in a business, tending to monopoly, and that by reason of such monopolistic tendency and by reason of its vital connection with the distribution of public necessities, the business is clothed with a public interest and subject to public regulation

and control for the public welfare as a public utility. This chapter shall be liberally construed in order that its beneficial purpose may be subserved.

Construction

2503. Unless the context otherwise requires, the definitions and general provisions set forth in this article govern the construction of this chapter.

Imputed acts

2504. In construing and enforcing the provisions of this chapter, the act, omission, or failure of any director, agent, employee, or other person acting for or employed by any person or corporation, acting within the scope of his employment, is in every case also deemed to be the act, omission, or failure of the person or corporation, as well as that of the director, officer, agent, employee, or person.

Cumulative remedies

2505. The remedies prescribed in this chapter are cumulative.

Conflict with Part 1

2506. If any conflict arises between this chapter and Part 1 of this division, the latter prevails.

Food warehousemen Regulation

2507. Every food warehouseman doing business in this State is a public utility, and is subject to the jurisdiction, control, and regulation of the commission.

No food warehousemen shall engage in the storage of food commodities in the State, except in accordance with the provisions of this chapter.

"Food warehouseman"

2508. "Food warehouseman" includes every person, or corporation, their lessees, trustees, receivers or trustees appointed by any court whatsoever owning, controlling, operating, or managing any building, structure, warehouse, elevator, or plant in which food commodities, regularly received from the public generally, are stored for compensation, including cold storage plants and refrigerating plants, but not including private homes, hotels, restaurants, or exclusively retail establishments, or others not storing articles of food for other persons for compensation. Every person, or corporation controlling, operating, or managing any building, structure, warehouse, elevator, or plant as aforesaid, is deemed to be engaged in the storage of food commodities within the meaning of this chapter.

"Corporation"

2509. "Corporation" includes a corporation, a company, an association, and a joint stock association.

"Person"

2510. "Person" includes an individual, a firm, and a copartnership.

"Food commodities"

2511. "Food commodities" means all products, stuffs, preparations, substances, or articles which are customary or proper for food for human beings, and includes meat and meat products, fruit, vegetables, fresh fish, shellfish, game, poultry, eggs, butter, cheese, and milk.

Article 2. Scope of Regulation

Unlawful acts Food warehousemen

2531. It is unlawful for any food warehouseman, doing business in the State:

(a) To discriminate or to attempt to discriminate between persons or corporations offering food commodities for storage or

desiring to avail themselves of the warehousing or storage facilities afforded by the food warehouseman.

(b) To accept food commodities from any person or corporation at rates or charges in excess of rates or charges exacted or received from other persons or corporations for the same or substantially similar warehousing or storage service.

(c) To grant, allow, or deduct from the rates or charges exacted or received for warehousing or storage service from any person or corporation any rebate, discount, deduction, concession, refund, or remittance not granted and allowed to all other persons or corporations under the same or substantially similar circumstances and conditions.

(d) To make or give, or to attempt to make or give, any preference or advantage to any person or corporation not made or given to every other person or corporation.

(e) To discriminate or to show preference, or to attempt to discriminate or to show preference, between persons or corporations offering food commodities for storage by any scheme of rebates, discounts, deductions, concessions, refunds, remittances, collateral contracts, discriminating charges, discriminating rates, or in the service or facilities afforded, or by any other device whatsoever.

(f) To monopolize, or to combine, or conspire with others to monopolize in any locality the business of storing food commodities by any of the practices or devices enumerated in this section.

Same Others

2532. It is unlawful for any person or corporation to solicit, accept, receive, or attempt to obtain from any food warehouseman any rebate, discount, deduction, concession, refund, or remittance, or to solicit, accept, receive, or attempt to obtain from any food warehouseman, any preference, or advantage, either in rates or charges, or in service or facilities afforded.

Power of commission

2533. The commission may:

(a) Determine any fact or question arising under this article.

(b) After hearing, by appropriate order enforce the provisions of this article.

(c) Establish from time to time by rule or order such exceptions from the operation of the prohibitions of this article as it considers just and reasonable.

Illegal contracts

2534. Every contract, expressed or implied, made by any person or corporation in violation of the provisions of this article or of Article 3 of this chapter, is illegal and utterly void and no recovery thereon shall be had.

Article 3. Rates

Schedules Filing

2551. Every food warehouseman doing business in the State shall file with the commission within such time and in such form as the commission designates, schedules showing all rates and charges, which are in force for warehousing and storage services of every description, including sorting, handling, weighing, elevating, and packing charges, and all charges

directly or indirectly connected with such services, together with all rules which in any manner affect or relate to rates or charges, and showing plainly when they became effective. The rates shall be uniform in their operation and shall apply with equal force and effect to all persons or corporations dealing with the food warehouseman.

Same Copies

2552. Every food warehouseman doing business in the State shall print and keep open to public inspection at each building, structure, warehouse, elevator, or plant maintained by him in this State copies of the schedules filed with the commission pursuant to Section 2551.

Same Order

2553. The commission after hearing may fix and determine any rate, charge, or rule, and prescribe by order such changes in the form of the schedules referred to in this article as it finds to be just and reasonable.

Same Change

2554. Unless the commission otherwise orders, no change shall be made by any food warehouseman in any rate or charge, or in any rule affecting rates or charges, except by permission of the commission after 30 days notice to the commission and to the public as provided in this article. The notice shall be given by filing with the commission and keeping open to public inspection, as provided in this article, new schedules stating plainly the change or changes to be made in the schedule or schedules then in force, and the time when the change or changes go into effect. The commission, for good cause shown, may allow changes without requiring the 30 days notice, by an order specifying the changes to be made, the time when they shall take effect, and the manner in which they shall be filed and published.

Condition

2555. No food warehouseman shall engage in the business of storing food commodities unless the rates and charges upon which they are stored are filed and open to public inspection as provided by this article.

Prohibited acts

2556. No food warehouseman shall:

(a) Refund or remit in any manner or by any device, any portion of the rates or charges filed with the commission.

(b) Demand, collect, or receive, directly or indirectly from any person or corporation, any different sum for warehousing or storage services than the rates and charges filed with the commission.

(c) Make, directly or indirectly, any charge for services not shown by the schedule filed with the commission.

Same Others

2557. No person, or corporation shall solicit, accept, receive, or attempt to obtain from any food warehouseman any rate or charge not filed with the commission.

Power of commission

2558. The commission may:

(a) Determine any fact or question arising under this article.

(b) After hearing, by appropriate order, enforce the provisions of this article.

(c) Establish from time to time by rule or order such exceptions from the operation of the prohibitions of this article as it considers just and reasonable.

Article 4. Proceedings

Application of Part 1

2571. In all respects in which the commission has power and authority under the provisions of Articles 2 or 3 of this chapter, applications and complaints on the commission's own motion or otherwise may be made and filed with the commission, process issued, hearings held, opinions, orders, and decisions made and filed, petitions for rehearing filed and acted upon, and petitions for writs of review or mandate filed with the Supreme Court of the State and considered and disposed of by that court, in the manner, under the conditions, and subject to the limitations, and with the effect specified in Part 1 of this division.

Action for treble damages Attorney General

2572. Whenever the Attorney General of the State has reasonable grounds to believe that any person or corporation has knowingly accepted or received from any food warehouseman, directly or indirectly, any rebate, discount, deduction, concession, refund, or remittance from the rates or charges filed with the commission, he shall prosecute a civil action in the name of the people of the State of California in the proper court to collect three times the total sum of such rebates, discounts, deductions, concessions, refunds, or remittances so accepted or received within three years prior to the commencement of the action.

Same Others

2573. Any person or corporation may maintain an action to enjoin a continuance of any act in violation of Articles 2 or 3 of this chapter or of any order or rule of the commission made pursuant to those articles, and, if injured thereby, for the recovery of damages in an amount equal to three times the amount of actual damages sustained. If in the action, the court finds that the defendant is violating Articles 2 or 3 of this chapter, or any order or rule of the commission, made pursuant to those articles, it shall enjoin the defendant from a continuance of the violation. It is not necessary that the plaintiff allege or prove actual damage.

Penalty

2574. Any person or corporation who violates Article 2 or 3 of this chapter, or any order or rule of the commission made pursuant to those articles, or who procures, aids, or abets any person or corporation in any such violation, is guilty of a misdemeanor, and upon conviction thereof, is, if a person, punishable by a fine of not exceeding one thousand dollars ($1,000), or by imprisonment in a county jail not exceeding six months or by both such fine and imprisonment, and, if a corporation, by a fine not exceeding three thousand dollars ($3,000).

Chapter 2. Water Companies

Public utilities

2701. Any person, firm, or corporation, their lessees, trustees, receivers or trustees appointed by any court whatsoever, owning, controlling, operating, or managing any water system within this State, who sells, leases, rents, or delivers water to any person, firm, corporation, municipality, or any other political subdivision of the State, whether under contract

or otherwise, is a public utility, and is subject to the provisions of Part 1 of Division 1 and to the jurisdiction, control, and regulation of the commission, except as otherwise provided in this chapter.

Same

2702. Any corporation or association organized for the purpose of delivering water solely to its stockholders or members at cost which delivers water to others than its stockholders or members, or the State or any department or agency thereof or any school district, for compensation, becomes a public utility and is subject to Part 1 of Division 1 and to the jurisdiction, control, and regulation of the commission.

Same

2703. Any corporation or association which is organized both for the purpose of delivering water to its stockholders or members at cost and to persons, firms, corporations, municipalities, or other political subdivisions of the State in addition thereto, is a public utility and is subject to the provisions of Part 1 of Division 1 and to the jurisdiction, control, and regulation of the commission.

Exception

2704. Any owner of a water supply not otherwise dedicated to public use and primarily used for domestic purposes by him or for the irrigation of his lands, who (a) sells or delivers the surplus of such water for domestic purposes or for the irrigation of adjoining lands, or (b) in an emergency water shortage sells or delivers water from such supply to others for a limited period not to exceed one irrigation season, or (c) sells or delivers a portion of such water supply as a matter of accommodation to neighbors to whom no other supply of water for domestic or irrigation purposes is equally available, is not subject to the jurisdiction, control, and regulation of the commission.

Same

2705. Any corporation or association which is organized for the purpose solely of delivering water to its stockholders or members at cost, and which delivers water to no one except its stockholders or members, or to the State or any agency or department thereof, or to any school district, at cost, is not a public utility, and is not subject to the jurisdiction, control or regulation of the commission.

Same

2706. Any person, firm, or corporation, their lessees, trustees, receivers or trustees appointed by any court whatsoever, who sells or delivers water exclusively to a water conservation district organized under the laws of the State or who leases or otherwise permits the use of ditches or other water transmission facilities exclusively by such district is not a public utility within the meaning of this chapter. No portion of the works, property, or water rights of any such parties shall be deemed dedicated to a public use by reason of selling or delivering water to a water conservation district.

Proceedings to determine status

2707. For the purpose of determining the status of any person, firm, or corporation, their lessees, trustees, receivers or trustees appointed by any court whatsoever, owning, controlling, operating, or managing any water system or water supply within

this State, the commission may hold hearings and issue process and orders in like manner and to the same extent as provided in Part 1 of Division 1, and the findings and conclusions of the commission on questions of fact arising under this chapter are final and not subject to review, except as provided in Part 1 of Division 1.

Finding of capacity service

2708. Whenever the commission, after a hearing had upon its own motion or upon complaint, finds that any water company which is a public utility operating within this State has reached the limit of its capacity to supply water and that no further consumers of water can be supplied from the system of such utility without injuriously withdrawing the supply wholly or in part from those who have theretofore been supplied by the corporation, the commission may order and require that no such corporation shall furnish water to any new or additional consumers until the order is vacated or modified by the commission. The commission, after hearing upon its own motion or upon complaint, may also require any such water company to allow additional consumers to be served when it appears that service to additional consumers will not injuriously withdraw the supply wholly or in part from those who theretofore had been supplied by such public utility.

Statement of area supplied

2709. The commission may require any water corporation to file with the commission a statement in writing defining and describing the lands and territory to be supplied by the corporation with water.

Inadequate service

2710. When it appears from (a) the statement required by Section 2709, (b) the articles of incorporation of any water corporation, or (c) any notice of appropriation of water required by law, that a water corporation has undertaken to supply more consumers or a greater number of acres than it can adequately supply, the commission may require the corporation to limit the number of consumers or acres of land which it has undertaken to supply or which is set out in its articles of incorporation or notices of appropriation to such a limited number of consumers or acres of land as the commission finds, after hearing, that the water corporation may adequately supply.

Prior consumers, ratable apportionment

2711. Section 2710 does not apply to territory or consumers which have once been served by the corporation. As between consumers who have been voluntarily admitted to participate by the corporation in its supply of water or required to be supplied by an order of the commission, in times of water shortage the corporation shall give no priority or preference but shall apportion its supply ratably among its consumers.

"Whether under contract or otherwise"

2712. "Whether under contract or otherwise" as used in Section 2701 is not to be construed as authorizing a contract by a person or corporation defined in this chapter as a public utility which in anywise deprives the State or the commission or other competent authority of power to regulate the rates and service of any such public utility.

PART 3. SURRENDER OF MUNICIPAL CONTROL

CHAPTER 1. SURRENDER OF CONTROL BY MUNICIPAL CORPORATIONS

Article 1. General Provisions and Definitions

Retention or surrender of control

2901. Any municipal corporation may retain or surrender to the commission the powers of control vested in it to supervise and regulate the relationship between any one or more classes of public utilities, and their present or prospective customers, consumers, or patrons, and, if it has retained such powers over any class of public utilities, may thereafter surrender such powers to the commission.

Powers affecting health, convenience, and safety of public

2902. This chapter shall not be construed to authorize any municipal corporation to surrender to the commission its powers of control to supervise and regulate the relationship between a public utility and the general public in matters affecting the health, convenience, and safety of the general public, including matters such as the use and repair of public streets by any public utility, the location of the poles, wires, mains, or conduits of any public utility, on, under, or above any public streets, and the speed of common carriers operating within the limits of the municipal corporation.

Construction

2903. Unless the context otherwise requires, the definitions and general provisions set forth in this article govern the construction of this chapter.

"Municipal corporation"

2904. "Municipal corporation" means a city and county or incorporated city.

"Legislative body"

2905. "Legislative body" means the board of supervisors, municipal council, commission, or other legislative or governing body of a municipal corporation.

"Powers of control"

2906. "Powers of control" means all powers of control vested in a municipal corporation to supervise and regulate (a) the relationship between public utilities and their present or prospective customers, consumers, or patrons. The term does not include the powers of control vested in any municipal corporation to supervise and regulate the relationship between such public utilities and the general public in matters affecting the health, convenience, and safety of the general public, including matters such as the use and repair of public streets by any public utility, the location of the poles, wires, mains, or conduits of any public utility, on, under, or above any public streets, and (b) the speed of common carriers operating within the limits of the municipal corporation.

Other terms

2907. "Railroad corporation," "street railroad corporation," "common carrier," "gas corporation," "electrical corporation," "telephone corporation," "telegraph corporation," "water corporation," "wharfinger," "warehouseman," and "public utility" have the same meaning as is given to them, respectively, in Part 1 of Division 1.

Article 2. Petition for Election

Ordinance of intention, petition

2931. The question whether any municipal corporation shall retain its powers of control respecting one or more classes of public utilities may be submitted to the qualified electors of the municipal corporation, as provided in this chapter, either at a general municipal election or at a special election.

The question may be submitted, either (a) in pursuance of an ordinance of intention adopted by a vote of three-fifths of all the members of the legislative body of the municipal corporation, declaring that the public interest requires the submission of, and that it is the intention of the legislative body to submit the question to a vote of the qualified electors of the municipal corporation or (b) in pursuance of a petition of qualified electors of the municipal corporation.

Same Content

2932. The ordinance of intention or the petition, as the case may be, shall contain the propositions proposed to be so submitted, as set forth in Section 2965.

Number of signatures, form

2933. The petition shall be signed by qualified electors of the municipal corporation, equal in number to 10 per centum of the qualified electors, computed upon the total number of votes cast in the municipal corporation for all candidates for Governor at the last preceding general election prior to the filing of the petition at which a governor was elected. The petition may consist of separate papers, but if any paper consists of more than one sheet it shall be securely fastened together at the top. The signatures need not all be appended to one sheet of paper. Each paper shall have attached, at the bottom of the last sheet, the affidavit of a qualified elector of the municipal corporation, stating that all of the signatures on each sheet were made in his presence, and that to the best of his knowledge and belief each signature is a genuine signature of the person whose name purports to be subscribed.

Filing, examination

2934. The petition shall be filed with the clerk of the legislative body of the municipal corporation. Within 10 days from the date of the filing of the petition, the clerk shall examine the petition and ascertain from the record of the registration of the electors of the city and county, or of the county in which the municipal corporation is situated, whether the petition is signed by the requisite number of qualified electors. Upon request of the clerk, the legislative body of the municipal corporation shall authorize him to employ persons specially to assist him in the work of examining the petition and shall provide for their compensation.

Certification

2935. Upon completion of the examination, the clerk shall forthwith attach to the petition his certificate, properly dated, showing the result of the examination. If from the examination, the clerk finds that the petition is signed by the requisite number of qualified electors, he shall certify that the petition is sufficient. If, from the examination, he finds that the petition is not signed by the requisite number of qualified electors, he shall certify to the number of qualified electors signing the petition

and to the number of qualified electors required to make the petition sufficient.

Supplemental petition

2936. If, by the certificate of the clerk, the petition is shown to be insufficient, it may be amended by filing a supplemental petition within 10 days from the date of the certificate.

Same Examination

2937. The clerk shall, within 10 days from the filing of the supplemental petition, make a like examination of the supplemental petition and certify to the result of the examination as provided in Section 2936. If the certificate of the clerk shows any petition, or any petition together with a supplemental petition, to be insufficient, it shall be retained by him and kept as a public record, without prejudice, however, to the filing of a new petition to the same effect. But if, by the certificate of the clerk, any petition, or any petition together with a supplemental petition, is shown to be sufficient, the clerk shall forthwith present the petition to the legislative body of the municipal corporation.

Sufficiency Review

2938. The sufficiency or insufficiency of the petition shall not be subject to review by the legislative body. After the election held in pursuance of the petition, the sufficiency of the petition in any respect shall not be subject to judicial review or be otherwise questioned.

Election commission, registrar of voters

2939. In any city and county having a board of election commissioners and a registrar of voters, the clerk of the legislative body thereof shall immediately upon the filing of any petition with him, transmit the petition to the board of election commissioners, who shall forthwith deliver the petition to the registrar of voters, who shall perform all the duties herein required to be performed in other municipal corporations by the clerk of the legislative body respecting the examination and certification of the petition. The registrar of voters shall, upon making his certificate, forthwith return the petition to the clerk, who shall thereupon present the petition and the attached certificate to the legislative body of the municipal corporation as provided in this article.

Article 3. Elections

Ordinance

2961. Upon the adoption of an ordinance of intention, or the presentation of a petition, as provided in Article 2, the legislative body of the municipal corporation shall, by ordinance, order the holding of a special election for the purpose of submitting to the qualified electors of the municipal corporation the propositions set forth in the ordinance of intention or in the petition, as the case may be, or the legislative body shall, by ordinance, order the submission of the propositions at a general municipal election.

Time

2962. A special election shall be held not less than 20 days nor more than 60 days after the adoption of the ordinance of intention, or the presentation of the petition to the legislative body, except that if a general municipal election occurs in the

municipal corporation not less than 20 days nor more than 60 days after the adoption of the ordinance of intention or the presentation of the petition to the legislative body, the propositions may be submitted at the general municipal election, in the same manner as other propositions are required by law to be submitted at general municipal elections in the municipal corporation.

Special election

2963. Every special election held in any municipal corporation under the provisions of this chapter, shall be called by the legislative body thereof, by ordinance, which shall specify the propositions to be submitted at the election and the date thereof, and, where provision is not otherwise made by law, shall establish the election precincts and designate the polling places, and the names of the election officers for each precinct.

Publication

2964. The ordinance shall, prior to the election, be published five times in a daily newspaper printed and published in the municipal corporation, or twice in a weekly newspaper printed and published therein, if there is no such daily newspaper If no daily or weekly newspaper is printed and published in the municipal corporation, the clerk of the legislative body shall post a copy of the ordinance in three public places in the municipal corporation at least 10 days prior to the election

Ballots

2965. The ballots to be used at any general municipal election or at any special election, at which is submitted the question whether a municipal corporation shall retain its powers of control respecting public utilities shall have printed thereon, in addition to the other matters required by law, such of the following propositions as are specified in the ordinance of intention or the petition:

"Proposition No. 1. Shall _____ (name of municipal corporation) retain its powers of control over railroad corporations?"

"Proposition No. 2. Shall _____ (name of municipal corporation) retain its powers of control over street railroad corporations?"

"Proposition No. 3. Shall _____ (name of municipal corporation) retain its powers of control over common carriers other than railroad and street railroad corporations?"

"Proposition No. 4. Shall _____ (name of municipal corporation) retain its powers of control over gas corporations?"

"Proposition No. 5. Shall _____ (name of municipal corporation) retain its powers of control over electrical corporations?"

"Proposition No. 6. Shall _____ (name of municipal corporation) retain its powers of control over telephone corporations?"

"Proposition No. 7. Shall _____ (name of municipal corporation) retain its powers of control over telegraph corporations?"

"Proposition No. 8. Shall _____ (name of municipal corporation) retain its powers of control over water corporations?"

"Proposition No. 9. Shall _____ (name of municipal corporation) retain its powers of control over wharfingers?"

"Proposition No. 10. Shall _____ (name of municipal corporation) retain its powers of control over warehousemen?"

Opposite each such proposition to be voted upon, and to the right thereof, the words "Yes" and "No" shall be printed on separate lines, with voting squares. Any voter desiring to vote in favor of the retention of the powers of control of the municipal corporation respecting any particular class of public utility, shall stamp a cross (×) in the voting square after the printed word "Yes" opposite the proposition as to such class, and any voter desiring to vote against the retention of such powers of the municipal corporation respecting any particular class of public utility, shall stamp a cross (×) in the voting square after the printed word "No" opposite such proposition.

Special election Canvass

2966. If the propositions specified in Section 2965 are submitted at a special election in any municipal corporation, the legislative body or other body or board charged with the duty of canvassing the returns and declaring the result of elections in the municipal corporation, shall meet at their usual place of meeting on the first Monday after the election to canvass the returns and to declare the result thereof.

Declaration of result

2967. Immediately upon the completion of the canvass of the returns of any special or general municipal election at which the propositions specified in Section 2965 were submitted, the legislative body or other body or board charged with the duty shall make an order declaring the result of the election upon such propositions and shall cause the results to be entered upon its minutes. The order shall show the total number of votes cast upon each proposition, and the number of votes cast respectively in favor of and against each proposition.

Majority vote to retain powers

2968. If it appears from the result of the election, as so declared, that a majority of the qualified electors of the municipal corporation have voted to retain the powers of control of the municipal corporation respecting any particular class of public utility, the municipal corporation is deemed to have elected to retain the powers of control respecting such class of public utility, and such powers shall be exercised by the municipal corporation until they are surrendered

Majority vote to surrender powers

2969. If it appears from the result of the election, as so declared, that a majority of the qualified electors voted not to retain the powers of control respecting any class of public utility, the municipal corporation is deemed to have elected not to retain the powers of control, and the powers of control shall thereafter vest in and be exercised by the commission.

Entry, certification, filing

2970. Immediately upon the entry of the order declaring the result of the election, the clerk of the legislative body or the registrar of voters of any municipal corporation having a board of election commissioners and a registrar of voters, shall make

copies, in duplicate, of the order, and shall attach to each copy his certificate under the seal, if any, of the municipal corporation, or of the board of election commissioners, certifying that it is a true and correct copy of the order. The clerk or registrar of voters, as the case may be, shall forthwith file one copy in the office of the commission and the other in the Office of the Secretary of State.

Vesting of power

2971. Immediately upon the filing of a certified copy of the order in the office of the commission, the powers of control theretofore vested in the municipal corporation over any class or classes of public utilities which a majority of the qualified electors of the municipal corporation voting thereon have voted not to retain, as shown by the order, thereupon vests in and shall be exercised by the commission.

Subsequent surrender Election

2972. Any municipal corporation which has retained the powers of control vested therein respecting any class or classes of public utilities may thereafter surrender its powers of control as to such class or classes of public utilities at a general municipal election, or at a special election called for that purpose.

Same Ballot

2973. The ballots to be used at the election shall have printed thereon, in addition to the other matters required by law, separate propositions as to each class of public utilities as to which the municipal corporation may retain its powers of control and as to which it is desired to vote. As to each of such classes of public utilities, and in addition to the other matters required by law to be printed thereon, a proposition shall be printed on the ballot to be used at the election in substantially the following form: "Shall _____ (name of municipal corporation) surrender its powers of control over _____ (here insert class of public utility) to the Public Utilities Commission?" Opposite each such proposition to be voted upon, and to the right thereof, the words "Yes" and "No" shall be printed on separate lines, with voting squares. Any elector desiring to vote to surrender the powers of control of the municipal corporation over any class of public utility specified on the ballot, shall stamp a cross (X) in the voting square opposite the printed word "Yes," after the proposition as to such class and any elector desiring to vote not to surrender the powers of control of such municipal corporation over such class of public utility, shall stamp a cross (X) in the voting square opposite the printed word "No" after the proposition as to such class.

Effect of result

2974. The provisions of this chapter, insofar as applicable, shall govern elections called, conducted, and held under the provisions of this article and general municipal elections at which the propositions to surrender control of public utilities are submitted. If it appears from the result of the election declared as provided in this article, that a majority of the qualified electors of a municipal corporation have voted to surrender the powers of control of the municipal corporation respecting any particular class of public utility, the municipal

corporation is deemed to have surrendered its powers of control as to such class of public utility to the commission, and such powers shall thereafter vest in and be exercised by the commission, as provided by law, upon the filing, in the office of the commission, of a certified copy of the order declaring the result of the election. If it appears from the result of the election, as declared, that a majority of the qualified electors have voted not to surrender the powers of control respecting any particular class of public utility, such powers of control shall continue in the municipal corporation. Such powers of control may thereafter be surrendered by the municipal corporation at any subsequent election at which the question of surrender may again be submitted under the provisions of this chapter.

Subsequent elections

2975. The holding of a special election, or the submission of propositions at any general municipal election, under any of the provisions of this chapter, shall not be construed to preclude the holding of a subsequent special election or the subsequent submission of propositions at a general municipal election, on the question of the retention or surrender by a municipal corporation of its powers of control respecting any class of public utilities. However, not more than one such special election shall be held within any period of 12 months.

Law applicable to elections

2976. Except as otherwise in this chapter provided, the holding and conducting of elections pursuant to this chapter, the form of the ballots used, the opening and closing of the polls, the canvass of the returns, and the declaring of the result shall conform to such laws as are applicable to special municipal elections held in the municipal corporation affected.

DIVISION 2. REGULATION OF RELATED BUSINESSES BY THE PUBLIC UTILITIES COMMISSION

CHAPTER 1. HIGHWAY CARRIERS

Article 1. General Provisions and Definitions

Short title

3501. This chapter may be cited as the "Highway Carriers' Act."

Purpose of chapter

3502. The use of the public highways for the transportation of property for compensation is a business affected with a public interest. It is the purpose of this chapter to preserve for the public the full benefit and use of public highways consistent with the needs of commerce without unnecessary congestion or wear and tear upon such highways; to secure to the people just and reasonable rates for transportation by carriers operating upon such highways; and to secure full and unrestricted flow of traffic by motor carriers over such highways which will adequately meet reasonable public demands by providing for the regulation of rates of all transportation agencies so that adequate and dependable service by all necessary transportation agencies shall be maintained and the full use of the highways preserved to the public.

3503. Unless the context otherwise requires, the definitions and general provisions set forth in this article govern the construction of this chapter. Construction

3504. In construing and enforcing the provisions of this chapter relating to penalties, the act, omission, or failure of any officer, agent, or employee of any person or corporation, acting within the scope of his official duties or employment, is the act, omission, or failure of the employing person or corporation. Imputed acts

3505. The provisions of this chapter do not apply to: Exemptions

(a) Transportation service all of which is rendered in territory within the exterior boundaries of a city, or city and county including the area of any city situated wholly within such outside limits;

(b) The transportation of baggage and express which is incidental to the transportation of passengers by passenger stage corporations as defined in Section 226.

3506. This chapter shall not be construed as a regulation of commerce with foreign nations or among the several states, except insofar as such regulation is permitted under the provisions of the Constitution and the acts of the Congress of the United States. Construction

3507. "Corporation" includes a corporation, a company, an association, and a joint stock association. "Corporation"

3508. "Person" includes an individual, a firm, or a copartnership. "Person"

3509. "Public highway" includes every public street, road, or highway in this State. "Public highway"

3510. "Motor vehicle" means every motor truck, tractor, or other self-propelled vehicle used for transportation of property over the public highways, otherwise than upon fixed rails or tracks, and any trailer, semitrailer, dolly, or other vehicle drawn thereby. "Motor vehicle"

3511. "Highway carrier" means every corporation or person, their lessees, trustees, receivers or trustees appointed by any court whatsoever, engaged in transportation of property for compensation or hire as a business over any public highway in this State by means of a motor vehicle, except that "highway carrier" does not include: "Highway carrier"

(a) Carriers operating exclusively within the limits of a single city or city and county.

(b) Any farmer resident of this State who occasionally transports from the place of production to a warehouse, regular market, place of storage, or place of shipment the farm products of neighboring farmers in exchange for like services or for a cash consideration or farm products for compensation.

(c) Persons or corporations hauling their own property.

(d) Any farmer operating a motor vehicle used exclusively in the transportation of his livestock and agricultural commodities or in the transportation of supplies to his farm.

(e) Any nonprofit agricultural cooperative association organized and acting within the scope of its powers under

Chapter 4, Division 6 of the Agricultural Code to the extent only that it is engaged in transporting its own property or the property of its members.

"Occasionally"

3512. "Occasionally" as used in Section 3511 means occasionally or for a total annual compensation from all sources for providing transportation for hire of not more than six hundred dollars ($600), and which transportation constitutes the sole transportation of persons or property for hire or compensation.

"Highway common carrier"

3513. "Highway common carrier" means every highway carrier operating as a common carrier, other than a petroleum irregular route carrier, subject to regulation as such by the commission under Part 1 of Division 1.

"Petroleum irregular route carrier"

3514. "Petroleum irregular route carrier" includes every corporation or person, their lessees, trustees, receivers or trustees appointed by any court whatsoever, operating within this State, engaged as a common carrier, other than as a highway common carrier, for compensation in the ownership, control, operation, or management of any motor vehicle transporting petroleum or petroleum products in tank truck or tank trailer over any public highway in this State.

"Highway permit carrier"

3515. "Highway permit carrier" means every highway carrier other than a highway common carrier or a petroleum irregular route carrier.

"Radial highway common carrier"

3516. "Radial highway common carrier" means every highway carrier operating as a common carrier not subject to regulation as such by the commission under Part 1 of Division 1.

"Highway contract carrier"

3517. "Highway contract carrier" means every highway carrier other than (a) a highway common carrier, (b) a radial highway common carrier, (c) a petroleum contract carrier, or (d) a petroleum irregular route carrier.

"Petroleum contract carrier"

3518. "Petroleum contract carrier" means any person or corporation, their lessees, trustees, receivers or trustees appointed by any court whatsoever, who, under individual contracts or agreements, engages in the transportation of petroleum or petroleum products in tank truck or tank trailer for compensation over any public highway in this State.

Article 2. Regulation of Highway Carriers

Carriers subject to chapter

3541. No highway carrier other than a highway common carrier or petroleum irregular route carrier shall engage in the business of the transportation of property for compensation by motor vehicle over any public highway in this State, except in accordance with the provisions of this chapter which is enacted under the power of the State to regulate the use of public highways.

Dual operation

3542. No person or corporation shall engage or be permitted by the commission to engage in the transportation of property on any public highway, both as a common carrier and as a highway contract carrier of the same commodities between the same points.

License plate

3543. No highway carrier shall operate any motor vehicle over any public highway unless there is displayed on the vehicle a distinctive license plate in the form prescribed by the commission, showing the classification to which the carrier belongs. No such license plate shall be issued by the commission until a permit under this chapter, or a certificate of public convenience and necessity under Part 1 of Division 1 has been issued to the carrier.

Same
Transfer

3544. No license plate shall be transferred from any vehicle to which it is assigned by the commission to any other vehicle to which it has not been so assigned.

Same
Return to commission

3545. Upon the cancellation, revocation, or other termination of any certificate or permit, the highway carrier to whom the permit or certificate was issued shall thereupon surrender and deliver to the commission all assigned plates. Upon the sale or other disposal of any vehicle to which license plates have been assigned, the license plates assigned to the vehicle shall be returned to the commission, unless reassigned by the commission

Safety regulations

3546. The commission may regulate safety of operations of each petroleum contract carrier.

Article 3. Highway Contract Carrier and Radial Highway Common Carrier Permits

Permit

3571. No highway contract carrier or radial highway common carrier shall engage in the business of transportation of property for compensation by motor vehicle on any public highway in this State without first having obtained from the commission a permit authorizing such operation.

Petition

3572. Any highway carrier desiring a permit to operate as a highway contract carrier or a radial highway common carrier shall file a petition therefor with the commission. The petition shall set forth:

(a) The name and address of the applicant.

(b) The names and addresses of its officers, if any.

(c) Full information concerning the financial condition and physical properties of the applicant.

(d) Such other information necessary to the enforcement of this chapter as the commission may require.

Except as otherwise provided in this chapter, upon compliance by an applicant with this chapter, the commission shall issue a permit.

Non-user

3573. Any operating permit not exercised for a period of one year shall lapse and terminate.

Transfer

3574. No operating permit shall be sold, leased, assigned, transferred, or otherwise encumbered by the holder thereof without first having secured from the commission an order authorizing it Any such sale, lease, assignment, transfer, or encumbrance made otherwise than in accordance with the order of the commission authorizing it shall be void.

(Added by Stats. 1951, Ch. 1726.)

Article 4. Petroleum Contract Carrier Permits

Declaration of policy

3601. The transportation of petroleum or of petroleum products in any tank truck or trailer for compensation over any public highway in this State is declared to be a highly specialized type of truck transportation. This article is enacted for the limited purpose of providing necessary regulation for this specialized type of truck transportation only, and is not to be construed for any purpose as a precedent for the extension of such regulation to any other type of truck transportation

Permit

3602. No petroleum contract carrier shall engage in the business of the transportation of petroleum or petroleum products for compensation, by motor vehicle in tank truck or tank trailer over any public highway in this State, unless there is in force a permit issued by the commission authorizing such operations.

Application

3603. Application for permits shall be in writing, verified under oath, and shall be in such form, contain such information, and be accompanied by proof of service upon such interested parties as the commission requires

Ability, financial responsibility

3604. Before a permit is issued the commission shall require the applicant to establish ability and reasonable financial responsibility to initiate the proposed operations. The commission may, with or without hearing, issue or refuse to issue the permit. If the commission finds that the applicant possesses the ability and financial responsibility to initiate the proposed operations, it shall issue a permit as prayed for.

Termination

3605. A permit shall remain in effect until suspended or terminated by the commission, except that any permit not exercised for a period of six (6) months shall lapse and terminate.

Transfer

3606. No permit issued pursuant to this article shall be sold, leased, assigned, or otherwise transferred or encumbered by the holder without first having secured authorization therefor from the commission. Any sale, lease, assignment, transfer, or encumbrance made otherwise than in accordance with the order of the commission is void.

Article 5. Accident Liability Protection

Liability protection

3631. The commission shall, in granting permits pursuant to this chapter, require the highway carrier to procure, and continue in effect during the life of the permit, adequate protection, as provided in Section 3632, against liability imposed by law upon the highway carrier for the payment of damages for personal bodily injuries, including death resulting therefrom, in the amount of not less than fifteen thousand dollars ($15,000) on account of bodily injuries to, or death of, one person; and protection against a total liability of the highway carrier on account of bodily injuries to, or death of, more than one person, as a result of any one accident, in the amount of not less than thirty thousand dollars ($30,000); and protection in an amount

of not less than ten thousand dollars ($10,000) for one accident resulting in damage or destruction of property whether the property of one, or more than one claimant.

The commission may, upon its own motion or upon the application of any interested party, and after hearing, require any highway carrier to procure and maintain cargo insurance in such amounts and upon such terms as the commission may determine

(Amended by Stats 1951, Ch. 1726.)

[ORIGINAL SECTION]

3631. The commission shall, in granting permits pursuant to this chapter, require the highway carrier to procure, and continue in effect during the life of the permit, adequate protection, as provided in Section 3632, against liability imposed by law upon the highway carrier for the payment of damages for personal bodily injuries, including death resulting therefrom, in the amount of not less than five thousand dollars ($5,000) on account of bodily injuries to, or death of, one person, and protection against a total liability of the highway carrier on account of bodily injuries to, or death of, more than one person, as a result of any one accident, in the amount of not less than ten thousand dollars ($10,000); and protection in an amount of not less than five thousand dollars ($5,000) for one accident resulting in damage or destruction of property whether the property of one, or more than one claimant

Manner of protection

3632. The protection required under Section 3631 shall be evidenced either:

By the deposit with the commission, covering each vehicle used or to be used under the permit applied for,

(1) Of a policy of insurance, issued by a company licensed to write such insurance in the State; or

(2) Of a bond of a surety company licensed to write surety bonds in the State.

(Amended by Stats 1951, Ch. 1726.)

[ORIGINAL SECTION]

3632. The protection required under Section 3631 shall be evidenced either:

(a) By the deposit with the commission, covering each vehicle used or to be used under the permit applied for,

(1) Of a policy of public liability and property damage insurance, issued by a company licensed to write such insurance in the State; or

(2) Of a bond of a surety company licensed to write surety bonds in the State; or

(3) Of a personal bond, with such sureties as the commission finds adequate to guarantee the required protection,

(b) By a trust fund in the amount of fifteen thousand dollars ($15,000), to be held in trust by some institution or person acceptable to the commission,

(c) By a combination of any of the foregoing methods in such manner that the aggregate of the protection or funds available equals the principal sum of not less than fifteen thousand dollars ($15,000).

The highway carrier shall select the method to be used in obtaining the protection, and may change from one method to another from time to time, with the consent of the commission

Copy of policy

3633. With the consent of the commission a copy of an insurance policy, certified by the company issuing it to be a true copy of the original policy, or a photostatic copy thereof, or an abstract of the provisions of the policy, or a certificate of insurance issued by the company issuing the policy, may be

filed with the commission in lieu of the original or a duplicate or counterpart of the policy.

Continuance, cancellation

3634. The protection against liability shall be continued in effect during the active life of the permit. The policy of insurance or surety bond shall not be cancelable on less than thirty (30) days written notice to the commission.

(Amended by Stats. 1951, Ch 1726.)

[ORIGINAL SECTION]

3634. The protection against liability shall be continued in effect during the active life of the permit. The policy of insurance, surety bond or personal bond shall not be cancelable on less than ten (10) days written notice to the commission.

Rules

3635. The commission may establish such rules as are necessary to enforce this article.

Article 6. Rates

Declaration of policy

3661. It is the policy of the State to be pursued by the commission to establish such rates as will promote the freedom of movement by carriers of the products of agriculture, including livestock, at the lowest lawful rates compatible with the maintenance of adequate transportation service.

Establishment approval Factors

3662. The commission shall, upon complaint or upon its own initiative without complaint, establish or approve just, reasonable, and nondiscriminatory maximum or minimum or maximum and minimum rates to be charged by any highway permit carrier for the transportation of property and for accessorial service performed by it.

In establishing or approving such rates the commission shall give due consideration to the cost of all of the transportation services performed, including length of haul, any additional transportation service performed, or to be performed, to, from, or beyond the regularly established termini of common carriers or of any accessorial service, the value of the commodity transported, and the value of the facility reasonably necessary to perform the transportation service.

Minimum rates Limitation

3663. In the event the commission establishes minimum rates for transportation services by highway permit carriers, the rates shall not exceed the current rates of common carriers by land subject to Part 1 of Division 1 for the transportation of the same kind of property between the same points.

Unlawful charges

3664. It is unlawful for any highway permit carrier to charge or collect any lesser rate than the minimum rate or greater rate than the maximum rate established by the commission under this article.

Rules

3665. The commission shall make such rules as are necessary to the application and enforcement of the rates established or approved pursuant to this chapter.

Authorization of lower rate

3666. If any highway carrier other than a common carrier desires to perform any transportation or accessorial service at a lesser rate than the minimum established rates, the commission shall, upon finding that the proposed rate is reasonable, authorize the lesser rate.

3667. No highway permit carrier shall charge, demand, collect, or receive for the transportation of property, or for any service in connection therewith, rates or charges less than the minimum rates and charges or greater than the maximum rates and charges applicable to such transportation established or approved by the commission; nor shall any such carrier directly or indirectly pay any commission or refund, or remit in any manner or by any device any portion of the rates or charges so specified, except upon authority of the commission. Variance from established or approved rates.

3668. No highway permit carrier, or any officer, or agent thereof, or any person acting or employed by it, shall, by means of known false billing, classification, weight, weighing or report of weight, or by any other device, assist, suffer, or permit any corporation or person to obtain transportation for any property between points within this State at rates less than the minimum rates or more than the maximum rates then established or approved by the commission. Evasion by carrier

3669. No person, corporation, or any officer, agent, or employee of a corporation shall, by means of false billing, false or incorrect classification, false weight or weighing, false representation as to the content or substance of a package, or false report or statement of weight, or by any other device or means, whether with or without the consent or connivance of a highway permit carrier, or any of its officers, agents, or employees, seek to obtain or obtain transportation for property at less than the minimum rates or charges or more than the maximum rates or charges established or approved by the commission. Evasion by others

3670. No person or corporation, or any officer, agent, or employee of a corporation, shall knowingly, directly or indirectly by any false statement or representation as to cost or value or the nature or extent of damage, or by the use of any false billing, bill of lading, receipt, voucher, roll, account, claim, certificate, affidavit or deposition, or upon any false, fictitious, or fraudulent statement or entry, obtain or attempt to obtain any allowance, rebate, or payment for damage in connection with or growing out of the transportation of property, or an agreement to transport property, whether with or without the consent or connivance of a highway permit carrier, or any of its officers, agents, or employees. No highway permit carrier, or any of its officers, agents, or employees, shall knowingly pay, or offer to pay any such allowance, rebate, or claim for damage. False damage claims, etc

Article 7. Reports, Records, and Inspections

3701. The commission may require annual, periodical, or special reports to be filed by all highway permit carriers, prescribe the manner and form in which reports shall be made, and may require specific answers to all questions upon which the commission deems information to be necessary. The reports shall be under oath whenever the commission so requires. Time, manner, form

Copies of contracts, etc

3702. The commission may require any highway permit carrier to file with it a true copy of any contract, agreement, or arrangement between the carrier and any other carrier in relation to any traffic affected by this chapter.

Accounts, records memoranda

3703. The commission may prescribe the forms of any accounts, records, and memoranda, including those pertaining to the movement of traffic and the receipt or expenditure of money, to be kept by highway permit carriers, and the length of time the accounts, records, and memoranda shall be preserved.

Unlawful records

3704. Where the commission has prescribed the forms of accounts, records, and memoranda to be kept by highway permit carriers for any of its business, it is unlawful for any highway permit carrier to keep any accounts, records, or memoranda for such business other than those so prescribed or those prescribed by or under the authority of any other state or of the United States, excepting such accounts, records, or memoranda as are explanatory of and supplemental to the accounts, records, or memoranda prescribed by the commission.

Access to property and records

3705. The commission or its authorized employees, representatives, or inspectors shall at all times have access to all lands, buildings, or equipment of highway permit carriers used in connection with the operation of their business as such carriers in this State, and also all accounts, records, and memoranda, including all documents, books, papers, and correspondence kept or required to be kept by highway permit carriers.

Inspection examination

3706. The employees, representatives, and inspectors of the commission may, under its order or direction, inspect and examine any lands, buildings, equipment, accounts, books, records, and memoranda, including all documents, papers, and correspondence kept or required to be kept by highway permit carriers.

Application to others

3707. Sections 3701 to 3706, inclusive, shall, to the extent deemed necessary by the commission, apply to persons having control, direct or indirect, over or affiliated with any highway permit carrier.

Records of exempt farmers

3708. Any farmer who is exempt from the provisions of this chapter pursuant to subdivision (b) of Section 3511 shall keep available an account of each time he transports farm products of neighboring farmers and the compensation received therefor. The account of transportation performed and compensation received may be any simple method of record keeping. Where record keeping practices are such that reports upon truck operations are reported at the end of the operating season, such end-of-the-season reports are adequate for the purposes of this section.

Violation of confidence Penalty

3709. Any employee of the commission who divulges any fact or information which comes to his knowledge during the course of the examination of the accounts, records, and memoranda of highway carriers, except as he is authorized or directed by the commission or by a court of competent jurisdiction or judge thereof, is guilty of a misdemeanor and is punishable by

a fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three (3) months, or both.

Article 8. Proceedings

Application of Part 1, Division 1

3731. Except as otherwise expressly provided, in all respects in which the commission has power and authority under the Constitution of this State or this chapter, applications and complaints may be made and filed with the commission, process issued, hearings held, opinions, orders, and decisions made and filed, petitions for rehearing filed and acted upon, and petitions for writs of review or mandate filed with the Supreme Court of this State, considered and disposed of by the Supreme Court, in regard to the matters provided for in this chapter, in the same manner, under the same conditions and subject to the same limitations, and with the same effect specified in Part 1 of Division 1, so far as applicable.

Persons subject to service

3732. Service of all process and orders instituting investigation in all proceedings, complaints, investigations, or hearings brought or pending before the commission pursuant to this chapter, may be made upon any person upon whom a summons may be served, in accordance with the Code of Civil Procedure.

Service Manner

3733. Service of all process and orders, decisions and orders, orders and notices in all such proceedings, investigations, complaints and hearings may be made personally or by the deposit in the United States mail of a sealed envelope with postage prepaid, containing a true copy of the paper to be served and addressed to the person to be served at his last known address as shown by the records of the commission.

Same· Completion

3734. Service by personal delivery is complete upon delivery to the person to be served of a true copy of the paper to be served. Service by mail is complete upon the expiration of four days after the deposit of the notice.

Same· Proof

3735. Proof of service may be made by the certificate of any officer or employee of the commission or the affidavit of any person over the age of 18 years, naming the person served and specifying the time, place, and manner of service.

Classification of carriers

3736. For the purpose of service of decisions and orders issued pursuant to Section 3662, the commission may from time to time establish such reasonable classifications or groups of carriers included in the term "highway carriers," as the special nature of the services performed by the carriers requires. At the time application is made for the issuance of a permit, or at any time thereafter, the commission may require each carrier to designate the class or classes of service performed or to be performed and to furnish such information concerning the nature and extent of its operations as the commission deems necessary or useful in establishing the classifications or groups of carriers.

Service on members of class rules affecting class

3737. Upon the issuance by the commission of any decision or order made applicable to a particular class or group of carriers, or to particular commodities transported or areas

served, the commission shall serve a copy of the decision or order without charge upon each carrier affected. Upon the issuance of a permit to operate as a highway carrier, the commission shall serve without charge upon the carrier a copy of each tariff, decision, or order previously issued that is then applicable to the class or classes of transportation service the carrier intends to perform. Each carrier shall observe any tariff, decision, or order applicable to it after service thereof.

Interim interlocutory or other orders

3738. In all proceedings instituted by or pending before the commission pursuant to this chapter, the commission may from time to time make such interim, interlocutory, or other orders as it deems advisable. No such order shall operate as a final determination of the proceeding, and the commission may at any time thereafter make such further orders as it deems advisable with respect to the matters considered and determined in the order or to other matters involved in the proceeding.

Same Petition for rehearing

3739. After the making of an interim, interlocutory, or other order, any party to the proceeding or any stockholder or bondholder or other party pecuniarily interested in the highway carrier affected may file a petition for rehearing, within the time and for the reasons provided in Sections 1731 to 1736, inclusive. The commission may act upon the petition within the time and in the manner provided in Sections 1731 to 1736, inclusive.

Same: Review

3740. Any interim, interlocutory, or other order may be reviewed as provided in Sections 1756 to 1759, inclusive. Upon such review, only that portion of the record in the proceeding considered by the commission and upon which it acted in making the order sought to be reviewed, need be certified to and considered by the Supreme Court.

Immunity

3741. No person shall be excused from attending and testifying or from producing any book, document, paper, or account in any investigation or inquiry by or hearing before the commission or any commissioner or examiner, or in obedience to the subpena of the commission, or in any cause or proceeding, criminal or otherwise, based upon or growing out of any alleged violation of any of the provisions of this chapter, when ordered to do so, upon the ground that the testimony or evidence, book, document, paper, or account required of him may tend to incriminate him or subject him to penalty or forfeiture, but no person shall be prosecuted, punished, or subjected to any penalty or forfeiture for or on account of any act, transaction, matter, or thing concerning which, under oath, he has testified or produced documentary evidence before the commission, or in obedience to its subpena, or in any such cause or proceeding. No person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in his testimony.

Article 9. Suspension and Revocation of Permits

Request by carrier

3771. The commission may, at the request of any highway permit carrier, suspend the operating permit of the carrier for a definite time during which it is unlawful for the carrier to conduct any operations as a highway permit carrier.

Symbols, plates Removal and surrender

3772. Upon such suspension of a permit the commission shall thereupon require the removal from any vehicle operated thereunder and the surrender to the commission of any distinctive symbols or license plates which have been issued therefor.

Same Restoration

3773. Upon the termination of the period of suspension the commission shall restore the permit and return to the carrier the distinctive symbols or license plates surrendered or issue such other symbols or license plates as are necessary.

Cancellation, etc

3774. The commission may cancel, revoke, or suspend the operating permit or permits of any highway carrier upon any of the following grounds:

(a) Any illegally conducted highway carrier operations

(b) The violation of any of the provisions of this chapter, or of any operating permit issued thereunder.

(c) The violation of any order, decision, rule, regulation, direction, demand, or requirement established by the commission pursuant to this chapter.

(d) The conviction of the highway carrier of any misdemeanor under this chapter.

(e) The rendition of a judgment against the highway carrier for any penalty imposed under this chapter.

(f) The failure of a highway carrier to pay any fee imposed upon the carrier within the time required by law.

Unlawful operation, new application

3775. After the cancellation or revocation of a permit, or during the period of its suspension, it is unlawful for a highway permit carrier to conduct any operations as such a carrier. The commission may either grant or deny an application for a new permit whenever it appears that a prior permit of the applicant has been canceled or revoked pursuant to Section 3774 or whenever it appears, after hearing, that as a prior permit holder, the applicant engaged in any of the unlawful activities set forth in Section 3774 for which his permit might have been canceled or revoked.

Article 10. Fines and Penalties

Carriers, officers, employees, etc Misdemeanor

3801. Every highway permit carrier and every officer, director, agent, or employee of any highway permit carrier who violates or who fails to comply with, or who procures, aids, or abets any violation by any highway permit carrier of any provision of this chapter, or who fails to obey, observe, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or of any operating permit issued to any highway permit carrier, or who procures, aids, or abets any highway permit carrier in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direc-

tion, demand, requirement, or operating permit, is guilty of a misdemeanor, and is punishable by fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three months, or both.

Others Misdemeanor

3802. Every corporation or person other than a highway carrier, who knowingly and wilfully, either individually, or acting as an officer, agent, or employee of a corporation, copartnership, or any other person other than a highway carrier, violates any provision of this chapter or fails to observe, obey, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or who procures, aids, or abets any highway carrier in its violation of this chapter, or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement, is guilty of a misdemeanor, and is punishable by a fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three months, or both.

Carriers, officers, employees, etc Penalty

3803. Every highway permit carrier and every officer, director, agent, or employee of any highway permit carrier who violates or who fails to comply with, or who procures, aids, or abets, any violation by any highway permit carrier of any provision of this chapter, or who fails to obey, observe, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or of any operating permit issued to any highway permit carrier, or who procures, aids, or abets any highway permit carrier in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, requirement, or operating permit, is subject to a penalty of not more than five hundred dollars ($500) for each offense.

Others Penalty

3804. Every corporation or person other than a highway carrier who knowingly and wilfully, either individually, or acting as an officer, agent, or employee of a corporation, copartnership, or any other person other than a highway carrier, violates any provision of this chapter or fails to observe, obey, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or who procures, aids, or abets any highway carrier in its violation of this chapter, or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement, is subject to a penalty of not more than five hundred dollars ($500) for each offense.

Separate offense

3805. Every violation of the provisions of this chapter or of any order, decision, decree, rule, direction, demand, or requirement of the commission by any corporation or person is a separate and distinct offense, and in case of a continuing violation each day's continuance thereof is a separate and distinct offense.

Cumulative penalties

3806. All penalties accruing under this chapter are cumulative, and a suit for the recovery of one penalty does not bar or affect the recovery of any other penalty or forfeiture or bar any criminal prosecution against any person or corporation, or

any officer, director, agent, or employee thereof, or any other corporation or person, or bar the exercise by the commission of its power to punish for contempt.

Actions to recover penalties

3807. Actions to recover penalties under this chapter shall be brought in the name of the people of the State of California, in the superior court of the county, or city and county, in which the cause or some part thereof arose, or in which the corporation complained of, if any, has its principal place of business, or in which the person, if any, complained of, resides. The action shall be commenced and prosecuted to final judgment by the attorney of the commission.

Same Procedure, evidence

3808. In any such action, all penalties incurred up to the time of the commencement of the action may be sued for and recovered. In all such actions, the procedure and rules of evidence shall be the same as in ordinary civil actions.

Proceeds compromise, etc

3809. All penalties recovered by the State in any action pursuant to this chapter, together with the costs thereof, shall be paid into the State Treasury to the credit of the General Fund. Any such action may be compromised or discontinued on application of the commission upon such terms as the court approves and orders.

CHAPTER 2. CITY CARRIERS

Article 1. General Provisions and Definitions

Short title

3901. This chapter may be cited as the "City Carriers' Act."

Declaration of policy

3902. The use of the public highways for the transportation of property for compensation is a business affected with a public interest. It is the purpose of this chapter to preserve for the public the full benefit and use of public highways consistent with the needs of commerce without unnecessary congestion or wear and tear upon such highways; to secure to the people just and reasonable rates for transportation by carriers operating upon such highways; and to secure full and unrestricted flow of traffic by motor carriers over such highways which will adequately meet reasonable public demands by providing for the regulation of rates of all transportation agencies so that adequate and dependable service by all necessary transportation agencies shall be maintained and the full use of the highways preserved to the public.

Construction

3903. Unless the context otherwise requires, the definitions and general provisions set forth in this article govern the construction of this chapter.

Imputed acts

3904. In construing and enforcing the provisions of this chapter relating to penalties, the act, omission, or failure of any officer, agent, or employee of any person or corporation, acting within the scope of his official duties or employment, is the act, omission, or failure of the employing person or corporation.

Exemption

3905. The provisions of this chapter do not apply to a passenger stage corporation as defined in Section 226 engaged

in transporting express when the transportation is incidental to the transportation of passengers.

Construction

3906. This chapter shall not be construed as a regulation of commerce with foreign nations or among the several states, except insofar as such regulation is permitted under the provisions of the Constitution and the acts of the Congress of the United States.

"Corporation"

3907. "Corporation" includes a corporation, company, an association, and a joint stock association.

"Person"

3908. "Person" includes an individual, a firm, or a copartnership.

"Public highway"

3909. "Public highway" includes every public street, road, or highway in this State.

"Motor vehicle"

3910. "Motor vehicle" means every motor truck, tractor, or other self-propelled vehicle used for transportation of property over the public highways, otherwise than upon fixed rails or tracks, and any trailer, semitrailer, dolly, or other vehicle drawn thereby.

"Carrier"

3911. "Carrier" means every corporation or person, their lessees, trustees, receivers or trustees appointed by any court whatsoever, engaged in the transportation of property for compensation or hire as a business over any public highway in any city or city and county in this State by means of a motor vehicle, except that "carrier" does not include:

(a) Any farmer resident of this State who occasionally transports from the place of production to a warehouse, regular market, place of storage, or place of shipment the farm products of neighboring farmers in exchange for like services or for a cash consideration or farm products for compensation.

(b) Persons or corporations hauling their own property.

(c) Any farmer operating a motor vehicle used exclusively in the transportation of his livestock and agricultural commodities or in the transportation of supplies to his farm.

(d) Any nonprofit agricultural cooperative association organized and acting within the scope of its powers under Chapter 4, Division 6 of the Agricultural Code to the extent only that it is engaged in transporting its own property or the property of its members.

"Occasionally"

3912. "Occasionally" as used in Section 3911 means occasionally or for a total annual compensation from all sources for providing transportation for hire of not more than six hundred dollars ($600), and which transportation constitutes the sole transportation of persons or property for hire or compensation.

Article 2. Regulation of City Carriers

Carriers subject to chapter

3941. No carrier shall engage in the business of the transportation of property for compensation by motor vehicle over any public highway in any city of this State, except in accordance with the provisions of this chapter which is enacted under the power of the State to regulate the use of public highways.

Same
Permit

3942. No carrier shall engage in the business of transportation of property for compensation by motor vehicle over any public highway in any city in this State without having first obtained from the commission a permit authorizing such operation. Any carrier desiring a permit shall file a petition therefor with the commission. The petition shall be in such form and contain such information as is prescribed by the commission.

Ability, financial responsibility

3943. Before a permit is issued, the commission shall require that the applicant establish ability and financial responsibility. The commission may, with or without hearing, issue or refuse to issue the permit. If the commission finds that the applicant possesses the required ability and financial responsibility to perform the operations proposed, it shall issue a permit. The commission may attach to the permit such terms and conditions as, in its judgment are required to assure protection to persons utilizing the operations.

Transfer

3944. A city carrier permit may be sold, assigned, leased, transferred, or inherited only upon authorization by the commission.

Termination

3945. A permit shall remain in effect until otherwise ordered by the commission, except that a permit shall lapse and terminate if not exercised for a period of six months, and a permit issued to engage in the transportation of unprocessed agricultural commodities from a point of production to a processing or storage plant shall expire on December 31st of the year in which issued unless sooner terminated or revoked by order of the commission.

Temporary authority

3946. To provide for service for which there is an immediate and urgent need, the commission may, in its discretion and without hearing or other proceedings, grant temporary authority to a city carrier to engage in the transportation of unprocessed agricultural commodities from a point of production to a processing or storage plant. The temporary authority, unless suspended or revoked for good cause, is valid for such time as the commission specifies but for not more than an aggregate of 180 days, and creates no presumption that a corresponding permit will be granted thereafter under the provisions of this article.

Identification symbol

3947. Each carrier shall display on each vehicle operated by it an identification symbol in such form and in accordance with such rules as the commission prescribes.

Power of commission

3948. The commission may do all things, whether specifically designated in this chapter or in addition thereto, which are necessary and convenient in the exercise of its power and jurisdiction to accomplish the purposes of this chapter.

Article 3. Accident Liability Protection

Liability protection

3981. The commission shall, in granting permits pursuant to this chapter, require the carrier to procure, and continue in effect during the life of the permit, adequate protection, as provided in Section 3982, against liability imposed by

law upon the carrier for the payment of damages for personal bodily injuries, including death resulting therefrom, in the amount of not less than fifteen thousand dollars ($15,000) on account of bodily injuries to, or death of, one person; and protection against a total liability of the carrier on account of bodily injuries to, or death of, more than one person, as a result of any one accident, in the amount of not less than thirty thousand dollars ($30,000); and protection in an amount of not less than ten thousand dollars ($10,000) for one accident resulting in damage or destruction of property whether the property of one, or more than one claimant.

The commission may, upon its own motion or upon the application of any interested party, and after hearing, require any city carrier to procure and maintain cargo insurance in such amounts and upon such terms as the commission may determine.

(Amended by Stats. 1951, Ch. 1725.)

[ORIGINAL SECTION]

3981. The commission shall, in granting permits pursuant to this chapter, require the carrier to procure, and continue in effect during the life of the permit, adequate protection, as provided in Section 3982, against liability imposed by law upon the carrier for the payment of damages for personal bodily injuries, including death resulting therefrom, in the amount of not less than five thousand dollars ($5,000) on account of bodily injuries to, or death of, one person; and protection against a total liability of the carrier on account of bodily injuries to, or death of, more than one person, as a result of any one accident, in the amount of not less than ten thousand dollars ($10,000); and protection in an amount of not less than five thousand dollars ($5,000) for one accident resulting in damage or destruction of property whether the property of one, or more than one claimant.

Manner of protection

3982. The protection required under Section 3981 shall be evidenced by the deposit with the commission, covering each vehicle used or to be used under the permit applied for,

(1) Of a policy or policies of insurance, issued by a company licensed to write such insurance in the State; or

(2) Of a bond or a surety company licensed to write surety bonds in the State.

With the consent of the commission a copy of an insurance policy, duly certified by the company issuing it to be a true copy of the original policy, or a photostatic copy thereof, or an abstract of the provisions of said policy, or a certificate of insurance issued by the company issuing such policy, may be filed with the commission in lieu of the original or a duplicate or counterpart of said policy.

(Amended by Stats. 1951, Ch. 1725.)

[ORIGINAL SECTION]

3982. The protection required under Section 3981 shall be evidenced either:

(a) By the deposit with the commission, covering each vehicle used or to be used under the permit applied for,

(1) Of a policy of public liability and property damage insurance, issued by a company licensed to write such insurance in the State, or

(2) Of a bond of a surety company licensed to write surety bonds in the State; or

(3) Of a personal bond, with such sureties as the commission finds adequate to guarantee the required protection,

(b) By a trust fund in the amount of fifteen thousand dollars ($15,000), to be held in trust by some institution or person acceptable to the commission

(c) By a combination of any of the foregoing methods in such manner that the aggregate of the protection or funds available equals the principal sum of not less than fifteen thousand dollars ($15,000).

The carrier shall select the method to be used in obtaining the protection, and may change from one method to another, from time to time, with the consent of the commission.

Continuance, cancellation

3983. The protection against liability shall be continued in effect during the life of the permit. The policy of insurance or surety bond shall not be cancelable on less than thirty (30) days' written notice to the commission.

(Amended by Stats. 1951, Ch. 1725.)

[ORIGINAL SECTION]

3983. The protection against liability shall be continued in effect during the life of the permit. The policy of insurance, surety bond, or personal bond shall not be cancelable on less than ten (10) days' written notice to the commission.

Failure to comply

3984. The commission may with or without hearing, suspend or revoke any permit issued under this chapter for failure to comply with the requirements of Sections 3981 and 3982.

Rules

3985. The commission may establish such rules and regulations as are necessary to enforce this article.

Article 4. Rates

Establishment, approval

4011. The commission shall, upon complaint or upon its own initiative without complaint, establish or approve just, reasonable, and nondiscriminatory maximum or minimum or maximum and minimum rates to be charged by any carrier subject to this chapter.

Same Factors considered

4012. In establishing or approving rates the commission shall give due consideration to the cost of all of the transportation services performed, including length of haul, any additional transportation service performed, or to be performed, or of any accessorial service, the value of the commodity transported, and the value of the facility reasonably necessary to perform the transportation service.

Variance unlawful

4013. It is unlawful for any carrier to charge or collect any lesser rate than the minimum rate or greater rate than the maximum rate established by the commission under this article.

Rules

4014. The commission shall make such rules as are necessary to the application of the rates established or approved pursuant to this chapter.

Authorization of lower rate

4015. If any carrier desires to perform any transportation or accessorial service at a lesser rate than the established minimum rates, the commission shall, upon finding that the proposed rate is reasonable and consistent with the public interest, authorize the lesser rate.

Unlawful acts

4016. It is unlawful for any carrier or his agent, servant, or employee, directly or indirectly, to offer, remit, or give to any person, directly or indirectly, any commission or considera-

tion as an inducement to secure the transportation of any property.

Article 5 Reports, Records, and Inspections

Time, manner, form

4041. The commission may require annual, periodical, or special reports to be filed by all carriers, prescribe the manner and form in which reports shall be made, and require specific answers to all questions upon which the commission deems the information to be necessary. The reports shall be under oath whenever the commission so requires

Copies of contracts, etc

4042. The commission may require any carrier to file with it a true copy of any contract, agreement, or arrangement between the carrier and any other carrier or person in relation to any traffic affected by this chapter.

Accounts, records memoranda

4043. The commission may prescribe the forms of any accounts, records, and memoranda, including those pertaining to the movement of traffic and the receipt or expenditure of money, to be kept by carriers and the length of time the accounts, records, and memoranda shall be preserved.

Unlawful records

4044. Where the commission has prescribed the forms of accounts, records, and memoranda to be kept by carriers for any of its business, it is unlawful for any such carrier to keep any accounts, records, or memoranda for such business other than those so prescribed, or those prescribed by or under the authority of any other state or of the United States, excepting such accounts, records, or memoranda as are explanatory of and supplemental to the accounts, records, or memoranda prescribed by the commission.

Access to property and records

4045. The commission or its authorized employees, representatives, or inspectors shall at all times have access to all lands, buildings, or equipment of carriers, used in connection with the operation of their business as such carriers in this State, and also all accounts, records, and memoranda, including all documents, books, papers, and correspondence kept or required to be kept by carriers.

Inspection examination

4046. The employees, representatives, and inspectors of the commission may, under its order or direction, inspect and examine any lands, buildings, equipment, accounts, books, records, and memoranda, including all documents, papers, and correspondence kept or required to be kept by carriers.

Application to others

4047. Sections 4041 to 4046, inclusive, shall, to the extent deemed necessary by the commission, apply to persons having control, direct or indirect, over or affiliated with any carrier

Records of exempt farmers

4048. Any farmer who is exempt from the provisions of this chapter pursuant to subdivision (a) of Section 3911 shall keep available an account of each time he transports farm products of neighboring farmers and the compensation received therefor. The account of transportation performed and compensation received may be any simple method of record keeping. Where record keeping practices are such that reports upon truck operations are reported at the end of the operating sea-

son, such end-of-the-season reports are adequate for the purposes of this section.

Violation of confidence Penalty

4049. Any employee of the commission who divulges any fact or information which comes to his knowledge during the course of the examination of the accounts, records, and memoranda of carriers, except as he is authorized or directed by the commission or by a court of competent jurisdiction or judge thereof, is guilty of a misdemeanor and is punishable by a fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three (3) months, or both.

Article 6. Proceedings

Application of Part 1, Division 1

4071. Except as otherwise expressly provided, in all respects in which the commission has power and authority under the Constitution of this State or this chapter, applications and complaints may be made and filed with the commission, process issued, hearings held, opinions, orders, and decisions made and filed, petitions for rehearing filed and acted upon, and petitions for writs of review or mandate filed with the Supreme Court of this State, considered and disposed of by the Supreme Court, in regard to the matters provided for in this chapter, in the same manner, under the same conditions and subject to the same limitations, and with the same effect specified in Part 1 of Division 1, so far as applicable.

Persons subject to service

4072. Service of all process and orders instituting investigation in all proceedings, complaints, investigations, or hearings brought or pending before the commission pursuant to this chapter may be made upon any person upon whom a summons may be served, in accordance with the provisions of the Code of Civil Procedure.

Service Manner

4073. Service of all process and orders, decisions and orders, orders and notices in all such proceedings, investigations, complaints and hearings may be made personally or by the deposit in the United States mail of a sealed envelope, with postage prepaid, containing a true copy of the paper to be served and addressed to the person to be served at his last known address as shown by the records of the commission.

Same Completion

4074. Service by personal delivery is complete upon delivery to the person to be served of a true copy of the paper to be served. Service by mail is complete upon the expiration of four days after the deposit of the notice.

Same Proof

4075. Proof of service may be made by the certificate of any officer or employee of the commission or the affidavit of any person over the age of 18 years, naming the person served and specifying the time, place, and manner of service.

Classification of carriers

4076. For the purpose of service of decisions and orders issued pursuant to Section 4011, the commission may from time to time establish such reasonable classifications or groups of carriers included in the term "city carriers," as the special nature of the services performed requires. At the time application is made for the issuance of a permit, or at any time there-

after, the commission may require each carrier to designate the class or classes of service performed or to be performed and to furnish such information concerning the nature and extent of its operations the commission deems necessary or useful in establishing the classifications or groups of carriers.

Service on members of class, rules affecting class

4077. Upon the issuance by the commission of any decision or order made applicable to a particular class or group of carriers, or to particular commodities transported or areas served, the commission shall serve a copy of the decision or order without charge upon each carrier affected. Upon the issuance of a permit to operate as a city carrier, the commission shall serve without charge upon the carrier a copy of each tariff, decision, or order previously issued that is then applicable to the class or classes of transportation service the carrier intends to perform. Each carrier shall observe any tariff, decision, or order applicable to it after service thereof.

Interim interlocutory or other orders

4078. In all proceedings instituted by or pending before the commission pursuant to this chapter the commission may from time to time make such interim, interlocutory, or other orders as it deems advisable. No such order shall operate as a final determination of the proceeding, and the commission may at any time thereafter make such further orders as it deems advisable with respect to the matters considered and determined in the order or to other matters involved in the proceeding.

Same Petition for rehearing

4079. After the making of an interim, interlocutory, or other order, any party to the proceeding or any stockholder or bondholder or other party pecuniarily interested in the carrier affected may file a petition for rehearing, within the time and for the reasons provided in Sections 1731 to 1736, inclusive. The commission may act upon the petition within the time and in the manner provided in Sections 1731 to 1736, inclusive.

Same Review

4080. Any interim, interlocutory, or other order may be reviewed as provided in Sections 1756 to 1759, inclusive. Upon such review, only that portion of the record in the proceeding considered by the commission and upon which it acted in making the order sought to be reviewed, need be certified to and considered by the Supreme Court.

Immunity

4081. No person shall be excused from attending and testifying or from producing any book, document, paper, or account in any investigation or inquiry by or hearing before the commission or any commissioner or examiner, or in obedience to the subpena of the commission, or in any cause or proceeding, criminal or otherwise, based upon or growing out of any alleged violation of any of the provisions of this chapter, when ordered to do so, upon the ground that the testimony or evidence, book, document, paper, or account required of him may tend to incriminate him or subject him to penalty or forfeiture, but no person shall be prosecuted, punished, or subjected to any penalty or forfeiture for or on account of any act, transaction, matter, of thing concerning which, under oath, he has testified or produced documentary evidence before the commission, or in obedience

to its subpena, or in any such cause or proceeding. No person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in his testimony.

Article 7. Suspension and Revocation of Permits

Request by carrier

4111. The commission may, at the request of any carrier, suspend the operating permit of the carrier for a definite time during which it is unlawful for the carrier to conduct any operations as a carrier.

Cancellation, revocation, suspension Grounds

4112. The commission may cancel, revoke, or suspend the operating permit or permits of any carrier upon any of the following grounds:

(a) Any illegally conducted highway carrier operations.

(b) The violation of any of the provisions of this chapter, or of any operating permit issued thereunder.

(c) The violation of any order, decision, rule, regulation, direction, demand, or requirement established by the commission pursuant to this chapter.

(d) The conviction of the carrier of any misdemeanor under this chapter.

(e) The rendition of a judgment for any penalty imposed under this chapter.

(f) The failure of a carrier to pay any fee imposed upon the carrier within the time required by law.

Unlawful operation, new application

4113. After the cancellation or revocation of a permit, or during the period of its suspension, it is unlawful for a carrier to conduct any operations as a carrier. The commission may, either grant or deny an application for a new permit whenever it appears that a prior permit of the applicant has been canceled or revoked pursuant to Section 4112, or whenever it appears, after hearing, that as a prior permit holder, the applicant engaged in any of the unlawful activities set forth in Section 4112, for which his permit might have been canceled or revoked.

Article 8. Fines and Penalties

Carriers, officers, employees, etc Misdemeanor

4141. Every carrier and every officer, director, agent, or employer of any carrier who violates or who fails to comply with, or who procures, aids, or abets any violation by any such carrier of any provision of this chapter, or who fails to obey, observe, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or of any operating permit issued to any carrier, or who procures, aids, or abets any carrier in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, requirement, or operating permit, is guilty of a misdemeanor, and is punishable by fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three months, or both.

Others Misdemeanor

4142. Every corporation or person other than a carrier, who knowingly and wilfully, either individually, or acting as an

officer, agent, or employee of a corporation, copartnership, or any other person other than a carrier, violates any provision of this chapter or fails to observe, obey or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or who procures, aids, or abets any carrier in its violation of this chapter, or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement, is guilty of a misdemeanor, and is punishable by fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three months, or both.

Carriers, officers, employees, etc Penalty

4143. Every carrier and every officer, director, agent, or employee of any carrier who violates or who fails to comply with, or who procures, aids, or abets, any violation by any such carrier of any provision of this chapter, or who fails to obey, observe, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or of any operating permit issued to any carrier, or who procures, aids, or abets any carrier in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, requirement, or operating permit, is subject to a penalty of not more than five hundred dollars ($500) for each offense.

Others' Penalty

4144. Every corporation or person other than a carrier who knowingly and wilfully, either individually, or acting as an officer, agent, or employee of a corporation, copartnership, or any other person other than a carrier, violates any provision of this chapter or fails to observe, obey, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or who procures, aids, or abets any carrier in its violation of this chapter, or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement, is subject to a penalty of not more than five hundred dollars ($500) for each offense.

Separate offense

4145. Every violation of this chapter or of any order, decision, decree, rule, direction, demand, or requirement of the commission by any corporation or person is a separate and distinct offense, and in case of a continuing violation each day's continuance thereof is a separate and distinct offense.

Cumulative penalties

4146. All penalties accruing under this chapter are cumulative, and a suit for the recovery of one penalty does not bar or affect the recovery of any other penalty or forfeiture or any criminal prosecution against any person or corporation, or any officer, director, agent, or employee thereof, or any other corporation or person or bar the exercise by the commission of its power to punish for contempt.

Actions to recover penalties

4147. Actions to recover penalties under this chapter shall be brought in the name of the people of the State of California, in the superior court of the county, or city and county, in which the cause or some part thereof arose, or in which the corporation complained of, if any, has its principal place of business, or in which the person, if any, complained of, resides.

The action shall be commenced and prosecuted to final judgment by the attorney of the commission.

Same Procedure, evidence

4148. In any such action, all penalties incurred up to the time of the commencement of the action may be sued for and recovered. In all such actions, the procedure and rules of evidence shall be the same as in ordinary civil actions.

Proceeds compromise, etc

4149. All penalties recovered by the State in any action pursuant to this chapter, together with the costs thereof, shall be paid into the State Treasury to the credit of the General Fund. Any such action may be compromised or discontinued on application of the commission upon such terms as the court approves and orders.

CHAPTER 3. CARRIERS' CITY TAX EXEMPTION

Declaration of policy

4301. An adequate transportation system is essential to the welfare of the State and an important part of that system is service rendered by highway carriers.

Occasional, incidental delivery

4302. No city shall assess, levy, or collect an excise or license tax of any kind, character, or description whatever upon any motor vehicle carrier who is subject to the jurisdiction of the commission, when the delivery of merchandise by the motor vehicle carrier in the city is occasional and incidental to business conducted elsewhere.

CHAPTER 4. FOR-HIRE VESSELS

Article 1. General Provisions and Definitions

Short title

4501. This chapter may be cited as the "For-hire Vessel Act."

Construction

4502. Unless the context otherwise requires, the definitions and general provisions set forth in this article govern the construction of this chapter.

Exemption

4503. The provisions of this chapter are not applicable to persons or corporations, their lessees, trustees, or receivers who furnish water transportation service between points in this State for their affiliated companies or for the products of other persons or corporations, their lessees, trustees, or receivers engaged in the same industry, if such water transportation service is furnished in tank vessels or barges specially constructed to hold liquids or fluids in bulk, and if such service is not furnished to others not engaged in the same industry.

Application

4504. This chapter applies to interstate and foreign commerce, except insofar as its provisions may be in conflict with the provisions of the Constitution and laws of the United States.

"Corporation"

4505 "Corporation" includes a corporation, a company, an association, and a joint stock association.

"Person"

4506. "Person" includes an individual, a firm, or a copartnership.

"For-hire vessel"

4507. "For-hire vessel" includes every species of water craft, by whatsoever power operated, which is owned, controlled, operated, or managed for use in the transportation of persons

or property for compensation, except rowboats, sailing boats, and barges under 20 tons dead weight carrying capacity, and vessels propelled by steam, gas, fluid naphtha, electricity, or other motive power under the burden of five tons net register, except that "for-hire vessel" does not include a vessel the operation of which is subject to regulation as a common carrier under the provisions of Part 1 of Division 1, or a tank vessel or barge when used in water transportation service as provided in Section 4503.

"Rates" 4508. "Rates" includes rates, fares, tolls, rentals, and charges.

Article 2. Regulation of For-hire Vessels

Vessels subject to chapter 4531. No person or corporation shall operate any for-hire vessel for the purpose of transporting persons or property for compensation or hire, between points exclusively on the inland waters of this State, except in accordance with the provisions of this chapter.

Same Permit 4532. It is unlawful for any person or corporation to operate or permit to be operated, any for-hire vessel for the purpose of transporting persons or property for compensation or hire, between points exclusively on the inland waters of this State, without a then effective permit from the commission. The permit or a copy thereof certified by an officer of the commission shall be carried on each vessel covered thereby, and shall be subject to inspection by any peace officer or other public officer or person charged with the enforcement of this chapter.

Application for permit 4533. Every application for a permit shall:

(a) Be in writing.

(b) Specify the points between which applicant proposes to operate.

(c) Show the rates applicable to the services proposed to be rendered.

(d) Show the commodities proposed to be transported

(e) Set forth the rules governing the proposed service.

(f) Conform to such rules as are adopted from time to time by the commission.

Hearing 4534. The commission may grant applications for permits without a public hearing, but for good cause shown, the commission may require a public hearing.

Common carriers 4535. No permit shall be issued for the operation of for-hire vessels over the whole or any part of any route operated by the applicant as a common carrier.

Permit Content 4536 Every permit issued under this chapter shall specify the points and routes to which it applies, the articles which may be transported, a description of each vessel covered, and such other conditions as the commission may impose.

Same Amendment revocation 4537. The commission may amend any permit from time to time. The commission may also revoke any permit for violation of any of the terms and conditions thereof, or because of any unlawful operation thereunder

4538. No permit shall be amended or revoked without the consent of the holder unless the commission gives the holder not less than 10 days' notice in writing of its intention to revoke or amend the permit. The written notice shall state the ground or grounds for revocation or amendment of the permit, and the effective date of the revocation or amendment. Notice of intention

4539. If the holder, five days or more prior to the effective date, files a written demand with the commission for a public hearing regarding the amendment or revocation, then the amendment or revocation shall not be effective until the commission has held a public hearing in respect thereto. Demand for hearing

Article 3. Rates

4571. Before any permit becomes effective the grantee shall file with the commission a schedule showing the rates applicable to the service proposed to be rendered, which shall conform to the rates which were filed with the application, unless otherwise changed by the commission. Schedule

4572. No for-hire vessel shall charge, demand, collect, or receive a greater or less or different compensation for the services rendered or to be rendered than the rates applicable to the services as specified in its schedule of tariffs on file and in effect at the time. Variance unlawful

4573. Unless the commission otherwise orders, no change shall be made by any for-hire vessel in any rate or classification, or in any rule or contract relating to or affecting any rate, classification, or service or in any privilege or facility, except after 30 days' notice to the commission and to the public. Notice of change

4574. The notice shall be given by filing with the commission and keeping open for public inspection new schedules stating plainly the changes to be made in the schedules then in force, and the time when the changes will go into effect. Same Procedure

4575. The commission, for good cause, may allow changes without requiring the 30 days' notice, by an order specifying the changes to be made and the time when they shall take effect, and the manner in which they shall be filed and published. Same Waiver by commission

4576. When any change is proposed in any rate or classification, or in any form of contract or agreement, or in any rule or contract relating to or affecting any rate, classification, or service or in any privilege or facility, attention shall be directed to the change on the schedule filed with the commission, by some character to be designated by the commission, immediately preceding or following the item. Same Specification

4577. No for-hire vessel shall raise any rate or so alter any classification, contract, practice, or rule, as to result in an increase in any rate, under any circumstances whatsoever, except upon receiving authority from the commission. Authority to increase

4578. Whenever any schedule is filed with the commission by one or more for-hire vessels, stating an individual or joint rate, classification, contract, practice, or rule, not increasing or resulting in an increase in any rate, the commission may, Hearing suspension

either upon complaint or upon its own initiative without complaint, at once and if it so orders, without answer or other formal pleadings by the interested for-hire vessel or for-hire vessels, but upon reasonable notice, enter upon a hearing concerning the propriety of the rate, classification, contract, practice, or rule. Pending the hearing and the decision thereon, the rate, classification, contract, practice, or rule shall not go into effect. The period of suspension shall not extend beyond 120 days beyond the time when the rate, classification, contract, practice, or rule, would otherwise go into effect, unless the commission, in its discretion, extends the period of suspension for a further period not exceeding six months.

Establishment of rates, etc

4579. On the hearing the commission shall establish the rates, classifications, contracts, practices, or rules proposed, in whole or in part, or others in lieu thereof, which it finds to be just and reasonable.

Effective date

4580. All such rates, classifications, contracts, practices, or rules not so suspended shall go into effect on the expiration of 30 days from the time of filing with the commission, or on such lesser time as the commission grants, and shall become the established and effective rates, classifications, contracts, practices, or rules, subject to the power of the commission, after a hearing had on its own motion or upon complaint, pursuant to this article, to alter or modify them.

Article 4. Enforcement

Rules covering operations

4601. The commission shall prescribe rules covering the operations of for-hire vessels between points exclusively on the inland waters of this State.

Enforcement

4602. The commission may employ such forces as it requires to aid in the enforcement of this chapter. Any representative of the commission shall have all lawful powers of peace officers to make arrests for any violation of this chapter.

Records

4603. The commission may require all persons or corporations operating for-hire vessels to keep accounts in accordance with the classification of accounts and rules in respect thereto established by the commission, and to file reports and to furnish the commission with such data concerning their business and practices as the commission prescribes. The accounts shall be open to the inspection of the commission or its representatives at all times.

Misdemeanor

4604. Every person or corporation operating for-hire vessels to which this chapter applies, who violates, procures, aids or abets in the violation of, any provision of this chapter, or fails to comply with any order, decision, regulation or permit issued by the commission, is guilty of a misdemeanor and is punishable by a fine of not to exceed one thousand dollars ($1,000), or by imprisonment in the county jail not to exceed one (1) year, or both.

4605. Each day's violation of this chapter or of any of the terms or conditions of any permit constitutes a separate offense. Separate offense

Article 5. Proceedings

4631. The commission may from time to time promulgate rules respecting the issuance of permits under the provisions of this chapter and for the conduct of investigations and hearings. Rules re permits, etc

4632. The commission, any commissioner, or any officer or employee of the commission designated by it as an examiner may conduct any investigations or public hearings pursuant to this chapter. Conduct of investigations, hearings

4633. For the purpose of this chapter, each member of the commission and each examiner may administer oaths, certify to all official acts, issue writs of summons, subpena, and all necessary process in like manner and to the same extent as courts of record. Oaths, certification, writs, etc

4634. The process issued by the commission, any commissioner, or any examiner shall extend to all parts of the State and may be served by any person authorized to serve process in like manner and to the same extent as in courts of record, or by any person designated for that purpose by the commission, any commissioner, or any examiner. The person serving any process shall receive such compensation as is allowed by the commission, not to exceed the fees now prescribed by law for similar service. The fee shall be paid in the same manner as provided in Section 4635 for the payment of witnesses. Process

4635. Each witness who appears by order of the commission, any commissioner, or any examiner shall receive for his attendance the same fees and mileage allowed by law to a witness in civil cases, which shall be paid directly by the party at whose request the witness is subpenaed. When a witness who has not been required to attend at the request of any party, is subpenaed by the commission, any commissioner, or any examiner, his fees and mileage shall be paid from the funds available to the commission. Witnesses Fees and mileage

4636. The commission, any commissioner, any examiner, or any party may, in any investigation or hearing before the commission, cause the deposition of any witness residing within or without the State to be taken in the manner prescribed by law for like deposition in civil actions in the superior courts of this State, and to that end may compel the attendance of witnesses and the production of books, papers, documents, and accounts. Depositions

4637. No person shall be excused from testifying or from producing any book, document, paper, or account in any investigation or inquiry by or hearing before the commission, any commissioner, or examiner when ordered to do so, upon the ground that the testimony or evidence, book, document, paper, or account required of him may tend to incriminate him or subject him to penalty or forfeiture, but no person shall be prose- Immunity

cuted, punished, or subjected to any penalty or forfeiture for or on account of any act, transaction, matter, or thing concerning which, under oath, he has testified or produced documentary evidence. No person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in his testimony.

Complaint of violation, etc

4638. When a complaint has been filed with the commission alleging that any vessel is being operated without a permit as required by this chapter, or when the commission has reason to believe that this chapter is being violated, the commission shall investigate such operations. The commission may make its order requiring the owner or operator of the vessel to cease and desist from any operation in violation of this chapter and shall enforce compliance with the order under the powers vested in it under this chapter or by law.

Application for rehearing

4639. After any order or decision has been made by the commission, any party to the action or proceeding, or any stockholder or bondholder or other party pecuniarily interested in the vessel affected, may apply for a rehearing in respect to any matter determined in the action or proceeding and specified in the application for rehearing. The commission may grant and hold the rehearing on those matters if in its judgement sufficient reason is made to appear. No cause of action arising out of any order or decision of the commission shall accrue in any court to any corporation or person unless the corporation or person has made, before the effective date of the order or decision, application to the commission for a rehearing.

Same Grounds

4640. The application for a rehearing shall set forth specifically the ground or grounds on which the applicant considers the decision or order to be unlawful. No corporation or person shall in any court urge or rely on any ground not so set forth in the application.

Same Effect on order

4641. Any application for a rehearing made 10 days or more before the effective date of the order as to which a rehearing is sought, shall be either granted or denied before the effective date, or the order shall stand suspended until the application is granted or denied. Any application for a rehearing made within less than 10 days before the effective date of the order as to which a rehearing is sought, and not granted within 20 days, may be taken by the party making the application to be denied, unless the effective date of the order is extended for the period of the pendency of the application.

Same Hearing

4642. If any application for a rehearing is granted without a suspension of the order involved, the commission shall forthwith proceed to hear the matter with all dispatch and shall determine the matter within 20 days after final submission. If no determination is made within that time, it may be taken by any party to the rehearing that the order involved is affirmed.

Order Compliance

4643. An application for rehearing shall not excuse any corporation or person from complying with and obeying any order or decision, or any requirement of any order or decision of the commission theretofore made, or operate in any manner to

stay or postpone the enforcement thereof, except in such cases and upon such terms as the commission by order directs.

Same
Abrogation, change

4644. If, after such rehearing and a consideration of all the facts, including those arising since the making of the order or decision, the commission is of the opinion that the original order or decision or any part thereof is in any respect unjust or unwarranted, or should be changed, the commission may abrogate, change or modify it. The order or decision abrogating, changing, or modifying the original order or decision shall have the same force and effect as an original order or decision, but shall not affect the right or the enforcement of any right arising from or by virtue of the original order or decision unless so ordered by the commission.

Judicial review

4645. Within 30 days after the application for a rehearing is denied, or, if the application is granted, then within 30 days after the decision on rehearing, the applicant may apply to the Supreme Court of this State, for a writ of certiorari or review for the purpose of having the lawfulness of the original order or decision or the order or decision on rehearing inquired into and determined. The writ shall be made returnable not later than 30 days after the date of issuance, and shall direct the commission to certify its record in the case to the court. On the return day, the cause shall be heard by the Supreme Court, unless for a good reason shown it is continued.

Scope

4646. No new or additional evidence may be introduced in the Supreme Court, but the cause shall be heard on the record of the commission as certified to by it. The review shall not be extended further than to determine whether the commission has regularly pursued its authority, including a determination of whether the order or decision under review violates any right of the petitioner under the Constitution of the United States or of this State. The findings and conclusions of the commission on questions of fact are final and are not subject to review. Such questions of fact shall include ultimate facts and the findings and conclusions of the commission on reasonableness and discrimination.

Parties, procedure

4647. The commission and each party to the action or proceeding before the commission may appear in the review proceeding. Upon the hearing the Supreme Court shall enter judgment either affirming or setting aside the order or decision of the commission. The provisions of the Code of Civil Procedure relating to writs of review shall, so far as applicable and not in conflict with the provisions of this chapter, apply to proceedings instituted in the Supreme Court under the provisions of this article.

Exclusive jurisdiction

4648. No court of this State, except the Supreme Court to the extent specified in this article, shall have jurisdiction to review, reverse, correct, or annul any order or decision of the commission or to suspend or delay the execution or operation thereof, or to enjoin, restrain, or interfere with the commission in the performance of its official duties, except that the writ of

mandamus shall lie from the Supreme Court to the commission in all proper cases.

Effect on order

4649. The pendency of a writ of review shall not of itself stay or suspend the operation of the order or decision of the commission, but during the pendency of the writ, the Supreme Court in its discretion may stay or suspend, in whole or in part, the operation of the commission's order or decision.

Notice, finding

4650. No order staying or suspending an order or decision of the commission shall be made by the Supreme Court except upon three days' notice and after hearing.

If the order or decision of the commission is suspended, the order suspending it shall contain a specific finding based upon evidence submitted to the court and identified by reference thereto, that great or irreparable damage would otherwise result to the petitioner and specifying the nature of the damage.

Stay, suspension Bond

4651. In case the order or decision of the commission is stayed or suspended, the order of the court shall not become effective until a suspending bond is executed and filed with, and approved by the commission, or approved, on review, by the Supreme Court, payable to the people of the State of California, and sufficient in amount and security to insure the prompt payment, by the party petitioning for the review, of all damages caused by the delay in the enforcement of the order or decision of the commission.

Priority on calendar

4652. All actions and proceedings under this chapter, and all actions or proceedings to which the commission or the people of the State of California are parties, in which any question arises under this chapter, or under or concerning any order or decision of the commission, shall be preferred over, and shall be heard and determined in preference to, all other civil business except election causes, irrespective of position on the calendar. The same preference shall be granted upon application of the attorney of the commission in any action or proceeding in which he is allowed to intervene.

Chapter 5. Motor Transportation Brokers

Article 1. General Provisions and Definitions

Declaration of policy

4801. The Legislature declares that the public welfare requires the regulation and control of those persons, whether acting individually or as officers, commission agents, or employees of any person, firm, or corporation, who hold themselves out to act as intermediaries between the public and those motor carriers of property operating over the public highways of the State, for compensation. Until the Congress of the United States acts, the public welfare requires the regulation and control of such intermediaries between the public and interstate motor carriers as well as between the public and intrastate carriers.

Construction

4802. Unless the context otherwise requires, the definitions and general provisions set forth in this article govern the construction of this chapter.

4803. "Motor transportation broker" means any person who, acting either individually or as an officer, commission agent, or employee of a corporation, or as a member of a copartnership, or as a commission agent or employee of another person, sells or offers for sale, or negotiates for or holds himself out as one who sells, furnishes, or provides, transportation over the public highways of this State, when such transportation is furnished, or offered or proposed to be furnished, by a motor carrier. "Motor transportation broker"

4804. "Motor carrier" means any person, firm, or corporation, their lessees, trustees, receivers or trustees appointed by any court whatsoever, transporting or offering or proposing to transport property for compensation over any portion of the public highways of the State. "Motor carrier"

4805. This chapter shall not apply to the officers, agents, or employees of any carrier operating for compensation over the public highways of this State who is under the jurisdiction of the commission, or to a passenger stage corporation as defined in Section 226 engaged in transporting express when such transportation is incidental to the transportation of passengers. Application of chapter

The provisions of this chapter shall apply whether the transportation sold, or offered to be sold, is interstate or intrastate.

Article 2. Licenses

4831. The commission may administer this chapter, with full power to regulate and control the issuance and revocation of motor transportation broker licenses, and may perform all other acts and duties provided in this chapter and necessary for its enforcement. Power of commission

4832. It is unlawful for any person, firm, or corporation to engage in the business, or act in the capacity, of a motor transportation broker without first obtaining a license therefor. License required

4833. The commission shall not issue a motor transportation broker license to any copartnership or corporation, it being the intent of this chapter to require each person acting as a motor transportation broker to be individually licensed. If an applicant is an officer or commission agent or employee of a corporation, or a member of any copartnership, or a commission agent or employee of any person or copartnership, he shall so state in his application The corporation, copartnership, or person of which the applicant is an officer, member, or employee, as the case may be, shall join in the applicant's application and shall set forth therein the relationship between the applicant and the person, copartnership, or corporation so joining. License eligibility

4834. An application for a license as a motor transportation broker shall be made in writing to the commission The application shall be verified and shall be in such form and contain such information as the commission from time to time requires. Application

Issuance

4835. The commission, with or without hearing, may issue the license as prayed for, or may refuse to issue it, or may issue it for the partial exercise of the privilege sought. The commission shall not issue a license when, with or without hearing, it determines that (a) the applicant is not a fit and proper person to receive the license, or (b) the motor carriers for whom the applicant proposes to sell transportation have not complied, and are not complying and do not propose to comply, with state or federal laws, or all general orders of the commission, applicable to the operations of the motor carrier.

Contents

4836. The order of the commission granting a motor transportation broker's license to an applicant shall set out the name of the motor carriers for whom the licensee is licensed to sell.

Display of certificate

4837. In the location at which the licensee is licensed to sell transportation, there shall be displayed in a prominent place a certificate setting forth the name of the licensee and such other matter and things as the commission requires.

Bond

4838 No license shall be issued unless the applicant therefor provides a good and sufficient bond in the sum of one thousand dollars ($1,000). The bond shall be filed by the applicant as principal and by an admitted surety insurer, as surety, payable to the State of California or to any person to whom the applicant furnishes transportation, and be conditioned:

(a) Upon the faithful performance, by the motor carrier or motor carriers for whom the applicant is licensed to act, of the contract or agreement of transportation negotiated by the licensee, and

(b) Upon the honest and faithful performance by the applicant of any undertaking as a licensed motor carrier transportation agent under this chapter.

Where any corporation, copartnership, or person joins in the application of one of its officers, members, commission agents, or employees, the applicant is deemed to have complied with the provisions of this section if the applicant provides, or there has, theretofore, been filed with the commission, a good and sufficient bond in a sum to be fixed by the commission, not exceeding twenty-five thousand dollars ($25,000), executed by the corporation, copartnership, or person, joining in the application, as principal, and by some admitted surety insurer, as surety, payable to the State of California, or to any person to whom any officer, member, commission agent, or employee of the principal, licensed under the provisions of this chapter furnishes transportation, conditioned:

(a) Upon the faithful performance, by the motor carrier or motor carriers for whom any officer, member, commission agent, or employee of the principal is licensed to act, of the contract or agreement of transportation negotiated by the licensee, and

(b) Upon the honest and faithful performance, by any officer, member, commission agent, or employee so licensed, of

any undertaking as a licensed motor transportation broker under this chapter.

Same Liability of surety

4839. Nothing in this chapter shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remaining unextinguished by any prior recovery.

Same Actions, termination

4840. No suit or action against the surety on any such bond given in compliance with this chapter shall be brought later than one year from the accrual of the cause of action thereon. The surety may terminate its liability under the bond by giving 30 days' written notice thereof, served either personally or by registered mail, to the principal and to the commission. Upon giving the notice the surety is discharged from all liability under the bond for any act or omission of the principal occurring after the expiration of 30 days from the date of the service of the notice. Unless on or before the expiration of such period the principal files a new bond in like amount and conditioned as the original in substitution of the bond so terminated, the license of the principal shall likewise terminate upon the expiration of the period.

Prohibitions

4841. No license issued pursuant to this chapter gives authority to do any act for which the license is issued, to any person, other than the licensee. The license is not transferable or assignable. No such license authorizes the licensee to do business except in the location stipulated in the license.

Fee

4842. The fees for licenses, and each renewal thereof, are five dollars ($5) a year, or fraction thereof. All applications for licenses shall be accompanied by the fee, and all licenses, subject to the provisions for renewal, which the commission prescribes, shall expire on December 31st of each year.

Same Disposition

4843. All fees charged and collected under this chapter shall be deposited at least once a month in the State Treasury to the credit of the commission and in augmentation of the current appropriation for the support of the commission, and may be expended by the commission for the administration of this chapter.

Article 3. Regulation of Motor Transportation Brokers

Powers of commission

4871. All powers vested in the commission relating to hearing and determining matters presented to it, are made applicable to the proceedings under the provisions of this chapter.

Suspension or revocation of licenses

4872. The commission may suspend or revoke any license if it determines that the licensee is not a fit and proper person to hold the license, or if the commission determines that the licensee, in acting as motor transportation broker, has engaged in false advertising and false representation in violation of the laws of this State, or any political subdivision thereof, or has sold, offered for sale, or negotiated for sale, transportation by any carrier that under the laws of this State is conducted in a manner contrary to the public interest, or without proper

authority, or in violation of the provisions of this chapter or the general orders or rules of the commission pertaining thereto.

Complaint for violation

4873. The commission may prefer a complaint for violation of this chapter before any court of competent jurisdiction and the commission and its counsel, or other official representatives, may assist in presenting facts at the trial. It is the duty of the district attorney of each county in this State to prosecute all violations of the provisions of this chapter in their respective counties in which the violations occur, either with or without the request of the commission.

Records

4874. All motor transportation brokers shall maintain and keep for a period of two years an exact and permanent record of all transactions had by them as such brokers, including the amount paid to the broker for all property transported, the point of destination, and the name of the person, firm, or corporation acting as motor carrier. The records shall at all times be open to inspection by any officer or agent of the State or of any county within the State.

Acts constituting acting as motor transportation broker

4875. Any person, firm, or corporation, shall be understood to be acting as a motor transportation broker who:

(a) Orally or by card, circular, pamphlet, newspaper, radio, sign, billboard, or any other way, advertises himself, or itself, as one who sells, furnishes, negotiates for, or provides transportation over the public highways of this State when the transportation is furnished or offered, or proposed to be furnished, by motor carriers.

(b) Manages or conducts as manager, conductor, agent, proprietor, lessor, lessee, or otherwise, a place where transportation is, or is offered, or proposed to be, sold, furnished, negotiated for, or provided by a motor carrier.

(c) Aids and abets, or without being present advises and encourages any person, firm, or corporation in acting as, or to act as, a motor transportation broker.

One act of the nature set forth in this section shall constitute a person, firm, or corporation doing or committing the act, a motor transportation broker.

Evidence

4876. It is the duty of any officer arresting any person for violation of this chapter, to take, and keep in his custody for use as evidence, any materials or indicia used by the person so arrested, for the purpose of advertising the persons acting as, or desiring to act as, a motor transportation broker.

Burden of proof

4877. Any person who is charged with, or complained of as, acting as a motor transportation broker without a license shall bear the burden of proof of proving as a matter peculiarly within the knowledge of the person so charged or complained of:

(a) That the person, firm, or corporation so charged or complained of is a licensed motor transportation broker; and

(b) That the motor carrier or motor carriers for whom the person, firm, or corporation is, or has been, acting, or proposed to act, as an agent, as charged or complained of, is not a motor carrier within the meaning of this chapter.

Penalty Nonlicensee

4878. Any person, firm, or corporation, acting as a motor transportation broker without a license is, upon conviction of a first offense thereof, if a person, punishable by a fine of not to exceed five hundred dollars ($500), or by imprisonment in the county jail for a term not to exceed six months, or both, or if a corporation, punishable by a fine of not to exceed two thousand five hundred dollars ($2,500); and for a second and subsequent offense is, upon conviction, if a person, punishable by a fine of not to exceed one thousand dollars ($1,000), or by imprisonment in the county jail or state prison for a term not to exceed one year, or both, or, if a corporation, is punishable by a fine of not to exceed five thousand dollars ($5,000).

Same Licensee

4879. Any person, licensed as a motor transportation broker, who violates any of the provisions of this chapter, is, upon conviction, punishable by a fine not to exceed five hundred dollars ($500), or by imprisonment in a county jail not to exceed six months, or both; and in addition thereto, the license as motor transportation broker shall be revoked by the commission.

Chapter effect Other actions, cumulative penalties, etc

4880. This chapter shall not have the effect to release or waive any right of action by the State, the commission, or any person or corporation, for any fine, penalty, or forfeits which may have arisen or accrued, or may hereafter arise or accrue, under any laws of this State. All penalties accruing under this chapter are cumulative, and a suit for the recovery of one penalty does not bar or affect the recovery of any other penalty or forfeit, bar any criminal prosecution, or bar the exercise of the commission of its powers to punish for contempt.

CHAPTER 6. TRANSPORTATION RATE FUND AND FEES

Purpose of chapter

5001. This chapter is enacted for the purpose of correlating and regulating the rates charged for the transportation of property by the various transportation agencies in the State subject to the jurisdiction of the commission and for the purpose of creating a special fund to administer and enforce the acts conferring upon the commission jurisdiction to regulate the rates of transportation agencies carrying property for compensation and to administer and enforce the Highway Carriers' Act and the City Carriers' Act.

"Gross operating revenue"

5002. "Gross operating revenue" as used in this chapter, includes all revenue derived from the transportation of property having origin and destination within this State, including the transportation of such property in interstate or foreign commerce between ports in this State and inland points in this State, but does not include revenue derived by ferries from the transportation of vehicles.

Filing of statement, payment of fee

5003. Every railroad corporation, express corporation, freight forwarder, and every person or corporation operating vessels, as these terms are defined in Part 1 of Division 1, and

every motor transportation broker, as the term is defined in the Motor Transportation Brokers' Act, and every person or corporation owning or operating motor vehicles in the transportation of property for hire upon the public highways under the jurisdiction of the commission shall, between the first and fifteenth days of January, April, July, and October of each year, file with the commission a statement showing the gross operating revenue derived by such person or corporation from the transportation of property for the preceding three calendar months, and shall at the time of filing such report pay to the commission a fee of one dollar ($1) for each quarter, together with one-fourth of 1 percent of the amount of such gross operating revenue.

Permit and transfer fees

5004. The following fees shall be paid to the commission, pursuant to permits issued under the Highway Carriers' Act and the City Carriers' Act.

Fifty dollars ($50) for filing each application for a permit.

Twenty-five dollars ($25) for filing each application to sell, mortgage, lease, assign, transfer, or otherwise encumber any permit.

(Amended by Stats. 1951, Ch. 948.)

[ORIGINAL SECTION]

5004. A fee of three dollars ($3) shall be paid to the commission for filing each application for an operating permit under the Highway Carriers' Act or City Carriers' Act. Each permittee shall also pay to the commission, on or before the first day of January of each year, a fee of one dollar ($1) for the re-registration of his permit.

Disposition of fees

5005. All fees collected under this chapter and all fees collected for the filing of applications pursuant to Sections 1010, 1063, and 1064 shall be deposited at least once a month in the State Treasury to the credit of the Transportation Rate Fund, which is continued in existence. The money in the fund shall be in augmentation of the current appropriation for the support of the commission, and shall be expended by the commission for the purpose of administering and enforcing the Highway Carriers' Act, the City Carriers' Act, the Motor Transportation Brokers Act, the Household Goods Carriers Act, and also for the purpose of administering and enforcing those provisions of Part 1 of Division 1 and other acts conferring upon the commission jurisdiction over the rates, charges, and classifications, and the rules and practices relating thereto, of carriers of property for compensation.

(Amended by Stats. 1951, Ch. 948.)

[ORIGINAL SECTION]

5005. All fees collected under this chapter shall be deposited at least once a month in the State Treasury to the credit of the Transportation Rate Fund, which is continued in existence. The money in the fund shall be in augmentation of the current appropriation for the support of the commission, and shall be expended by the commission for the purpose of administering and enforcing the Highway Carriers' Act, the City Carriers' Act, the Motor Transportation Brokers Act, and also for the purpose of

administering and enforcing those provisions of Part 1 of Division 1 and other acts conferring upon the commission jurisdiction over the rates, charges, and classifications, and the rules and practices relating thereto, of carriers of property for compensation.

Commission report

5006 The commission shall, within 30 days prior to the regular session of the Legislature, submit to the Governor a full and true report of transactions under this chapter during the preceding biennium, including a complete statement of receipts and expenditures during the period.

Delinquency: Penalty, etc

5007. If any transportation agency referred to in this chapter is in default in the payment of the fees prescribed, other than filing fees, for a period of 30 days or more, the commission may suspend or revoke any certificate of public convenience and necessity, permit, or license of such agency, and shall estimate from all available information the gross operating revenue of such agency, and shall add to such estimate a penalty of 25 percent for failure, neglect, or refusal to report. The transportation agency shall be estopped from complaining of the amount of such estimate. In no event shall such penalty be less than one dollar ($1). Upon payment of the amount estimated and the penalty thereon, the certificate, permit, or license of such agency theretofore suspended in accordance with the provisions of this section shall be reinstated.

The commission may grant a reasonable extension of such 30-day period to any transportation agency, upon written application of the transportation agency and proper showing thereunder of the necessity for such extension.

Action for collection of fees, etc

5008. The commission may bring an action, in its own name, or in the name of the people of the State, in any court of competent jurisdiction of the State, for the collection of delinquent fees estimated under Section 5007, or for an amount due, owing, and unpaid to it, as shown by report filed by the agency, together with a penalty of 25 percent for such delinquency.

Inspection, examination

5009 The employees, representatives, and inspectors of the commission may, under its order or direction, inspect and examine any books, accounts, records, memoranda, documents, papers, and correspondence kept or required to be kept by any transportation agency. The provisions of this section shall, to the extent deemed necessary by the commission, apply to persons having direct or indirect control over, or affiliated with any transportation agency.

Refunds

5010. The commission may make refunds out of money in its possession of the fees provided for in this chapter when it appears that such fees were paid in error.

Rules

5011. The commission may establish such rules as it deems necessary to carry out the provisions of this chapter.

CHAPTER 7. HOUSEHOLD GOODS CARRIERS
(Chapter 7 added by Stats. 1951, Ch. 974.)

Article 1. General Provisions and Definitions

Short title

* 5101. This chapter may be cited as the "Household Goods Carriers Act."

Purpose of chapter

* 5102. The use of the public highways for the transportation of property for compensation is a business affected with a public interest. It is the purpose of this chapter to preserve for the public the full benefit and use of public highways consistent with the needs of commerce without unnecessary congestion or wear and tear upon such highways; to secure to the people just and reasonable rates for transportation by carriers operating upon such highways; and to secure full and unrestricted flow of traffic by motor carriers over such highways which will adequately meet reasonable public demands by providing for the regulation of rates of all transportation agencies so that adequate and dependable service by all necessary transportation agencies shall be maintained and the full use of the highways preserved to the public.

Construction

* 5103. Unless the context otherwise requires, the definitions and general provisions set forth in this article govern the construction of this chapter.

Imputed acts

* 5104. In construing and enforcing the provisions of this chapter relating to penalties, the act, omission, or failure of any officer, agent, or employee of any person or corporation, acting within the scope of his official duties or employment, is the act, omission, or failure of the employing person or corporation.

"Corporation"

* 5105. "Corporation" includes a corporation, a company, an association, and a joint stock association.

"Person"

* 5106 "Person" includes an individual, a firm, or a copartnership.

"Public highway"

* 5107. "Public highway" includes every public street, road or highway in this State.

"Motor vehicle"

* 5108. "Motor vehicle" means every motor truck, tractor, or other self-propelled vehicle used for transportation of property over the public highways, otherwise than upon fixed rails or tracks, and any trailer, semitrailer, dolly, or other vehicle drawn thereby.

"Household goods carrier"

5109. "Household goods carrier" includes every corporation or person, their lessees, trustee, receivers or trustees appointed by any court whatsoever, engaged in the transportation for compensation or hire as a business by means of a motor vehicle or motor vehicles being used exclusively in the transportation of used household goods and personal effects, office, store, and institution furniture and fixtures over any public highway in this State.

(Amended by Stats. 1951, Ch. 1726.)

[ORIGINAL SECTION]

* 5109. "Household goods carrier" includes every corporation or person, their lessees, trustees, receivers or trustees appointed by any court

* Added by Stats. 1951, Ch. 974

whatsoever, engaged exclusively in transportation for compensation or hire as a business by means of a motor vehicle or motor vehicles in the transportation of used uncrated household goods and personal effects, office, store, and institution furniture and fixtures over any public highway in this State.

Exception

* 5110. The provisions of this chapter do not apply to transportation service all of which is rendered in territory within the exterior boundaries of a city, or city and county including the area of any city situated wholly within such outside limits.

Construction

* 5111. This chapter shall not be construed as a regulation of commerce with foreign nations or among the several states, except insofar as such regulation is permitted under the provisions of the Constitution and the acts of the Congress of the United States.

Scope of chapter

5112. The regulation of the transportation of used household goods and personal effects, office, store, and institution furniture and fixtures in a motor vehicle or motor vehicles being so used exclusively, over any public highway in this State shall be exclusively as provided in this chapter. Any provision of the Public Utilities Act or the Highway Carriers Act in conflict with the provisions of this chapter is superseded and repealed.

(Amended by Stats. 1951, Ch. 1726.)

[ORIGINAL SECTION]

* 5112. The regulation of the transportation of used uncrated household goods and personal effects, office, store, and institution furniture and fixtures exclusively, over any public highway in this State shall be exclusively as provided in this chapter. Any provision of the Public Utilities Act or the Highway Carriers Act in conflict with the provisions of this chapter is superseded and repealed.

Declaration of policy

5113. The transportation of used household goods, personal effects, office, store, and institution furniture and fixtures in any truck or trailer for compensation over any public highway in this State is a highly specialized type of truck transportation. This chapter is enacted for the limited purpose of providing necessary regulation for this specialized type of truck transportation only, and is not to be construed for any purpose as a precedent for the extension of such regulation to any other type of truck transportation not presently so restricted.

(Amended by Stats. 1951, Ch. 1726.)

[ORIGINAL SECTION]

* 5113. The transportation of used and uncrated household goods, personal effects, office, store, and institution furniture and fixtures in any truck or trailer for compensation over any public highway in this State is a highly specialized type of truck transportation. This chapter is enacted for the limited purpose of providing necessary regulation for this specialized type of truck transportation only, and is not to be construed for any purpose as a precedent for the extension of such regulation to any other type of truck transportation not presently so restricted.

Article 2. Regulation of Household Goods Carriers

Carriers subject to chapter

* 5131. No household goods carrier shall engage in such business for compensation by motor vehicle over any public

* Added by Stats. 1951, Ch. 974

highway in this State, except in accordance with the provisions of this chapter which is enacted under the power of the State to regulate the use of public highways

Identification symbol

* 5132. Each household goods carrier shall display on each vehicle operated by it an identification symbol in such form and in accordance with such rules and regulations as the commission may prescribe

Permit authorizing operations

5133. Except as provided in Section 5133.5, no household goods carrier shall engage in the business of the transportation of used household goods and personal effects, office, store, and institution furniture and fixtures for compensation, by motor vehicle over any public highway in this State, unless there is in force a permit issued by the commission authorizing such operations.

(Amended by Stats. 1951, Ch. 1726.)

[ORIGINAL SECTION]

* 5133. Except as provided in Section 5133.5, no household goods carrier shall engage in the business of the transportation of used, uncrated household goods and personal effects, office, store, and institution furniture and fixtures for compensation, by motor vehicle over any public highway in this State, unless there is in force a permit issued by the commission authorizing such operations.

Provision for present operators

5133.5. Any person or corporation who was engaged in the business of transporting used household goods and personal effects, office, store, and institution furniture and fixtures over any public highway in this State for compensation on the effective date of this section and thereafter may file with the commission prior to January 1, 1952, an application for a permit as provided in Section 5134. The commission shall upon satisfactory proof of such operation issue such permit authorizing operation within the area requested in the application without further proceedings. Between the effective date hereof and the final determination of any such application the continuance of such operations shall be lawful.

(Amended by Stats. 1951, Ch. 1726.)

[ORIGINAL SECTION]

* 5133.5. Any person or corporation who was engaged in the business of transporting used uncrated household goods and personal effects, office, store, and institution furniture and fixtures over any public highway in this State for compensation on the effective date of this section and thereafter may file with the commission prior to January 1, 1952, an application for a permit as provided in Section 5134. The commission shall upon satisfactory proof of such operation issue such permit authorizing operation within the area requested in the application without further proceedings. Between the effective date hereof and the final determination of any such application the continuance of such operations shall be lawful.

Permits: Application

* 5134. Application for permits shall be in writing, verified under oath, and shall be in such form, contain such information, and be accompanied by proof of service upon such interested parties as the commission requires.

Same Ability and financial responsibility

* 5135. Except as provided in Section 5133.5, before a permit is hereafter issued the commission shall require the applicant to establish ability and reasonable financial responsibility

* Added by Stats. 1951, Ch. 974

to initiate the proposed operations The commission may, with or without hearing, issue or refuse to issue the permit. If the commission finds that the applicant possesses the ability and financial responsibility to initiate the proposed operations, it shall issue a permit as prayed for.

Same Fees

* 5136. Each application for issuance of a permit under this chapter shall be accompanied by a fee of fifty dollars ($50).

The filing fee for an application for transfer of a permit is twenty-five dollars ($25).

All fees paid to the commission under this chapter shall be deposited in the Transportation Rate Fund.

Article 3. Accident Liability Protection

Liability protection

5161. The commission shall, in granting permits pursuant to this chapter, require the household goods carrier to procure, and continue in effect during the life of the permit, adequate protection, against liability imposed by law upon the carrier for the payment of damages for personal bodily injuries, including death resulting therefrom, in the amount of not less than fifteen thousand dollars ($15,000) on account of bodily injuries to, or death of, one person; and protection against a total liability of the household goods carrier on account of bodily injuries to, or death of, more than one person, as a result of any one accident, in the amount of not less than thirty thousand dollars ($30,000); and protection in an amount of not less than ten thousand dollars ($10,000) for one accident resulting in damage or destruction of property whether the property of one, or more than one claimant.

Cargo insurance

The commission may, upon its own motion or upon the application of any interested party, and after hearing, require any household goods carrier to procure and maintain cargo insurance in such amounts and upon such terms as the commission may determine.

(Amended by Stats. 1951, Ch. 1725.)

[ORIGINAL SECTION]

* 5161 The commission shall, in granting permits pursuant to this chapter, require the household goods carrier to procure, and continue in effect during the life of the permit, adequate protection, against liability imposed by law upon the carrier for the payment of damages for personal bodily injuries, including death resulting therefrom, in the amount of not less than twenty-five thousand dollars ($25,000) on account of bodily injuries to, or death of, one person, and protection against a total liability of the household goods carrier on account of bodily injuries to, or death of, more than one person, as a result of any one accident, in the amount of not less than fifty thousand dollars ($50,000); and protection in an amount of not less than ten thousand dollars ($10,000) for one accident resulting in damage or destruction of property whether the property of one, or more than one claimant

The commission may, upon its own motion or upon the application of any interested party, and after hearing, require any household goods carrier to procure and maintain cargo insurance in such amounts and upon such terms as the commission may determine.

* Added by Stats 1951, Ch 974.

Manner of protection

* 5162. The protection required under this article shall be evidenced by the deposit with the commission covering each vehicle used or to be used under the permit applied for,

(1) Of a policy or policies of insurance, issued by a company licensed to write such insurance in this State; or

(2) Of a bond of a surety company licensed to write surety bonds in the State.

Copy of policy

* 5163. With the consent of the commission a copy of an insurance policy, certified by the company issuing it to be a true copy of the original policy, or a photostatic copy thereof, or an abstract of the provisions of the policy, or a certificate of insurance issued by the company issuing the policy, may be filed with the commission in lieu of the original or a duplicate or counterpart of the policy.

Continuance, cancellation

* 5164. The protection against liability shall be continued in effect during the active life of the permit. The policy of insurance or surety bond shall not be cancelable on less than thirty (30) days written notice to the commission.

Rules

* 5165. The commission may establish such rules as are necessary to enforce this article.

Article 4. Rates

Establishing, etc., of rates

* 5191. The commission shall, upon complaint or upon its own initiative without complaint, establish or approve just, reasonable, and nondiscriminatory maximum or minimum or maximum and minimum rates to be charged by any household goods carrier for the transportation of property subject to this chapter and for accessorial service performed in connection therewith.

In establishing or approving such rates the commission shall give due consideration to the cost of all of the transportation services performed, including length of haul, any additional transportation service performed, or to be performed, to, from, or beyond the regularly established termini of common carriers or of any accessorial service, the value of the commodity transported, and the value of the facility reasonably necessary to perform the transportation service.

Minimum rates

* 5192. In the event the commission establishes minimum rates for transportation services by household goods carriers, the rates shall not exceed the current rates of common carriers by land subject to the Public Utilities Act for the transportation of the same kind of property between the same points.

Unlawful charges

* 5193. It is unlawful for any household goods carrier to charge or collect any lesser rate than the minimum rate or greater rate than the maximum rate established by the commission under this chapter.

Rules

* 5194. The commission shall make such rules as are necessary to the application and enforcement of the rates established or approved pursuant to this chapter.

* Added by Stats. 1951, Ch. 974

Authorization of lower rate

* 5195. If any household goods carrier desires to perform any transportation or accessorial service at a lesser rate than the minimum established rates, the commission shall, upon finding that the proposed rate is reasonable, authorize the lesser rate

Variance from established or approved rates

* 5196. No household goods carrier shall charge, demand, collect, or receive for the transportation of property subject to this chapter, or for any service in connection therewith, rates or charges less than the minimum rates and charges or greater than the maximum rates and charges applicable to such transportation established or approved by the commission; nor shall any such carrier directly or indirectly pay any commission or refund, or remit in any manner or by any device any portion of the rates or charges so specified, except upon authority of the commission.

Evasion by carrier

* 5197. No household goods carrier, or any officer, or agent thereof, or any person acting or employed by it, shall, by means of known false billing, classification, weight, weighing or report of weight, or by any other device, assist, suffer, or permit any corporation or person to obtain transportation for any property between points within this State at rates less than the minimum rates or more than the maximum rates then established or approved by the commission.

Evasion by others

* 5198. No person, corporation, or any officer, agent, or employee of a corporation shall, by means of false billing, false or incorrect classification, false weight or weighing, false representation as to the content or substance of a package, or false report or statement of weight, or by any other device or means, whether with or without the consent or connivance of a household goods carrier, or any of its officers, agents, or employees, seek to obtain or obtain transportation for property at less than the minimum rates or charges or more than the maximum rates or charges established or approved by the commission.

False damage claims, etc

* 5199. No person or corporation, or any officer, agent, or employee of a corporation, shall knowingly, directly or indirectly by any false statement or representation as to cost or value or the nature or extent of damage, or by the use of any false billing, bill of lading, receipt, voucher, roll, account, claim, certificate, affidavit or deposition, or upon any false, fictitious, or fraudulent statement or entry, obtain or attempt to obtain any allowance, rebate, or payment for damage in connection with or growing out of the transportation of property subject to this chapter, or an agreement to transport property subject to this chapter, whether with or without the consent or connivance of a household goods carrier, or any of its officers, agents, or employees No household goods carrier or any of its officers, agents, or employees shall knowingly pay, or offer to pay any such allowance, rebate, or claim for damage.

Article 5. Reports, Records, and Inspections

Time, manner, form

* 5221. The commission may require annual, periodical, or special reports to be filed by all household goods carriers, pre-

* Added by Stats 1951, Ch 974

scribe the manner and form in which reports shall be made, and may require specific answers to all questions upon which the commission deems information to be necessary. The reports shall be under oath whenever the commission so requires.

Copies of contract, etc

* 5222. The commission may require any household goods carrier to file with it a true copy of any contract, agreement, or arrangement between the carrier and any other carrier in relation to any traffic affected by this chapter.

Accounts, records, memoranda

* 5223. The commission may prescribe the forms of any accounts, records, and memoranda, including those pertaining to the movement of traffic and the receipt or expenditure of money, to be kept by household goods carriers, and the length of time the accounts, records, and memoranda shall be preserved.

Unlawful records

* 5224. Where the commission has prescribed the forms of accounts, records, and memoranda to be kept by household goods carriers for any of its business, it is unlawful for any household goods carrier to keep any accounts, records, or memoranda for such business other than those so prescribed or those prescribed by or under the authority of any other state or of the United States, excepting such accounts, records, or memoranda as are explanatory of and supplemental to the accounts, records, or memoranda prescribed by the commission.

Access to property and records

* 5225. The commission or its authorized employees, representatives, or inspectors shall at all times have access to all lands, buildings, or equipment of household goods carriers used in connection with the operation of their business as such carriers in this State, and also all accounts, records, and memoranda, including all documents, books, papers, and correspondence kept or required to be kept by household goods carriers.

Inspection, examination

* 5226. The employees, representatives, and inspectors of the commission may, under its order or direction, inspect and examine any lands, buildings, equipment, accounts, books, records, and memoranda, including all documents, papers, and correspondence kept or required to be kept by household goods carriers.

Application to others

* 5227. Sections 5221 to 5226, inclusive, shall, to the extent deemed necessary by the commission, apply to persons having control, direct or indirect, over or affiliated with any household goods carrier.

Violation of confidence Penalty

* 5228. Any employee of the commission who divulges any fact or information which comes to his knowledge during the course of the examination of the accounts, records, and memoranda of household goods carriers, except as he is authorized or directed by the commission or by a court of competent jurisdiction or judge thereof, is guilty of a misdemeanor and is punishable by a fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three (3) months, or both.

* Added by Stats. 1951, Ch. 974.

Article 6. Proceedings

Application of Part 1, Division 1

* 5251. Except as otherwise expressly provided, in all respects in which the commission has power and authority under the Constitution of this State or this chapter, applications and complaints may be made and filed with the commission, process issued, hearings held, opinions, orders, and decisions made and filed, petitions for rehearing filed and acted upon, and petitions for writs of review or mandate filed with the Supreme Court of this State, considered and disposed of by the Supreme Court, in regard to the matters provided for in this chapter, in the same manner, under the same conditions and subject to the same limitations, and with the same effect specified in the Public Utilities Act, so far as applicable.

Persons subject to service

* 5252. Service of all process and orders instituting investigation in all proceedings, complaints, investigations, or hearings brought or pending before the commission pursuant to this chapter, may be made upon any person upon whom a summons may be served, in accordance with the Code of Civil Procedure.

Service Manner

* 5253. Service of all process and orders, decisions and orders, orders and notices in all such proceedings, investigations, complaints and hearings may be made personally or by the deposit in the United States mail of a sealed envelope with postage prepaid, containing a true copy of the paper to be served and addressed to the person to be served at his last known address as shown by the records of the commission.

Same. Completion

* 5254. Service by personal delivery is complete upon delivery to the person to be served of a true copy of the paper to be served. Service by mail is complete upon the expiration of four days after the deposit of the notice.

Proof of service may be made by the certificate of any officer or employee of the commission or the affidavit of any person over the age of 18 years, naming the person served and specifying the time, place, and manner of service.

Interim, etc., orders

* 5255. In all proceedings instituted by or pending before the commission pursuant to this chapter, the commission may from time to time make such interim, interlocutory, or other orders as it deems advisable. No such order shall operate as a final determination of the proceeding, and the commission may at any time thereafter make such further orders as it deems advisable with respect to the matters considered and determined in the order or to other matters involved in the proceeding

Same Petition for rehearing

* 5256. After the making of an interim, interlocutory, or other order, any party to the proceeding or any stockholder or bondholder or other party pecuniarily interested in the household goods carrier affected may file a petition for rehearing, within the time and for the reasons provided in Sections 1731 to 1736, inclusive, and the commission may act upon the petition within the time and in the manner provided therein.

* Added by Stats. 1951, Ch. 974

Same
Review

* 5257. Any interim, interlocutory, or other order may be reviewed as provided in Sections 1756 to 1759, inclusive. Upon such review, only that portion of the record in the proceeding considered by the commission and upon which it acted in making the order sought to be reviewed, need be certified to and considered by the Supreme Court.

Immunity

* 5258. No person shall be excused from attending and testifying or from producing any book, document, paper, or account in any investigation or inquiry by or hearing before the commission or any commissioner or examiner, or in obedience to the subpena of the commission, or in any cause or proceeding, criminal or otherwise, based upon or growing out of any alleged violation of any of the provisions of this chapter, when ordered to do so, upon the ground that the testimony or evidence, book, document, paper, or account required of him may tend to incriminate him or subject him to penalty or forfeiture, but no person shall be prosecuted, punished, or subjected to any penalty or forfeiture for or on account of any act, transaction, matter, or thing concerning which, under oath, he has testified or produced documentary evidence before the commission, or in obedience to its subpena, or in any such cause or proceeding. No person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in his testimony.

Action or proceeding for enforcement

* 5259. Whenever the commission is of the opinion that any household goods carrier is failing or omitting or about to fail or omit, to do anything required of it by law, or by any order, decision, rule, direction, or requirement of the commission, or is doing anything or about to do anything, or permitting anything or about to permit anything to be done, in violation of law or of any order, decision, rule, direction, or requirement of the commission, it may direct the attorney of the commission to commence an action or proceeding in the superior court in and for the county, or city and county, in which the cause or some part thereof arose, or in which the corporation complained of has its principal place of business, or in which the person complained of resides, for the purpose of having such violations or threatened violations stopped and prevented, either by mandamus or injunction. The attorney of the commission shall thereupon begin such action or proceeding in the name of the people of the State of California, by petition to such superior court, alleging the violation or threatened violation complained of and praying for appropriate relief by way of mandamus or injunction.

Same
Procedure

* 5260. Upon the filing of such a petition, the court shall specify a time, not exceeding 20 days after the service of the copy of the petition, within which the household goods carrier complained of shall answer the petition, and in the meantime the carrier may be restrained. In case of default in answer, or after answer, the court shall immediately inquire into the facts and circumstances of the case. Such corporations or persons

* Added by Stats 1951, Ch 974

as the court deems necessary or proper to be joined as parties, in order to make its judgment, order or writ effective, may be joined as parties. The final judgment in any such action or proceeding shall either dismiss the action or proceeding or direct that the writ of mandamus or injunction issue or be made permanent as prayed for in the petition, or in such modified or other form as will afford appropriate relief. An appeal may be taken to the Supreme Court from such final judgment in the same manner and with the same effect as appeals are taken from judgments of the superior court in other actions for mandamus or injunction.

Article 7. Suspension and Revocation of Permits

Request by carrier

* 5281. The commission may, at the request of any household goods carrier, suspend the operating permit of the carrier for a definite time during which it is unlawful for the carrier to conduct any operations as a household goods carrier.

Symbols or plates Removal and surrender

* 5282. Upon such suspension of a permit the commission shall thereupon require the removal from any vehicle operated thereunder and the surrender to the commission of any distinctive symbols or license plates which have been issued therefor.

Same Restoration

* 5283. Upon the termination of the period of suspension the commission shall restore the permit and return to the carrier the distinctive symbols or license plates surrendered or issue such other symbols or license plates as are necessary.

Permits Duration, transfer

* 5284. A permit shall remain in effect until suspended or terminated as provided in this chapter. Any permit not exercised for a period of six months shall lapse and terminate. No permit shall be sold, leased, assigned or otherwise transferred or encumbered by the holder thereof without first having secured from the commission an order authorizing the same. Any such sale, lease, assignment, transfer or encumbrance made otherwise than in accordance with the order of the commission authorizing the same shall be void.

Cancellation, etc

* 5285. The commission may cancel, revoke, or suspend the operating permit or permits of any household goods carrier upon any of the following grounds:

(1) Any illegally conducted household goods carrier operations.

(2) The violation of any of the provisions of this chapter or of any operating permit issued thereunder.

(3) The violation of any order, decision, rule, regulation, direction, demand, or requirement, established by the commission pursuant to this chapter.

(4) The conviction of the household goods carrier of any misdemeanor under this chapter.

(5) The rendition of a judgment against the household goods carrier for any penalty imposed under this chapter.

(6) The failure of a household goods carrier to pay any fee imposed upon the carrier within the time required by law.

* Added by Stats 1951, Ch 974,

Unlawful operation, new application

* 5286. After the cancellation or revocation of a permit or during the period of its suspension, it is unlawful for a household goods carrier to conduct any operations as such a carrier. The commission may either grant or deny an application for a new permit whenever it appears that a prior permit of the applicant has been canceled or revoked pursuant to Section 5285, or whenever it appears, after hearing, that as a prior permit holder, the applicant engaged in any of the unlawful activities set forth in Section 5285 for which his permit might have been canceled or revoked.

Article 8. Fines and Penalties

Carriers, etc Misdemeanor

* 5311. Every household goods carrier and every officer, director, agent, or employee of any household goods carrier who violates or who fails to comply with, or who procures, aids, or abets any violation by any household goods carrier of any provision of this chapter, or who fails to obey, observe, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or of any operating permit issued to any household goods carrier, or who procures, aids, or abets any household goods carrier in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, requirement, or operating permit, is guilty of a misdemeanor, and is punishable by fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three months, or both.

Others' Misdemeanor

* 5312. Every corporation or person other than a household goods carrier, who knowingly and wilfully, either individually, or acting as an officer, agent, or employee of a corporation, copartnership, or any other person other than a household goods carrier, violates any provision of this chapter or fails to observe, obey, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or who procures, aids, or abets any household goods carrier in its violation of this chapter, or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement, is guilty of a misdemeanor, and is punishable by a fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three months, or both.

Carriers, etc Penalty

* 5313. Every household goods carrier and every officer, director, agent, or employee of any household goods carrier who violates or who fails to comply with, or who procures, aids, or abets, any violation by any household goods carrier of any provision of this chapter, or who fails to obey, observe, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or of any operating permit issued to any household goods carrier, or who procures, aids, or

* Added by Stats. 1951, Ch. 974

abets any household goods carrier in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, requirement, or operating permit, is subject to a penalty of not more than five hundred dollars ($500) for each offense.

Others Penalty

* 5314. Every corporation or person other than a household goods carrier who knowingly and wilfully, either individually, or acting as an officer, agent, or employee of a corporation, copartnership, or any other person other than a household goods carrier, violates any provision of this chapter or fails to observe, obey, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or who procures, aids, or abets any household goods carrier in its violation of this chapter, or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement, is subject to a penalty of not more than five hundred dollars ($500) for each offense.

Separate offense

* 5315. Every violation of the provisions of this chapter or of any order, decision, decree, rule, direction, demand, or requirement of the commission by any corporation or person is a separate and distinct offense, and in case of a continuing violation each day's continuance thereof is a separate and distinct offense.

Cumulative penalties

* 5316. All penalties accruing under this chapter are cumulative, and a suit for the recovery of one penalty does not bar or affect the recovery of any other penalty or forfeiture or bar any criminal prosecution against any person or corporation, or any officer, director, agent or employee thereof, or any other corporation or person, or bar the exercise by the commission of its power to punish for contempt.

Actions to recover penalties

* 5317. Actions to recover penalties under this chapter shall be brought in the name of the people of the State of California, in the superior court of the county, or city and county, in which the cause or some part thereof arose, or in which the corporation complained of, if any, has its principal place of business, or in which the person, if any, complained of, resides The action shall be commenced and prosecuted to final judgment by the attorney of the commission

Same Procedure, evidence

* 5318. In any such action, all penalties incurred up to the time of the commencement of the action may be sued for and recovered. In all such actions, the procedure and rules of evidence shall be the same as in ordinary civil actions.

Proceeds, compromise, etc

* 5319 All penalties recovered by the State in any action pursuant to this chapter, together with the costs thereof, shall be paid into the State Treasury to the credit of the General Fund. Any such action may be compromised or discontinued on application of the commission upon such terms as the court approves and orders.

* Added by Stats. 1951, Ch 974.

DIVISION 3. PUBLIC UTILITY FRANCHISES BY LOCAL GOVERNMENTS

CHAPTER 1. FRANCHISE PROVISIONS IN GENERAL

Article 1. Manner of Granting

Scope of article

6001. Every franchise or privilege to erect or lay telegraph or telephone wires, to construct or operate street or interurban railroads upon any public street or highway, to lay gas pipes for the purpose of carrying gas for light, heat, or power, to erect poles or wires for transmitting electricity for light, heat, or power, along or upon any public street or highway, or to exercise any other privilege whatever proposed to be granted by the governing or legislative body of any county, city and county, or city shall be granted upon the conditions in this article provided, and not otherwise, except when such franchises are granted pursuant to Chapters 2 or 3 of this division.

This article does not apply to franchises or privileges for steam railroads, or telegraph or telephone lines doing an interstate business, or to renewals of franchises for piers, chutes, or wharves.

Other terms and conditions

6002. The grantor may, in such a franchise, impose such other and additional terms and conditions not in conflict with this article, whether governmental or contractual in character, as in the judgment of the legislative body thereof are to the public interest.

Restrictions

6003. No clause or condition of any kind shall be inserted in any franchise or grant offered or sold under the terms of this article which shall directly or indirectly restrict free and open competition in bidding therefor, and no clause or provision shall be inserted in any franchise offered for sale, which shall in anywise favor one person, firm, or corporation, as against another, in bidding for the purchase thereof.

Application

6004. An applicant for a franchise or privilege shall file with the governing or legislative body of the county or municipality an application, and thereupon that body shall, in its discretion, advertise the fact of the application, together with a statement that it is proposed to grant the franchise or privilege, in one or more newspapers of the county, city and county, or city wherein the franchise or privilege is to be exercised.

Advertisement for bids

6005. The advertisement shall state that bids will be received for the franchise and that it will be awarded to the highest bidder. The advertisement shall be published once a day for 10 successive days, or as often during that period as the paper is published, if it is a daily newspaper. If there is no daily newspaper published in the county, city and county, or city, it shall be published in a weekly newspaper once a week for four successive weeks. In either case the full publication shall be completed not less than 20 nor more than 30 days before any further action can be taken thereon.

6006. The publication shall state the character of the franchise or privilege proposed to be granted, the term for which it is granted, and, if it is for a street railroad, the route to be traversed; that sealed bids therefor will be received up to a certain hour and day named therein, and that the successful bidder and his assigns shall during the life of the franchise pay to the county or municipality two percent (2%) of the gross annual receipts of the grantee arising from the use, operation, or possession of the franchise. Same Content

6007. The advertisement shall also contain a statement that the franchise will be struck off, sold, and awarded to the person, firm, or corporation making the highest cash bid therefor; that at the time of the opening of the bids any responsible person, firm, or corporation present or represented may bid for the franchise or privilege a sum not less than 10 percent above the highest sealed bid therefor, and the bid so made may be raised not less than 10 percent by any other responsible bidder and the bidding may so continue until the franchise is finally struck off, sold, and awarded to the highest bidder therefor in lawful money of the United States. Same Content

6008. Each sealed bid shall be accompanied with cash or a certified check payable to the treasurer of the county or municipality for the full amount of the bid, and no sealed bid shall be considered unless the cash or check is enclosed therewith. The successful bidder shall deposit at least 10 percent of the amount of his bid with the clerk of the county or municipality before the franchise is struck off to him. If he fails to make the deposit immediately his bid shall not be received, and is void, and the franchise shall then and there be again offered for sale to the bidder who makes the highest cash bid therefor, subject to the same conditions as to deposit. This procedure shall be had until the franchise is struck off, sold, and awarded to a bidder who makes the necessary deposit of at least 10 percent of the amount of his bid. Deposit with bid

6009. The successful bidder shall deposit with the clerk of the county or municipality, within 24 hours of the acceptance of his bid, the remaining 90 percent of the amount thereof. If the bidder fails to deposit with the clerk of the county or municipality the remaining 90 percent of his bid within 24 hours after its acceptance, the award to him of the franchise shall be set aside, the deposit made by him shall be forfeited, and no further proceedings for a sale of the franchise shall be had unless it is readvertised and again offered for sale in the manner provided in this article. Payment of balance, forfeiture

6010. The successful bidder for any franchise or privilege struck off, sold, and awarded under this article shall file a bond running to the county, city and county, or city, with at least two good and sufficient sureties approved by the governing body, in a penal sum by it prescribed and set forth in the advertisement for bids, and conditioned that such bidder shall well and truly observe, fulfill, and perform each term and Bond

condition of the franchise, and that in case of any breach of condition of the bond the whole amount of the penal sum therein named shall be deemed to be liquidated damages, and shall be recoverable from the principal and sureties upon the bond.

The bond shall be filed with the governing body within five days after the franchise is awarded, and upon the filing and approval of the bond the franchise shall be granted by ordinance to the person, firm, or corporation to whom it has been struck off, sold, or awarded. If the bond is not so filed, the award of the franchise shall be set aside, any money paid therefor shall be forfeited, and the franchise shall, in the discretion of the governing or legislative body, be readvertised and again offered for sale in the same manner and under the same restrictions, as provided in this article.

Percentage of gross receipts

6011. If the franchise is a renewal of a right already in existence, payment of the percentage of gross receipts shall begin at once upon the granting of the franchise. If the franchise is not a renewal of a right already in existence, no percentage shall be paid for the first five (5) years succeeding the date of the franchise, but thereafter the percentage shall be payable annually. If payment is not made, the franchise shall be forfeited.

Same Extension of existing street railroad system

6012. If the franchise granted is an extension of an existing street railroad system, the gross receipts shall be estimated to be one-half of the proportion of the total gross receipts of the system which the mileage of this extension bears to the total mileage of the whole system. This estimate is conclusive as to the amount of the gross receipts of the extension.

Commencement of work

6013. Work to erect or lay telegraph or telephone wires, to construct street or interurban railroads, to lay gas pipes for the purpose of carrying gas for light, heat, or power, to erect poles or wires for transmitting electricity for light, heat, or power, along or upon any public street or highway, or to exercise any other privilege whatever, a franchise for which has been granted pursuant to this article, shall be commenced in good faith within not more than four months from the granting of the franchise. If not so commenced the franchise shall be declared forfeited.

Completion Street or interurban railroads

6014. Work to construct street or interurban railroads shall be completed within not more than three years from the granting of the franchise, and if not so completed the franchise shall be forfeited. For good cause shown, the governing or legislative body may by resolution extend the time for completion, not exceeding three months.

Same Other franchises

6015. Work under any franchise other than for a street or interurban railroad shall be prosecuted diligently and in good faith so as to meet and fill the reasonable needs of the inhabitants of the territory for the service of which the franchise is granted.

Noncompliance Suit

6016. The Attorney General, upon the complaint of any county or municipality, or, in his discretion, upon the complaint of any taxpayer, shall sue for the forfeiture of any fran-

chise granted under this article, for the noncompliance with any condition thereof.

Misdemeanor

6017. Any member of a governing or legislative body of any county, city and county, or city, who, by his vote, violates or attempts to violate any of the provisions of this article is guilty of a misdemeanor and may be punished therefor as provided by law, and may be deprived of his office by the decree of a court of competent jurisdiction, after trial and conviction.

Article 2. Transportation of Mail Carriers

Free transportation a condition

6041. In all cases where application is made to the governing or legislative body of a city or city and county for permission and authority to lay railroad tracks through streets or public highways of any city or city and county, the authorities before granting such permission and authority, in addition to the terms and restrictions which they are by law authorized to impose shall exact and require from the persons or corporation asking such permission and authority, as a condition precedent to the granting of permission, a satisfactory promise and undertaking to permit and allow mail carriers in the employ of the United States Government, at all times while engaged in the actual discharge of duty, to ride on the cars of such railroad without paying any sum of money whatever for fare or otherwise All such permissions and franchises shall be subject to all other provisions of the laws of this State applicable to street railroads in general, and subject to regulations from city or city and county authorities.

Article 3. Cancellation of Franchise Bonds

Substitution of bonds

6066. In all cases where a bond or bonds have been given to secure the observance, fulfillment, and performance of any or all of the terms or conditions, of a franchise or privilege granted by a governing or legislative body of any county, city and county, or city, the governing or legislative body may, upon the petition of the owner of the franchise or privilege, or upon the petition of one or more or all of the sureties on the bond or bonds, cancel and annul the bond or bonds, release the sureties thereon from any future liability, and accept and take in lieu thereof a new bond or bonds to be approved by the governing or legislative body in the same penal sum and containing the same terms and conditions as the bond or bonds canceled and annulled.

New bond Execution

6067. The new bond or bonds shall be executed by the owner of the franchise or privilege and by new sureties satisfactory to the governing or legislative body. Any person, firm, or corporation who acted as surety on the bond or bonds canceled and annulled may act as surety on the new bond or bonds, if satisfactory to the governing or legislative body.

Cancellation, effect

6068. Immediately upon the acceptance by the governing or legislative body of any new bond or bonds filed with it as provided for in this article the old bond or bonds are canceled and

annulled and the sureties thereon are released from any future liability on the old bond or bonds. Such cancellation and annulment does not release the sureties from any past liability.

Article 4. Steam Heat Franchises

Power to grant

6091. All cities and cities and counties are empowered to grant franchises for the laying of pipes in the streets, roads, avenues, alleys, and public highways therein, for carrying steam heat under high pressure to be used, distributed, and sold to the inhabitants thereof for heating purposes.

Provisions applicable

6092. The granting of franchises under this article shall be pursuant to Article 1 of this chapter.

CHAPTER 2. GAS AND ELECTRIC FRANCHISES BY MUNICIPALITIES

Article 1. General Provisions

Short title

6201. This chapter may be cited as the Franchise Act of 1937.

Power to grant

6202. The legislative body of any municipality is empowered to grant a franchise to any person, firm, or corporation, whether operating under an existing franchise or not, to use, or to construct and use, poles, wires, conduits, and appurtenances for transmitting and distributing electricity for all purposes, or to use, or to lay and use, pipes and appurtenances for transmitting and distributing gas for any and all purposes, under, along, across, or upon the public streets, ways, alleys and places within the municipality, upon the terms and conditions provided in this chapter.

Additional terms and conditions

6203. The legislative body may in such a franchise impose such other and additional terms and conditions not in conflict with this chapter, whether governmental or contractual in character, as in the judgment of the legislative body are to the public interest.

Alternative procedure

6204. This chapter provides a procedure, alternative to the procedure provided in Article 1 of Chapter 1 of this division, for the granting of franchises by municipalities. When any proceeding is initiated under this chapter for the granting of a franchise, the provisions of this chapter exclusively govern the granting of such franchise.

Application of chapter

6205. This chapter does not apply to any municipality having a freeholders' charter adopted and ratified under the Constitution and having in such charter provisions for the issuance of franchises by the municipality, but nothing contained in this chapter shall restrict the right of any such chartered municipality to avail itself of the provisions of this chapter wherever it may lawfully do so. The provisions of this chapter relating to the payment of a percentage of gross receipts shall not be construed as a declaration of legislative judgment as to the proper compensation to be paid a chartered municipality for the right to exercise franchise privileges therein.

Article 2. Manner of Granting

Application Filing content

6231. An applicant for a franchise shall file with the legislative body of the municipality in which the franchise is desired an application stating:

(a) The name of the applicant.

(b) The purpose and term, whether definite or indeterminate, for which the franchise is desired.

(c) That the applicant if granted the franchise will pay to the municipality during the life of the franchise two percent (2%) of the gross annual receipts of applicant arising from the use, operation, or possession of the franchise; provided, however, that such payment shall in no event be less than one percent (1%) of the gross annual receipts of applicant derived from the sale within the limits of the municipality of the utility service for which the franchise is awarded; provided, further, if the application is for a franchise complementary to a franchise derived under Section 19 of Article XI of the State Constitution as the section existed prior to its amendment on October 10, 1911, then in lieu of either of the aforesaid percentages applicant will pay annually, if the application is for an electric franchise, a sum equivalent to two percent (2%) of the gross annual receipts of applicant arising from the use, operation, or possession of the franchise; provided, however, that such payment shall in no event be less than a sum equivalent to one-half percent (½%) of the gross annual receipts derived by applicant from the sale of electricity within the limits of the municipality under both the electric franchises; or, if the application is for a gas franchise, a sum equivalent to two percent (2%) of the gross annual receipts of applicant arising from the use, operation, or possession of the franchise; provided, however, that such payment shall in no event be less than a sum equivalent to one percent (1%) of the gross annual receipts derived by applicant from the sale of gas within the limits of the municipality under both the gas franchises.

(Amended by Stats. 1951, Ch. 817.)

[ORIGINAL SECTION]

6231. An applicant for a franchise shall file with the legislative body of the municipality in which the franchise is desired an application stating:

(a) The name of the applicant.

(b) The purpose and term, whether definite or indeterminate, for which the franchise is desired.

(c) (1) That the applicant if granted the franchise will pay to the municipality during the life of the franchise two percent (2%) of the gross annual receipts of applicant arising from the use, operation, or possession of the franchise; and that such payment shall in no event be less than one percent (1%) of the gross annual receipts of applicant derived from the sale within the limits of the municipality of the utility service for which the franchise is awarded; (2) if the application is for a franchise complementary to a franchise derived under Section 19 of Article XI of the State Constitution as the section existed prior to its amendment on October 10, 1911, that in lieu of either of the aforesaid percentages applicant will pay annually, if the application is for an electric franchise, a sum equivalent to two percent (2%) of the gross annual receipts of applicant arising from the use, operation, or possession of the franchise, and in no event less than a sum equivalent to one-half percent (½%) of the gross annual receipts

derived by applicant from the sale of electricity within the limits of the municipality under both the electric franchises; or, if the application is for a gas franchise, a sum equivalent to two percent (2%) of the gross annual receipts of applicant arising from the use, operation, or possession of the franchise, and in no event less than a sum equivalent to one percent (1%) of the gross annual receipts derived by applicant from the sale of gas within the limits of the municipality under both the gas franchises.

Resolution and notice of intention to grant

6232. Upon receipt of the application the legislative body of the municipality may pass its resolution declaring its intention to grant the franchise applied for, stating the character of the franchise, setting forth a notice of the day, hour, and place when and where all persons having any objection to the granting thereof may appear before the legislative body and be heard thereon, and directing the clerk of the legislative body to publish the notice at least once within fifteen (15) days after the passage of the resolution in a newspaper of general circulation within the municipality.

The time fixed for the hearing shall be not less than twenty (20) nor more than sixty (60) days after the date of the passage of the resolution.

Notice: Content

6233. The notice of the time and place of hearing objections shall state that the grantee of the franchise and its successors and assigns will, during the life of its franchise, pay to the municipality the percentage specified in its application, that the percentage will be paid annually from the date of the granting of the franchise, and in the event such payment is not made the franchise will be forfeited. The notice shall also designate the term, whether definite or indeterminate, for which the franchise is proposed to be granted.

Protests

6234. At any time not later than the hour set for the hearing of objections, any person interested may make written protest stating objections against the granting of the franchise. The protest shall be signed by the protestant and be delivered to the clerk of the legislative body. At the time set for hearing objections the legislative body shall proceed to hear and pass upon all protests so made and its decision shall be final and conclusive, subject to the right of referendum of the people. The legislative body may adjourn the hearing from time to time.

If no protest in writing is delivered to the clerk up to the hour set for hearing, or such protests as are filed have been heard and determined by the legislative body to be insufficient, or have been overruled or denied, the legislative body may grant the franchise. The franchise shall be granted by ordinance adopted in the manner prescribed by law for the enactment of ordinances by the granting body.

Grantee's acceptance

6235. A franchise granted under this chapter does not become effective until the grantee files written acceptance thereof with the clerk of the granting municipality. When so filed the acceptance constitutes a continuing agreement by the grantee that if and when the granting municipality thereafter annexes, or consolidates with, additional territory, all franchises, rights and privileges owned by the grantee therein, except a franchise derived under Section 19 of Article XI of

the Constitution as that section existed prior to the amendment thereof adopted October 10, 1911, shall be deemed abandoned within the limits of the additional territory.

Article 3. Scope of Franchise

Franchise granted in lieu of all others

6261. Any franchise granted under this chapter with respect to a given utility service is in lieu of all other franchises, rights, or privileges owned by the grantee, or by any successor of the grantee to any rights under the franchise, for transmitting and distributing the utility service within the limits of the municipality as such limits exist at the time of the granting of the franchise or as they may thereafter exist, except any franchise derived under Section 19 of Article XI of the Constitution as that section existed prior to the amendment thereof adopted October 10, 1911. The acceptance of any such franchise granted under this chapter shall operate as an abandonment of all such franchises, rights, and privileges within the limits of such municipality as such limits at any time exist, in lieu of which the franchise is granted under this chapter.

Exception

Acquisition of grantee's property

6262. No franchise granted under this chapter in any way impairs or affects the right of the granting municipality to acquire the property of the grantee by purchase or condemnation, and nothing contained in such a franchise shall be construed to contract away, modify or abridge either for a term or in perpetuity the municipality's right of eminent domain in respect to any public utility.

Valuation of franchise

6263. No franchise granted under this chapter shall ever be given any value before any court or other public authority in any proceeding of any character in excess of the cost to the grantee of the necessary publication and any other sum paid by it to the municipality therefor at the time of acquisition

Term of franchise

6264. Every franchise granted pursuant to this chapter, except when a definite term therefor is specified in the ordinance granting it, is indeterminate, that is to say, every such franchise shall endure in full force and effect until, with the consent of the Public Utilities Commission, it is voluntarily surrendered or abandoned by its possessor, or until the State or some municipal or public corporation purchases by voluntary agreement or condemns and takes under the power of eminent domain, all property actually used and useful in the exercise of the franchise and situate within the territorial limits of the State, municipal, or public corporation purchasing or condemning such property, or until the franchise is forfeited for noncompliance with its terms by the possessor thereof.

(Amended by Stats 1951, Ch 817.)

[ORIGINAL SECTION]

6264 Every franchise granted pursuant to this chapter, except when a definite term therefor is specified in the ordinance granting it, is indeterminate and shall endure in full force and effect until, with the consent of the Public Utilities Commission, it is voluntarily surrendered or abandoned by its possessor, or until the State or some municipal or public corporation purchases by voluntary agreement or condemns and takes under the power

of eminent domain, all property actually used and useful in the exercise of the franchise and situate within the territorial limits of the State, municipal, or public corporation purchasing or condemning such property, or until the franchise is forfeited for noncompliance with its terms by the possessor thereof.

Rights conferred by franchise

6265. Every gas franchise granted pursuant to this chapter confers upon the grantee the right to use, or to lay and use, gas pipes and appurtenances for the purpose of transmitting and distributing gas, and every electric franchise so granted confers upon the grantee thereof the right to use, or to construct and use, poles, wires or conduits and appurtenances for the purpose of transmitting and distributing electricity for any and all purposes, under, along, across, or upon the public streets, ways, alleys, and places as they now or hereafter exist within the municipality.

Article 4. Duties and Liabilities of Grantee

Forfeiture of franchise

6291. If the grantee of any franchise granted under this chapter fails, neglects or refuses to comply with any of the provisions or conditions prescribed in this chapter, and does not within ten (10) days after written demand for compliance begin the work of compliance, or after such beginning does not prosecute the work with due diligence to completion, the municipality, by its legislative body, may declare the franchise forfeited.

Suit by municipality

6292. Any municipality may sue in its own name for the forfeiture of any franchise granted pursuant to this chapter, in the event of noncompliance with any of the conditions thereof by the grantee, its successors, or assigns

Publication expenses

6293. The grantee shall pay to the municipality a sum of money sufficient to reimburse it for all publication expenses incurred by it in connection with the granting of the franchise. Such payment shall be made within thirty (30) days after the municipality furnishes the grantee with a written statement of the expenses.

Regulations re facilities

6294. The grantee of a franchise under this chapter shall construct, install, and maintain all pipes, conduits, poles, wires, and appurtenances in accordance and in conformity with all of the ordinances and rules adopted by the legislative body of the municipality in the exercise of its police powers and not in conflict with the paramount authority of the State, and, as to state highways, subject to the laws relating to the location and maintenance of such facilities therein

Repairs to public property

6295. The grantee shall pay to the municipality on demand the cost of all repairs to public property made necessary by any of the operations of the grantee under the franchise.

Indemnification of municipality

6296. The grantee shall indemnify and hold harmless the municipality and its officers from all liability for damages proximately resulting from any operations under the franchise.

Removal or relocation of facilities

6297. The grantee shall remove or relocate without expense to the municipality any facilities installed, used, and maintained under the franchise if and when made necessary by

any lawful change of grade, alignment, or width of any public street, way, alley, or place, including the construction of any subway or viaduct, by the municipality.

Transfer, etc., of franchise

6298. The grantee shall file with the legislative body of the municipality within thirty (30) days after any sale, transfer, assignment, or lease of the franchise or any part thereof, or any of the rights or privileges granted thereby, written evidence of the transaction certified to by the grantee or its duly authorized officers.

Statement of gross receipts

6299 The grantee shall file with the clerk of the municipality, within three (3) months after the expiration of the calendar year, or fractional calendar year, following the date of the granting of the franchise and within three (3) months after the expiration of each calendar year thereafter, a verified statement showing in detail the total gross receipts of the grantee, its successors, or assigns during the preceding calendar year or fractional calendar year from the sale of the utility service for which the franchise was granted.

Payment

6300. The grantee shall pay to the municipality within fifteen (15) days after the time for filing its statement of gross receipts, in lawful money of the United States, the specified percentage of its gross receipts for the calendar year or fractional calendar year covered by the statement. Any neglect, omission, or refusal by the grantee to file the verified statement, or to pay the percentage at the times or in the manner provided constitutes grounds for the declaration of a forfeiture of the franchise and of all rights thereunder.

Bond

6301. The grantee of a franchise under this chapter may be required to file a bond running to the municipality with at least two good and sufficient sureties approved by the legislative body, or with a corporate surety approved by the legislative body, in a penal sum prescribed by the legislative body and set forth in the resolution of intention to grant the franchise, conditioned that the grantee shall well and truly observe, fulfill, and perform each term and condition of the franchise, and that in case of any breach of condition of the bond the amount of the penal sum therein named shall be recoverable from the principal and sureties upon the bond.

The bond, if required by the legislative body, shall be filed with the legislative body within five (5) days after the date of the granting of the franchise; and if the bond is not so filed, or does not receive the approval of the legislative body, the franchise may be refused or forfeited and any money paid to the municipality in connection therewith shall be retained by the municipality.

Damages to grantor

6302. The grantee of a franchise under this chapter shall be liable to the granting municipality for all damages proximately resulting from the failure of the grantee well and faithfully to observe and perform any provision of the franchise and any provision of this chapter.

CHAPTER 3. RESETTLEMENT OF STREET, SUBURBAN, AND INTERURBAN RAILROAD FRANCHISES

Freeholders' charter cities. Power to grant franchise

6451. The governing or legislative body of any city or city and county having on July 27, 1917, a freeholders' charter adopted under Section 8 of Article XI of the State Constitution, which charter provides for the resettlement of and the granting of a resettlement franchise to any person, firm, or corporation engaged in operating a public utility in such city or city and county, is empowered to provide for a general resettlement of the franchise rights and to grant a resettlement franchise to any person, firm, or corporation actually engaged in operating a street, suburban, or interurban railroad in the city or city and county, upon written application therefor, and upon such terms and conditions as are in this chapter provided, and may, in the resettlement of any such franchise impose other and additional terms and conditions not in conflict with this chapter.

Publication, notice

6452. The resettlement franchise shall be granted after such publication and upon such notice as the governing or legislative body shall by resolution determine, or failing such determination, after such publication and upon such notice as is prescribed by law for the enactment of ordinances by the governing or legislative body.

Vote of electors

6453. After the final passage of a resettlement franchise, it shall be referred and submitted to the vote of the electors of the city or city and county at the general or special election next ensuing not less than 20 days after the final passage of the ordinance, or if no general or special election is to be held in the city or city and county within a period of not less than 20 days and not more than 90 days after such final passage, the governing or legislative body may call a special election to submit the ordinance to the electors, the special election to be held not less than 30 days and not more than 60 days after such final passage.

Approval

6454. No resettlement franchise shall go into effect until it has received the approval of a majority of the electors voting thereon and until it has been accepted in writing by the grantee.

Rights conferred by franchise

6455. Every resettlement franchise, permit, or privilege shall confer upon the grantee the right to occupy the roads, streets, highways, avenues, boulevards, lanes, alleys, courts, places, and pathways of the city or city and county, particularly set out in the terms and conditions of the franchise, permit, or privilege, for the purpose of conducting, operating and maintaining thereon a street, suburban, or interurban railroad, subject always to the right of the city or city and county to acquire and possess the property of the grantee.

Payment

6456. The grantee shall pay to the city or city and county such a percentage of the net revenue annually collected from any and all sources under and by virtue of the franchise, permit, or privilege as is fixed in the franchise. What constitutes such annual net revenue shall be provided in the franchise.

Grant of new franchise

6457. The legislative or governing body may in a resettlement franchise provide that any new franchise granted to the

holder of the resettlement franchise shall be considered as part of the resettlement franchise.

Provision re consolidation or annexation of territory

6458. The legislative or governing body may in the resettlement franchise provide that in case of consolidation or annexation to the city or city and county of any territory after the date the resettlement franchise is granted, any franchise to operate the street, suburban, or interurban railroad, or any part thereof, held or claimed by the holder of the resettlement franchise in or for any portion of the consolidated or annexed territory shall thereupon be surrendered to the city or city and county, and that the rights and obligations of the resettlement franchise shall thereupon automatically extend to the additional territory, and that a valuation for the purpose of public acquisition of the properties used and useful, or, in the discretion of the city or city and county, prospectively useful, in the operation of the street, suburban, or interurban railroad in the area consolidated or annexed, and not included in the capital valuation already fixed in the resettlement franchise, shall be added to the capital account of the resettlement franchise grantee at a valuation for the purpose of public acquisition fixed by the Public Utilities Commission, and otherwise determined as provided in this chapter.

Surrender of other franchises or rights

6459. Every resettlement franchise shall provide that the grantee shall surrender the franchises or rights, owned or claimed by the grantee, to occupy such portion of the roads, streets, highways, avenues, boulevards, lanes, alleys, courts, places, and pathways as it is proposed that the street, suburban, or interurban railroad shall thereafter occupy under the provisions of the resettlement franchise, and that the grantee shall accept in lieu thereof the rights and privileges granted by the resettlement franchise as a franchise for the continued operation of the street, suburban, or interurban railroad within the limits of the city or city and county or such portion thereof as had theretofore been operated under the franchise or franchises surrendered.

Term of franchise

6460. The resettlement franchise, permit, or privilege shall be granted for an indeterminate period, subject always to the right of the city or city and county to acquire and possess the property of the grantee.

Public acquisition Condition

6461. The resettlement franchise shall be granted upon the express condition that the city or city and county may, at a valuation for the purpose of public acquisition, fixed and determined as provided in Section 6462, assume ownership by purchase, or take over and possess the property used and useful, or, in the discretion of the city or city and county, prospectively useful property of the franchise grantee, its successors or assigns, upon giving the grantee written notice of its intention to purchase and take over the property, which notice shall be given only when authorized by ordinance of the legislative or governing body of the city or city and county.

Same: Valuation

6462. The valuation for the purpose of public acquisition of property used and useful, or in the discretion of the city or

city and county prospectively useful, and owned by the grantee at the time application is made for a resettlement franchise, permit, or privilege shall be fixed by the Public Utilities Commission. The valuation of such property as fixed by the commission may be set forth in the resettlement franchise, permit, or privilege, in which case a readjustment from time to time of this valuation by the addition of the cost of extensions and betterments and by the deduction of the value of property sold or abandoned, and of the amount of depreciation sustained by the property used or useful or prospectively useful, shall be made in such manner as may in the resettlement franchise be provided.

Expenses of valuation

6463. All expenses of the valuation by the Public Utilities Commission shall be paid by the city or city and county to the commission.

Valuation of franchise

6464. The resettlement franchise shall provide that the grantee, its successors or assigns, shall never claim before any court or other public authority in any proceeding of any character any value for the resettlement franchise, permit, or privilege in excess of the amount originally paid for it by the grantee to the granting authority.

Amendment

6465. The resettlement franchise may be amended from time to time by ordinance passed by the governing or legislative body of the city or city and county and ratified by the electors of the city or city and county in the manner prescribed for the passage of the resettlement franchise in the first instance, and not otherwise. No such amendment is effective unless accepted in writing by the grantee of the resettlement franchise.

State powers

6466. The power of the State, in the exercise of its police power or otherwise through the instrumentality of the Public Utilities Commission or other agency, to provide at any and all times for the supervision and regulation of public utilities is not affected by any franchise, permit, or privilege granted under this chapter.

Eminent domain

6467. Nothing in this chapter, nor any provision of any franchise granted under this chapter, shall prevent a city or city and county from acquiring at any time the property of any public utility through the exercise of the right of eminent domain, and no city or county shall contract away, either for a term or in perpetuity, the right of eminent domain in respect to any public utility.

DIVISION 4. LAWS RELATING TO UTILITY CORPORATIONS AND THEIR EMPLOYEES

CHAPTER 1. RAILROAD CORPORATIONS

Article 1. Administration and Finance

7501. (Repealed by Stats. 1951, Ch. 1038.)

[ORIGINAL SECTION]

7501. Directors of railroad corporations may be elected at a meeting of the stockholders other than the annual meeting, as a majority of the fixed capital stock may determine, or as the by-laws may provide. Notice of

the meeting shall be given as provided for in Section 2204 of the Corporations Code.

7502. (Repealed by Stats. 1951, Ch. 1037.)

[ORIGINAL SECTION]

7502. No stock in any railroad corporation is transferable until all the previous calls or installments thereon have been fully paid in; nor is any such transfer valid, except as between the parties thereto, unless at least 20 percent has been paid thereon and certificates issued therefor, and the transfer approved by the board of directors

Trustees in deed of trust

7503 Any person or any corporation formed under the laws of this State or of any other state within the United States that the directors of a railroad corporation may by unanimous concurrence select, may be trustees in any deed of trust securing bonds, debentures, notes, and evidences of indebtedness issued by such railroad corporation

(Amended by Stats. 1951, Ch. 1036)

[ORIGINAL SECTION]

7503 A railroad corporation may borrow, on the credit of the corporation and under such regulations and restrictions as the board of directors by unanimous concurrence may impose, such sums of money as are necessary for constructing and completing its railroad, with its equipment, and for the purchase of all necessary rolling stock and all else relative thereto, and may issue promissory notes therefor, or may issue and dispose of bonds to raise money necessary to pay therefor, at a rate of interest not exceeding 10 percent per annum. A railroad corporation may also issue bonds or promissory notes at the same rate of interest in payment of any debts or contracts for constructing and completing its road, with its equipment and rolling stock, and all else relative thereto, and for the purchase of railroads and other property within the purpose of the corporation Except as provided in Part 1 of Division 1, the amount of bonds, or promissory notes, issued for such purposes shall not exceed in all the amount of its capital stock To secure the payment of such bonds or notes a railroad corporation may mortgage its corporate property and franchises, or may secure the payments of such bonds or notes by deed of trust of its corporate property and franchises Any person or any corporation formed under the laws of this State or of any other state within the United States that the directors of the railroad corporation may by unanimous concurrence select, may be trustees in such deed of trust.

7504. (Repealed by Stats. 1951, Ch. 1035.)

[ORIGINAL SECTION]

7504 Every officer, agent or stockholder of any railroad company, who knowingly assents to or has any agency in contracting any debt by or on behalf of the company, unauthorized by a special law for the purpose the amount of which debt, with other debts of the company, exceeds its available means for the payment of its debts, in its possession, under its control, and belonging to it at the time the debt is contracted, including its bona fide and available stock subscriptions, and exclusive of its real estate, is guilty of a misdemeanor

This section does not affect the validity of a debt created in violation of its provisions, as against the company

7505 (Repealed by Stats 1951, Ch. 1034.)

[ORIGINAL SECTION]

7505 The directors of a railroad corporation may confer on any holder of any bond the right to convert the principal thereof into stock of the corporation upon such conditions and under such regulations as they may prescribe.

7506. (Repealed by Stats. 1951, Ch. 1033.)

[ORIGINAL SECTION]

7506. When, at any time after filing the articles of incorporation of a railroad corporation, it is ascertained that the capital stock therein set out is either more or less than actually required for constructing, equipping, operating, and maintaining the road, the capital stock shall be fixed by a two-thirds (⅔) vote of the stockholders. A certificate of the amount of capital stock and of the proceedings had to fix it, shall be made out and filed in the Office of the Secretary of State.

7507. (Repealed by Stats. 1951, Ch. 1032.)

[ORIGINAL SECTION]

7507. Within 30 days after the payment of the last installment of the fixed capital stock of any railroad corporation the president and secretary and a majority of the directors thereof shall make, subscribe, and file in the Office of the Secretary of State a certificate, stating the amount of the fixed capital stock, and that the whole thereof has been paid in. The certificate shall be verified by the affidavit of the president and secretary.

Transfer of property and franchises to another railroad corporation

7508. Subject to the provisions of Part 1 of Division 1 and of the Corporations Code, any railroad corporation, or person or corporation owning any railroad in this State, may sell, convey, and transfer its property and franchises, or any part thereof, to any other railroad corporation, whether organized under the laws of this State or of any other state or territory, or under any act of Congress. The railroad corporation receiving the conveyance may hold and operate the railroad franchises and property within this State, build and operate extensions and branches thereof, exercise the right of eminent domain for such purposes, and do any other business in connection therewith, as fully and effectually as if the corporation was organized under the laws of this State.

(Amended by Stats. 1951, Ch. 1031.)

[ORIGINAL SECTION]

7508. Subject to the provisions of Part 1 of Division 1, any railroad corporation, or person or corporation owning any railroad in this State, may sell, convey, and transfer its property and franchises, or any part thereof, to any other railroad corporation, whether organized under the laws of this State or of any other state or territory, or under any act of Congress. The railroad corporation receiving the conveyance may hold and operate the railroad franchises and property within this State, build and operate extensions and branches thereof, exercise the right of eminent domain for such purposes, and do any other business in connection therewith, as fully and effectually as if the corporation was organized under the laws of this State.

No such sale, conveyance, or transfer of all or substantially all of its property and franchises is valid without the consent of stockholders of the vendor corporation holding of record at least two-thirds of the issued capital stock of the corporation, such consent to be expressed either in writing, executed by the consenting stockholders and attached to the original, or one of the duplicate originals of such sale, conveyance or transfer, or by a vote at a stockholders' meeting of the vendor corporation called for that purpose, or at any regular or adjourned regular meeting.

The conveyance or transfer shall be recorded in the office of the county recorder of each county in this State in which the whole or any part of the railroad or real estate sold, conveyed, or transferred is situated.

No sale or conveyance or transfer under this section relieves the franchise or property sold, conveyed, or transferred from the liability of the grantor contracted or incurred in the operation, use, or enjoyment of such franchise or any of its privileges.

7509. (Repealed by Stats. 1951, Ch. 1030.)

[ORIGINAL SECTION]

7509 No established rates for fares and tolls for carrying passengers or freight between any points upon any railroad purchased under Section 7508, shall be increased without the consent of the governmental authority in which is vested by law the power to regulate fares and freights. Whenever a railroad corporation, which has purchased any line of road under Section 7508, for the purpose of competing with any other common carrier lowers its rates for transportation of passengers or freight from one point to another upon such line purchased, such reduced rates shall not be again raised or increased from such standard without the consent of the governmental authority in which is vested the power to regulate fares and freights.

7510. (Repealed by Stats. 1951, Ch. 1029.)

[ORIGINAL SECTION]

7510. For every violation of the provisions of Sections 7508 or 7509 on the part of directors or governing officers of a corporation, the State shall be entitled to recover from such offending railroad company the sum of ten thousand dollars ($10,000)

It is the duty of the Attorney General of the State, in the event of any such violation, to demand and collect the penalty from such company, and he may prosecute all the necessary actions in the name of the people of the State of California against such company in the courts of the State. All money so collected shall be paid into the General Fund.

Article 2. Powers and Duties

7526. Every railroad corporation has all of the following powers: Powers

(a) To make such examination and surveys as are necessary to the selection of the most advantageous route for the railroad. The officers, agents, and employees of the corporation may enter upon the lands or waters of any person, for this purpose, subject to liability for all damages which they do thereto.

(b) To receive, hold, take, and convey, by deed or otherwise, as a natural person, such voluntary grants and donations of real estate and other property as are made to it to aid and encourage the construction, maintenance, and accommodation of the railroad.

(c) To purchase, or by voluntary grants or donations to receive, enter, take possession of, hold, and use all such real estate and other property as is absolutely necessary for the construction and maintenance of such railroad, and for all stations, depots, and other purposes necessary to successfully work and conduct the business of the road.

(d) To lay out its road, not exceeding 10 rods wide, and to construct and maintain it, with one or more tracks, and with such appendages and adjuncts as are necessary for the convenient use of the road.

(e) To construct its roads across, along, or upon any stream of water, watercourse, roadstead, bay, navigable stream, street, avenue, or highway, or across any railway, canal, ditch, or flume which the route of its road intersects, crosses, or runs along, in such manner as to afford security for life and property. The corporation shall restore the stream or watercourse, road, street, avenue, highway, railroad, canal, ditch, or flume

thus intersected to its former state of usefulness as near as may be, or so that the railroad does not unnecessarily impair its usefulness or injure its franchise.

(f) To cross, intersect, join, or unite its railroad with any other railroad, either before or after construction, at any point upon its route, and upon the grounds of the other railroad corporation, with the necessary turnouts, sidings, and switches, and other conveniences in furtherance of the objects of its connections. Every corporation whose railroad is intersected by any new railroad shall unite with the owners of the new railroad in forming the intersections and connections, and grant facilities therefor. If the two corporations cannot agree upon the amount of compensation to be made therefor, or the points or the manner of the crossings, intersections, and connections, such matters shall be ascertained and determined as is provided in Title 7, Part 3 of the Code of Civil Procedure.

(g) To purchase lands, timber, stone, gravel, or other materials to be used in the construction and maintenance of its road, and all necessary appendages and adjuncts, or acquire them in the manner provided in Title 7, Part 3 of the Code of Civil Procedure, for the condemnation of lands.

(h) To change the line of its road, in whole or in part, whenever a majority of the directors so determine, as provided in Section 7531, but the change shall not vary the general route of the road, as contemplated in its articles of incorporation.

Same

7527. Every railroad corporation also has all of the following powers:

(a) To carry persons and property on its railroad, and to receive tolls or compensation therefor.

(b) To erect and maintain all necessary and convenient buildings, stations, depots, fixtures, and machinery for the accommodation and use of its passengers, freight, and business.

(c) To regulate the time and manner in which passengers and property shall be transported, and the tolls and compensation to be paid therefor within the limits prescribed by law and subject to alteration, change, or amendment by the Legislature at any time.

(d) To regulate the force and speed of its locomotives, cars, trains, or other machinery used and employed on its roads.

(e) To establish, execute, and enforce all needful and proper rules and regulations for the management of its business transactions usual and proper for railroad corporations.

(f) To purchase, lease, or acquire the franchises, rights, and property, or any part thereof, of any railroad corporation, leasing or owning any railroad outside of the State, to operate it and use the franchises of any such road, and to build and operate extensions thereof.

(g) To purchase, acquire, and hold the stocks, bonds, or other securities of any railroad corporation organized under the laws of this State or of any other state or territory, with full power to sell them.

(Amended by Stats. 1951, Ch. 1028.)

[ORIGINAL SECTION]

7527. Every railroad corporation also has all of the following powers:

(a) To carry persons and property on its railroad, and to receive tolls or compensation therefor.

(b) To erect and maintain all necessary and convenient buildings, stations, depots, fixtures, and machinery for the accommodation and use of its passengers, freight, and business.

(c) To regulate the time and manner in which passengers and property shall be transported, and the tolls and compensation to be paid therefor within the limits prescribed by law and subject to alteration, change, or amendment by the Legislature at any time.

(d) To regulate the force and speed of its locomotives, cars, trains, or other machinery used and employed on its roads.

(e) To establish, execute, and enforce all needful and proper rules and regulations for the management of its business transactions usual and proper for railroad corporations.

(f) To purchase, lease, or acquire the franchises, rights, and property, or any part thereof, of any railroad corporation, leasing or owning any railroad outside of the State, to operate it and use the franchises of any such road, and to build and operate extensions thereof. Nothing herein authorizes any corporation to purchase the franchises, rights, and property of any railroad operated in competition with it.

(g) To purchase, acquire, and hold the stocks, bonds, or other securities of any railroad corporation organized under the laws of this State or of any other state or territory, with full power to sell them. Nothing herein authorizes any corporation to purchase the stock of any railroad corporation operated in competition with it.

Motive power

7528. Every person or corporation authorized to operate a railroad is authorized to use steam, diesel, electricity, compressed air, or any other suitable motive power, for the purpose of propelling cars or trains on the railroad or upon any portion thereof.

(Amended by Stats. 1951, Ch. 1027.)

[ORIGINAL SECTION]

7528. Every person or corporation authorized to operate a railroad by steam motive power, is also authorized to use electricity or compressed air, or both, either with or without steam, for the purpose of propelling cars or trains on the railroad or upon any portion thereof. In cities or cities and counties having more than five thousand (5,000) inhabitants, authority shall be obtained from the legislative authority thereof.

Use of other railroads

7529. Railroad corporations doing business in this State and organized under any law of this State or the United States, or of any state or territory thereof, may enter into contracts with one another, whereby the one may lease of the other the whole or any part of its railroad, or may acquire of the other the right to use, in common with it, the whole or any part of its railroad.

Map and profile of road to be filed

7530. Every railroad corporation in this State shall, within a reasonable time after its road is finally located, make a map and profile thereof, and of the land acquired for the use thereof, and the boundaries of the several counties through which the road may run, and file it in the Office of the Secretary of State. Every railroad corporation shall file like maps of the parts of the railroad located in different counties in the office of the clerk of the county in which such parts of the

road are, there to remain of record forever. The maps and profiles shall be certified by the chief engineer, the acting president, and the secretary of the company. Copies of the map and profiles, so certified and filed, shall be kept in the office of the secretary of the corporation, subject to examination by all parties interested.

Same
Change in location

7531. If, at any time after the location of the line of the railroad and the filing of the maps and profiles thereof, it appears that the location can be improved, the directors may alter or change the location of the line, and cause new maps and profiles to be filed, showing such changes, in the same offices where the originals are of file The directors may proceed, in the same manner as the original location was acquired, to acquire and take possession of the new line, but shall sell or relinquish the lands owned by them for the original location, within five years after such change. No new location, as herein provided, shall be so run as to avoid any points named in their articles of incorporation.

Discontinuance of operation

7532. The commission may authorize the discontinuance of operation in whole or in part of any line of railroad for such period of time and upon such conditions as the commission determines, without forfeiture of the right to operate the railroad.

(Amended by Stats. 1951, Ch. 1026.)

[ORIGINAL SECTION]

7532. Every railroad corporation shall, within two (2) years after filing its original articles of incorporation, begin the construction of its road, and shall every year thereafter complete and put in full operation at least five (5) miles of its road, until the railroad is fully completed, and upon its failure so to do, for the period of one (1) year, its right to extend its road beyond the point then completed is forfeited.

The commission may authorize the discontinuance of operation in whole or in part of any line of railroad for such period of time and upon such conditions as the commission determines, without forfeiture of the right to operate the railroad.

Additional tracks

7533. The board of directors of any railroad corporation may at any time after the original location and construction of its railroad, in order to provide better facilities for the public service, construct an additional main line track or tracks either adjacent to the located and operated line or otherwise, but always in whole or in part between the same termini. The railroad corporation may, without abandoning the original location, acquire such rights of way as are necessary for the additional track or tracks, with their appendages and adjuncts, of a similar width as provided in Section 7526 for the original location, either by purchase or condemnation, as therein provided, and may operate the additional tracks in conjunction with any tracks previously constructed, as additional facilities for the railroad system. Nothing herein supersedes or repeals any law relating to the regulation of railroad corporations by the commission, or any law requiring railroads to obtain franchises from the cities or counties through which the additional tracks may pass.

7534. (Repealed by Stats. 1951, Ch. 1025.)

[ORIGINAL SECTION]

7534. All railroads, other than street railroads and those used exclusively for carrying freight or for mining purposes, built by corporations organized under this chapter, shall be constructed of the best quality of iron or steel rail, known as T or H rail, or other pattern of equal utility.

Intersections or crossings Condemnation

7535. Whenever the track of one railroad intersects or crosses the track of another railroad, whether it is a street railroad, wholly within the limits of a city, or other railroad, the rails of either or each road shall be so cut and adjusted as to permit the passage of the cars on each road with as little obstruction as possible. If the persons or corporations owning the railroads cannot agree as to the compensation to be made for cutting and adjusting the rails, the condemnation of the right of way over the one for the use of the other road may be had in proceedings under Title 7, Part 3 of the Code of Civil Procedure, and damages assessed and the right of way granted as in other cases.

Same

7536. Whenever the track of a railroad crosses another railroad or a highway, such railroad or highway may be carried under, over, or on a level with the track, as is most expedient. Where an embankment or cutting necessitates a change in the line of such railroad or highway, the corporation may take such additional lands and material as are necessary for the construction of the road or highway on the new line. If the necessary lands cannot be had otherwise, they may be condemned as provided in Title 7, Part 3 of the Code of Civil Procedure, and when compensation is made therefor the lands become the property of the corporation.

Farm or private crossings

7537. The owner of any lands along or through which any railroad is constructed or maintained, may have such farm or private crossings over the railroad and railroad right of way as are reasonably necessary or convenient for ingress to or egress from such lands, or in order to connect such lands with other adjacent lands of the owner. The owner or operator of the railroad shall construct and at all times maintain such farm or private crossing in a good, safe, and passable condition. The commission shall have the authority to determine the necessity for any crossing and the place, manner, and conditions under which the crossing shall be constructed and maintained, and shall fix and assess the cost and expense thereof.

Article 3. Rights of Way and Franchises

Rights of way over state lands

7551. Every railroad corporation is granted the right of way for the location, construction, and maintenance of its necessary works, and for every necessary adjunct thereto, over any swamp, overflowed, or other public lands of the State not otherwise disposed of or in use, not in any case exceeding in length or width that which is necessary for the construction of such works and adjuncts, or for the protection thereof, and in no case to exceed 200 feet in width.

These grants do not apply to public lands of the State within the corporate limits of cities, or within three miles thereof.

Use of materials from adjacent state lands

7552. Every railroad corporation is granted the right to take from any of the lands belonging to the State, adjacent to the works of the corporation, all materials, such as wood, stone, and earth, naturally appurtenant thereto, which may be necessary and convenient for the original construction of its works and adjuncts.

State lands commission permit

7553. When any selection of a right of way, or land for an adjunct to the works of a railroad corporation, is made by any corporation, the secretary thereof shall transmit to the State Lands Commission, the State Controller, and the recorder of the county in which the selected lands are situate, a plat of the lands so selected, giving the extent thereof and uses for which the lands are claimed or desired, duly verified to be correct. If approved, the State Lands Commission shall so endorse the plat, and issue to the corporation a permit to use the lands, unless, on petition properly presented to the court, a review is had and such use prohibited.

Reversion of lands

7554. If any corporation receiving state lands or appurtenances thereunder is dissolved, ceases to exist, is discontinued, or the route or line of its works is so changed as not to cover or cross the lands selected, or the use of the lands selected is abandoned, the selected lands revert, and the title is reinvested in the State or its grantees, free from all such uses.

Use of municipal property

7555. No railroad corporation may use any street, alley, or highway, or any of the land, whether covered by water or otherwise, owned by the municipality within any city, unless the right to do so is granted by a two-thirds vote of the governing body of the city. If any railroad corporation operating within a city applies to the governing body of the city for a franchise or permit to cross any such street, alley, or highway, with main, branch, side, switching, or spur trackage, the governing body of the city, within a reasonable time, shall hold a public hearing upon the application after reasonable notice to the applicant and to the public and shall thereafter grant the franchise or permit applied for upon reasonable terms and conditions unless such governing body reasonably finds that the grant of the franchise or permit would be detrimental to the public interest of the city. Nothing in this section imposes any duty upon or limits the authority of, any city organized and existing pursuant to a freeholder's charter, or any officer thereof.

Franchises for elevated or underground tracks

7556. The governing body of a county, city and county, or city, under such regulations, restrictions, and limitations, and upon such terms and payment of license tax as the county, city and county, or city may provide, may grant franchises to railroad corporations for the construction of elevated or underground railroad tracks over, across, or under the streets and public highways of any such county, city and county, or city,

for a term not exceeding 50 years. Before granting such franchise there shall be presented to the governing body a petition signed by the owners of a majority of the landed property, other than public property, on the line of the elevated portion applied for.

Article 4. Conditional Sale of Railroad Equipment

Conditional sales lawful

7576. In any contract for the sale of railroad or street railway equipment or rolling stock, it is lawful to agree that title to the property sold or contracted to be sold, although possession thereof may be delivered immediately or at any time or times subsequently, shall not vest in the purchaser until the purchase price is fully paid, or that the seller shall have and retain a lien thereon for the unpaid purchase money.

Rental-sales agreements lawful

7577. In any contract for the leasing or hiring of railroad or street railway equipment or rolling stock, it is lawful to stipulate for a conditioned sale thereof at the termination of the contract, and that the rentals or amounts to be received under the contract may, as paid, be applied and treated as purchase money, and that the title to the property shall not vest in the lessee or bailee until the purchase price has been paid in full and until the terms of the contract have been fully performed, notwithstanding delivery to and possession by the lessee or bailee.

Necessary conditions

7578. No contract of the type provided for in this article shall be valid as against any subsequent judgment creditor or any subsequent bona fide purchaser for value and without notice, unless all of the following conditions are met:

(a) The contract is evidenced by an instrument executed by the parties and duly acknowledged by the vendee, lessee, or bailee, as the case may be, or duly proved before some person authorized by law to take acknowledgments of deeds, and in the same manner as deeds are acknowledged or proved.

(b) The instrument is recorded in the Office of the Secretary of State of this State.

(c) Each car or locomotive engine so sold, leased, or hired, or contracted to be sold, leased, or hired has the name of the vendor, lessor, or bailor plainly marked in letters not less than one inch in size on each side thereof, followed by the word "owner," or "lessor," or "bailor," as the case may be.

Recordation by Secretary of State

7579. The contracts authorized by this article shall be recorded by the Secretary of State in a book of records to be kept for that purpose On payment in full of the purchase money and the performance of the terms and conditions stipulated in any such contract, a declaration in writing to that effect shall be made and acknowledged by the vendor, lessor, or bailor, or his assignee, by a separate instrument, and shall be recorded as aforesaid. The Secretary of State shall return the contract or declaration as soon as it has been recorded.

Article 5. Railroad Equipment

Passing track sidings Derail sign

7601. Except as provided in Section 7602 every common carrier by railroad operating within this State shall maintain, on what is known as passing track sidings, a signboard in connection with each derailing switch or other derailing device, whether the derailer is operated where located or from a distance. The signboard shall be placed within 100 feet of the derailer and shall be constructed in either of two forms, viz: board five feet high and 10 inches wide, or sign constructed of two parts, one of which is an upright and the other a transverse board, the upright to be of sufficient height to securely fasten at the top thereof the transverse board, which shall be not less than two feet three inches long and seven inches wide and placed in such a manner that the upper side of the transverse board is not less than four feet above the ties. The board shall have painted thereon the word "derail" in large black letters on a white background.

The commission shall enforce this section.

Same Exemption

7602. Section 7601 does not apply to any track, siding, spur, or other track owned by private persons for their own use, except when the track, siding, spur, or other track is operated regularly in connection with the line of a common carrier for certain periods, in which case Section 7601 does apply. Section 7601 does not apply to the placing of signboards in places where physical conditions of track will not permit.

Same Penalty for violation

7603. Any corporation, company, or person, or any officer, superintendent, manager, or other agent thereof, who violates any of the provisions of Sections 7601 or 7602, is guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than twenty-five dollars ($25), nor more than five hundred dollars ($500) for each offense. Any failure, refusal, or neglect to provide any such signboard at any derailing switch or other derailing device constitutes a separate offense.

Bells or whistles, etc., on engines

7604. A bell, of at least 20 pounds weight, shall be placed on each locomotive engine, and shall be rung at a distance of at least 80 rods from the place where the railroad crosses any street, road, or highway, and be kept ringing until it has crossed the street, road, or highway; or a steam whistle, air siren, or an air whistle shall be attached, and be sounded, except in cities, at the like distance, and be kept sounding at intervals until it has crossed the street, road, or highway. Any railroad corporation violating this section shall be subject to a penalty of one hundred dollars ($100) for every violation. The penalty may be recovered in an action prosecuted by the district attorney of the proper county, for the use of the State The corporation is also liable for all damages sustained by any person, and caused by its locomotives, train, or cars, when the provisions of this section are not complied with.

Same Automatic bell ringer

7605. Every railroad corporation, or receiver or lessee thereof, operating any line of railroad in this State by steam locomotives, shall equip all steam locomotives used or to be used

in the hauling or propelling of trains over the railroad with a bell ringer apparatus or device which, when set in operation, will ring and continue to ring the locomotive bell automatically, and which is so constructed that it may be set in operation from either or both sides of the locomotive cab.

Any railroad company, receiver or lessee thereof, operating any line of railroad within this State by steam locomotives, violating this section shall be punished by a fine of not less than one hundred dollars ($100) or more than one thousand dollars ($1,000) for each offense.

Solid water glass

7606. Every steam locomotive used upon a railroad in this State, carrying passengers or freight for hire, shall be equipped with one or more water glasses of the type known as the "solid water glass," the same being a solid piece of glass with open flutings at the back thereof, which flutings will permit the raising and falling of water in the boiler of the locomotive to be plainly visible from each side of the cab without the use of a reflector. The glass shall not be less than seven inches in length and one and one-quarter inches in width, and five-eighths of an inch in thickness.

Any person, firm, or corporation operating any such steam locomotive which is not equipped with one or more water glasses as described in this section is guilty of a misdemeanor.

Headlights

7607. Every railroad corporation, or receiver or lessee thereof, operating any line of railroad in this State, shall equip all locomotive engines used in the transportation of trains over the railroad with electric or other headlights which will project sufficient light to enable the locomotive engineer to observe clearly a dark object the size of an average man, at a distance of not less than 800 feet on a dark, clear night while his train is running at a rate of speed not less than 30 miles per hour.

This section shall not apply to locomotive engines regularly used in the switching of cars or trains or used exclusively between sun up and sun down, or going to or from repair shops when ordered in for repairs, nor to locomotive engines used on short lines or local lines where in the judgment of the commission, the headlight required by this section is not necessary for the preservation of public safety.

Any railroad company, or receiver or lessee thereof, who violates this section, is liable to the State for a penalty of not less than one hundred dollars ($100), nor more than one thousand dollars ($1,000), for each offense. Suit shall be brought to recover the penalty in a court of competent jurisdiction, in the name of the people of the State of California, by the Attorney General or by the district attorney of any county in or through which the railroad is operated.

First aid kit on trains

7608. Every steam railroad company, or the receiver or receivers of any steam railroad, operating trains within this State, shall provide a first aid kit containing written instructions for the use of its contents, on each steam train or light steam engine, for first aid to persons who may be injured in the course of the operation of the train.

Every first aid kit shall be composed of six (6) standard packages each of which shall include all the following and such other articles and equipment as may in the judgment and discretion of the management of the railroad or the medical department thereof be useful for the intended purpose:

(a) Two (2) pieces of sterile gauze.

(b) One (1) ribbon bandage.

(c) One (1) triangular cambric picture bandage in aseptic container.

The employee of the railroad in charge of the train or engine shall report to the office designated by the company whenever any first aid kit has been opened for use.

Any steam railroad company, or the receiver or receivers, or employee of a steam railroad company, who fails to comply with this section is liable to a penalty of not less than five dollars ($5) nor more than twenty-five dollars ($25), and each day's violation shall constitute a separate offense, except that the railroad company, or receiver or receivers, shall be allowed not to exceed three days without penalty to replace any package after the use of the package has been reported by the employees in charge of the train or engine.

First-aid kit on caboose or engine

* 7609. Every railroad company, or the receiver or receivers thereof, operating trains in whole or in part within this State, shall provide an emergency first-aid kit on each caboose, locomotive, motor or diesel engine. The emergency first-aid kit shall be used only to render first medical or surgical aid to injured passengers, employees, or other injured persons requiring such aid at the first possible moment.

(Added by Stats. 1951, Ch. 561.)

Report of used or missing kit

* 7610. The employee of any railroad company, or the receiver or receivers thereof, having charge of any passenger train, caboose, locomotive, motor or diesel engine shall report in writing as soon as possible to the office or officer designated by the company or receiver for such purpose, whenever any emergency first-aid kit has been used or has been found missing.

(Added by Stats. 1951, Ch. 561.)

Penalty

* 7611. Any person or any employee of any railroad company, or the receiver or receivers thereof, who removes, carries away from its proper place, or uses any emergency first-aid kit, except for the purpose of administering first aid in the event of injury to any passenger, employee, or other person, is guilty of a misdemeanor, and is punishable by a fine of not less than twenty-five dollars ($25).

(Added by Stats. 1951, Ch. 561.)

Article 6. Fences

Requirement of fence, liability

7626. Every railroad corporation shall make and maintain a good and sufficient fence on both sides of its track and property. If it does not and if its engine or cars kill or maim any cattle or other domestic animals upon its line of road,

* Chapter 561, which adds this section, becomes operative on January 1, 1952

except where the road runs through or upon public land it shall pay to the owner of the cattle or other domestic animals a fair market price for them, unless the killing or maiming occurred through the neglect or fault of the owner of the animal.

Exoneration where landowner to construct

7627. A railroad corporation that pays to the owner of the land through or along which its road is located an agreed price for making and maintaining a good and sufficient fence, or that pays the cost of such fence with the award of damages allowed for the right of way for the railroad, is relieved and exonerated from all claims for damages arising out of the killing or maiming of any animals of persons who thus fail to construct and maintain the fence. The owners of such animals are responsible for any damages or loss which may accrue to the corporation from the animals being upon its railroad track as a result of the nonconstruction of such fence, unless it is shown that the loss or damage occurred through the negligence or fault of the corporation, its officers, agents, or employees.

Determination by Public Utilities Commission

7628. The commission may require every railroad corporation operating any steam or electric railroad in this State to erect and maintain lawful fences on each or either side of the railroad where the railroad runs through or upon lands of the United States or of this State, at such places as the commission determines that such fences are necessary to protect cattle, horses, or mules, or any other domestic animal being ranged or grazed upon lands adjacent to the railroad from being maimed or killed by the operation or management of engines, cars, or other rolling stock upon or over the railroad, with necessary openings and gates in the fences, and crossings and cattle guards for such openings and gates.

Application to commission

7629. The authority of the commission to require such fences shall be exercised in each instance only when a verified application is filed with the commission by the person or persons owning cattle, horses, mules, or other domestic animals with the right or privilege to range or graze them upon the lands adjacent to the portion of the railroad sought to be fenced.

The application shall specify the ownership of the railroad sought to be fenced, and shall set forth a sufficient description of the lands to identify them, the agency or department of government administering the lands, and the nature of the right or privilege of each petitioner to range or graze domestic animals thereon.

Upon the filing of the application, notice thereof and of any hearing by the commission thereon shall be given by mail by the commission to the agency or department of government administering the land, and to the railroad corporation owning or operating the railroad. Such owners, agency or department, and the railroad may protest the granting of the application and may be heard thereon.

Same: Hearing

7630. Upon hearing the commission shall determine whether or not any fence or fences are necessary to protect cattle, horses, mules, or any other domestic animals being ranged or grazed upon the land designated in the application,

from being maimed, or killed by the operation or management of engines, cars, or other rolling stock upon the railroad, and shall order that a fence or fences be constructed and maintained by the railroad corporation at such places along the railroad adjacent to the lands designated in the petition as the commission determines. The commission may fix the time within which the fence or fences shall be constructed and may designate the places for necessary openings and gates therein and crossings and cattle guards in connection therewith.

The commission may modify or revoke any such order when it determines that the necessity for any such fence has ceased to exist.

Noncompliance Liability

7631. The failure of any railroad corporation to comply with any order of the commission authorized by this article shall not subject it, or any of its officers, agents, or employees, to any penalty other than payment by the railroad corporation to the owner of the maimed or killed cattle, or other domestic animals of a fair market price for the animals.

Nothing in this article requires a railroad corporation to pay for the maiming or killing of any cattle or domestic animals where the maiming or killing resulted from the neglect or fault of the owner of the animals.

Article 7. Operation

7651. (Repealed by Stats. 1951, Ch. 1024.)

[ORIGINAL SECTION]

7651. Every railroad corporation shall start and run its cars, for the transportation of persons and property, at such regular times as it shall fix by public notice. It shall furnish sufficient accommodations for the transportation of all such passengers and property as, within a reasonable time previous thereto, offer or are offered for transportation at the place of starting, at the junction of other railroads, and at siding and stopping places established for receiving and discharging way passengers and freight, and shall take, transport, and discharge such passengers and property at, from, and to such places, on the due payment of tolls, freight, or fare.

7652. (Repealed by Stats. 1951, Ch. 1023.)

[ORIGINAL SECTION]

7652. In case of refusal by a railroad corporation or its agents so to take, transport, or deliver any passengers or property at the regular appointed places, the corporation shall pay to the party aggrieved all damages which are sustained thereby, with costs of suit.

Accommodations for passengers

7653. Every railroad corporation shall furnish, on the inside of its passenger cars, sufficient room and accommodations for all passengers to whom tickets are sold for any one trip, and for all persons presenting tickets entitling them to travel thereon. When fare is taken for transporting passengers on any baggage, wood, gravel, or freight car, the same care shall be taken and the same responsibility is assumed by the corporation as for passengers on passenger cars.

Posting of passenger fare and conduct rules Effect of violation

7654. Every railroad corporation shall print and conspicuously post on the inside of its passenger cars its rules and regulations regarding fare and conduct of its passengers. In

case any passenger is injured on or from the platform of a car, or on any baggage, wood, gravel, or freight car, in violation of such printed regulations, or in violation of positive verbal instructions or injunctions given to the passenger in person by any officer of the train, the corporation is not responsible for damages for the injuries, unless the corporation has failed to comply with the provisions of Section 7653.

Baggage checks

7655. A check shall be affixed to every package or parcel of baggage when taken for transportation by any agent or employee of a railroad corporation and a duplicate thereof given to the passenger or person delivering the baggage. If the check is refused on demand, the railroad corporation shall pay to the passenger the sum of twenty dollars ($20), to be recovered in an action for damages.

(Amended by Stats 1951, Ch. 1022.)

[ORIGINAL SECTION]

7655 A check shall be affixed to every package or parcel of baggage when taken for transportation by any agent or employee of a railroad corporation and a duplicate thereof given to the passenger or person delivering the baggage. If the check is refused on demand, the railroad corporation shall pay to the passenger the sum of twenty dollars ($20), to be recovered in an action for damages, and no fare or toll shall be collected or received from the passenger, and if the passenger has paid his fare, the fare shall be returned by the conductor in charge of the train.

If, upon producing the check, his baggage is not delivered to him by the agent or employee of the railroad corporation, he may recover the value thereof from the corporation.

Refusal of passenger to pay fare or to exhibit or surrender ticket

7656. If any passenger refuses to pay his fare, or to exhibit or surrender his ticket, when reasonably requested to do so, the conductor and employees of the corporation may, on stopping the train, put him and his baggage out of the cars, using no unnecessary force, at any usual stopping place, or near any dwelling house.

Employee badges

7657. Every conductor, baggage master, engineer, brakeman, or other employee of any railroad corporation, employed on a passenger train or at stations for passengers, shall wear upon his hat or cap, or in some conspicuous place on the breast of his coat, a badge, indicating his office or station, and the initial letters of the name of the corporation by which he is employed. No collector or conductor, without such badge, is authorized to demand or to receive from any passenger any fare, toll, or ticket, or exercise any of the powers of his office or station. No other officer or employee, without such badge, has any authority to meddle or interfere with any passenger or property.

7658. (Repealed by Stats. 1951, Ch. 1021.)

[ORIGINAL SECTION]

7658 Every railroad corporation shall provide and, on being tendered the fare therefor fixed, as provided by law, furnish to every person desiring a passage on its passenger cars a ticket, which entitles the purchaser to a ride, and to the accommodations provided on its cars, from the depot or station where the ticket is purchased to any other depot or station on the line of its road. Every such ticket entitles the holder thereof to ride on the corporation's passenger cars to the station or depot of destination, or any intermediate station, and from any intermediate station to the depot

of destination designated in the ticket, at any time within six months thereafter. Any corporation failing so to provide and furnish tickets, or refusing the passage which the ticket calls for when sold, shall pay to the person so refused all actual damages caused thereby, with reasonable counsel fees expended in recovering the damages

Local ordinance re obstructing railroad crossing

7659. Notwithstanding any city or county or city and county ordinance to the contrary, no railroad conductor or engineer, who, while operating a train, obstructs a railroad crossing, shall be subject to any criminal penalty, where he has no control over the situation causing the obstruction, or where the train cannot be moved without endangering the safety of the passengers or freight.

(Added by Stats. 1951, Ch. 648)

Article 8. Crimes

Freight car behind passenger cars

7676. Every person who, in making up or running any railroad train, places or runs, or causes to be placed or run, any freight car in the rear of passenger cars, is guilty of a misdemeanor, and if loss of life or limb results from such placing or running, is guilty of a felony This section shall not apply where railroad trains are carrying only personnel and equipment in connection with military or naval movements. "Freight car," as used in this section, does not include a baggage, express, or mail car.

Train movement orders

7677. No person, firm, or corporation operating a railroad with more than four trains each way every 24 hours shall require or permit any engineer, fireman, conductor, brakeman, or trainman to receive, deliver, or transmit at any receiving or forwarding instrument of any telegraph or telephone line, any order for the movement of any train, except in such cases or classes of cases as are permitted by the commission. This section does not apply to interurban or street railroads. Any person, firm, or corporation violating this section is guilty of a misdemeanor.

Omission of crossing signal

7678. Every person in charge of a locomotive-engine who, before crossing any traveled public way, omits to cause a bell to ring or steam whistle, air siren, or air whistle to sound at the distance of at least 80 rods from the crossing, and up to it, is guilty of a misdemeanor.

Intoxication on duty

7679. Any person employed upon any railroad as engineer, conductor, baggage-master, brakeman, switchman, fireman, bridge-tender, flagman, or signalman, or having charge of the regulation or running of trains upon such railroad, in any manner whatever, who becomes or is intoxicated while engaged in the discharge of his duties, is guilty of a misdemeanor. If any person so employed as aforesaid does any act or neglects any duty, by reason of such intoxication, which act or neglect causes the death of, or bodily injury to, any person or persons, he is guilty of a felony.

Collision causing death

7680. Every conductor, engineer, brakeman, switchman, or other person having charge, wholly or in part, of any railroad, car, locomotive, or train, who wilfully or negligently suffers

or causes it to collide with another car, locomotive, or train, or with any other object or thing whereby the death of a human being is produced, is punishable by imprisonment in the state prison for not less than one nor more than 10 years.

Dangerous dereliction of duty

7681. Every engineer, conductor, brakeman, switch-tender, or other officer, agent, or servant of any railroad company, who is guilty of any wilful violation or omission of his duty as such officer, agent, or servant, whereby human life or safety is endangered, the punishment of which is not otherwise prescribed, is guilty of a misdemeanor.

CHAPTER 2. STREET RAILROADS

Applicability of Ch 1

7801. Street railroads are governed by the provisions of Chapter 1 of this division, so far as they are applicable, unless such railroads are therein specially excepted.

Applicability to natural persons

7802. When a street railroad is constructed, owned, or operated by any natural person, this chapter is applicable to such person in like manner as it is applicable to corporations.

Transfer of property and assets

7803. Any street railroad or any street railway corporation may sell, lease, convey, exchange, transfer, or otherwise dispose of all or substantially all of its property and assets, including franchises, under authority of a resolution of its board of directors and with the approval of the principal terms of the transaction and the nature and the amount of the consideration by a vote or written consent of shareholders entitled to exercise a majority of the voting power of the corporation when the sale, lease, conveyance, exchange or transfer of its properties is made to a municipal corporation or any other political subdivision within the State.

Local franchise

7804. Authority to lay railroad tracks through the streets and public highways of any city or city and county may be obtained for a term of years not exceeding 50, from the governing body of the city or city and county, under such restrictions and limitations, and upon such terms and payment of license tax, as the governing body may provide Permission shall not be granted to propel cars upon such tracks otherwise than by electricity or by wire ropes running under the streets and moved by stationary engines except as provided in Section 7813. The governing body in granting the right, or at any time after the right is granted, may impose such terms, restrictions, and limitations as to the use of streets and the construction and mode of operating the road as it deems to be for the public safety or welfare.

Same Necessary conditions

7805. The city governing body, in granting the right of way to a street railroad corporation, in addition to the restrictions which they are authorized to impose, shall require a strict compliance with the following conditions, except in the cases of prismoidal or other elevated railways:

(a) The railway shall be constructed in such a manner as will present the least obstruction to the freedom of the streets on which it is erected.

(b) The tracks shall not be more than five feet wide within the rails, and shall have a space between them sufficient to allow the cars to pass each other freely.

Several use of tracks, streets

7806. The legislative body of any city or city and county may permit two or more lines of street railway to use the same portion of the same street or the same tracks upon such terms as are agreed upon by the companies operating the railways, but no permission shall be granted to one company to use the same tracks or portions of the same street for more than five consecutive blocks, without the consent of the person or company occupying that portion of the street and then only upon payment of an equal portion of the cost of construction of the tracks and appurtenances used by the railways jointly.

Same Different gauge tracks

7807. Where the portion of the street is occupied by a track or tracks of a different gauge from the track or tracks proposed to be constructed thereon by a line of street railway under a different management, the latter street railway may nevertheless construct its track or tracks, subject to the provisions of Section 7806, over the same ground as is occupied by the prior track or tracks, if they can be so constructed as not to interfere with the operation of the prior track or tracks beyond such necessary interference therewith as is incident to such construction with reasonable skill, care, and diligence.

Same Municipal railways

7808. Any city or city and county may own and operate street railways within or without its corporate limits and may occupy the same street or tracks occupied or used by any street railway within its limits for any number of blocks, upon payment to the owner thereof of an equal portion of the estimated cost of construction, at the time of such occupation, of such tracks or appurtenances as the city or city and county elects to use jointly with the street railway.

Intersections

7809. Any proposed railroad track may be permitted to cross any track already constructed, the crossing being made as provided in Chapter 1 of this division. In laying down the track and preparing therefor, not more than one block shall be obstructed at any one time, nor for a longer period than 10 working days.

Cars Construction, brakes

7810. Street railway cars shall be of the most approved construction for the comfort and convenience of passengers, and provided with brakes to stop them, when required. A violation of this section subjects the corporation to a fine of one hundred dollars ($100) for each offense

Local regulations

7811. Cities in or through which street railroads run may make such further regulations for the government of the street railroads as may be necessary to a full enjoyment of the franchise and the enforcement of the conditions provided herein.

Reservation re street improvement

7812. In every grant to construct street railroads, the right to grade, sewer, pave, macadamize, or otherwise improve, alter, or repair the streets or highways, is reserved to the city and cannot be alienated or impaired. The work shall be done so as to obstruct the railroad as little as possible, and, if required,

the street railway corporation shall shift its rails so as to avoid the obstructions made thereby.

Tracks for grading purposes

7813. The right to lay down a track for grading purposes and to maintain it for a period not to exceed three years may be granted by the governing body of any city, city and county, or county, but no such track shall remain more than three years upon any one street. The track shall be laid level with the street, and shall be operated under such restrictions as not to interfere with the use of the street by the public. The governing body may grant the right to use steam or any other motive power in propelling the cars used on the grading track, when public convenience or utility demands it, but the reasons therefor shall be set forth in the ordinance, and the right to rescind the ordinance at any time reserved.

Overcharge Penalty

7814. Any corporation, or agent or employee thereof, demanding or charging a greater sum of money for fare on the cars of a street railroad than that fixed as provided by law forfeits to the person from whom the sum is received, or who is thus overcharged, the sum of two hundred dollars ($200), to be recovered in a civil action, in any justice's court having jurisdiction thereof, against the corporation.

Tickets or checks Penalty for refusal

7815. Every street railroad corporation shall provide, and on request furnish to all persons desiring a passage on its cars, any required quantity of passenger tickets or checks, each to be good for one ride. Any corporation failing to provide and furnish tickets or checks to any person desiring to purchase them at the prescribed rate shall forfeit to such person the sum of two hundred dollars ($200), to be recovered as provided in Section 7814. The provisions of this section shall not apply to such street railroad corporations as charge but five cents ($0.05) fare.

Action for penalty Proof of agency

7816. Upon the trial of an action for any of the sums forfeited, as provided in Sections 7814 or 7815, proof that the person demanding or receiving the money as fare, or for the sale of the ticket or check, was at the time of making the demand or receiving the money, engaged in an office of the corporation, or vehicle belonging to the corporation, shall be prima facie evidence that such person was the agent, servant, or employee of the corporation, to receive the money, and give the ticket or check mentioned.

Proper brake and fender

7817. Any street railroad corporation operating cars on the streets of cities or on the county roads within the State for the conveyance of passengers, propelled by means of wire ropes attached to stationary engines, or by electricity or compressed air, who runs, operates, or uses any car or dummy, unless each car and dummy, while in use, is fitted with a brake capable of bringing the car to a stop within a reasonable distance, and a suitable fender, or appliance placed in front or attached to the trucks of the dummy, or car, for the purpose of removing and clearing obstructions from the track, and preventing any obstacles, obstructions, or person on the track from getting under the dummy or car, and removing the same out of danger,

and out of the way of the dummy or car, is guilty of a misdemeanor. Where the commission prescribes the fender or brake to be used, a compliance therewith constitutes a full compliance with this section.

Operation while intoxicated

7818. Any person operating or driving a street car who becomes or is intoxicated while so engaged in operating or driving such street car is guilty of a misdemeanor.

CHAPTER 3. TELEGRAPH OR TELEPHONE CORPORATIONS

Construction of lines

7901. Telegraph or telephone corporations may construct lines of telegraph or telephone lines along and upon any public road or highway, along or across any of the waters or lands within this State, and may erect poles, posts, piers, or abutments for supporting the insulators, wires, and other necessary fixtures of their lines, in such manner and at such points as not to incommode the public use of the road or highway or interrupt the navigation of the waters.

Transfer of franchise, assets

7902. Any telegraph or telephone corporation may at any time, with the consent of the persons holding two-thirds of the issued stock of the corporation, sell, lease, assign, transfer, or convey any rights, privileges, franchises, or property of the corporation, except its corporate franchise.

Use or appropriation of information derived from private messages

7903. Every agent, operator, or employee of any telegraph or telephone office, who in any way uses or appropriates any information derived by him from any private message passing through his hands, and addressed to any other person, or in any other manner acquired by him by reason of his trust as such agent, operator, or employee, or trades or speculates upon any such information so obtained, or in any manner turns, or attempts to turn, the information so obtained to his own account, profit, or advantage, is punishable by imprisonment in the state prison not exceeding five years, or by imprisonment in the county jail not exceeding one year, or by fine not exceeding five thousand dollars ($5,000), or by both such fine and imprisonment.

Refusal or neglect to transmit or deliver message

7904. Every agent, operator, or employee of any telegraph or telephone office, who wilfully refuses or neglects to send any message received at such office for transmission, or wilfully postpones the transmission of the message out of its order, or wilfully refuses or neglects to deliver any message received by telegraph or telephone, is guilty of a misdemeanor. Nothing in this section shall be construed to require any message to be received, transmitted, or delivered, unless the charges thereon have been paid or tendered, nor to require the sending, receiving, or delivery of any message counseling, aiding, abetting, or encouraging treason against the Government of the United States or of this State, or other resistance to the lawful authority, or any message calculated to further any fraudulent plan or purpose, or to instigate or encourage the perpetration of any unlawful act, or to facilitate the escape of any criminal or person accused of crime.

Chapter 4. Injury to Public Utility Property

Malicious injury. Treble damages

7951. Any person who wilfully and maliciously does any injury to telegraph or telephone or electric power or gas property is liable to the corporation for three times the amount of actual damages sustained thereby, to be recovered in any court of competent jurisdiction.

Negligent injury. Ordinary damages

7952. Any person who injures or destroys, through want of proper care, any necessary or useful fixture of any telegraph or telephone or electric power corporation or the pipe line, valves or fittings of any gas corporation, is liable to the corporation for all damages sustained thereby. Any vessel which, by dragging its anchor, or otherwise, breaks, injures, or destroys the subaqueous cable of a telegraph or telephone or electric power corporation or the pipe line of a gas corporation, subjects its owner to liability for the damages sustained thereby.

Condition. Monument, notice to navigators.

7953. No telegraph or telephone or electric power or gas corporation can recover damages for the breaking or injuring of any subaqueous telegraph or telephone or electric power cable or gas pipe lines, unless the corporation has previously erected a monument, on either bank of the waters under which the cable or pipe line is placed, indicating the place where the cable or pipe line lies, and has published for one month in some newspaper most likely to give notice to navigators, a notice giving a description and the purpose of the monuments, and the general course, landings, and termini of the cable or pipe line.

Chapter 5. Electrical Line Construction

Article 1. Definitions

Construction of chapter

8001. Unless the particular provisions or the context otherwise requires, the definitions and general provisions contained in this article shall govern the construction of this chapter.

"Person"

8002. "Person" includes any commission, officer, agent, or employee of this State, or of any county, city, city and county, or other political subdivision thereof, and any other person, firm, or corporation.

"Signal wires or cables"

8003. "Signal wires or cables" include telephone, telegraph, and other signal wires.

Article 2. Surface Transmission

Regulation re electric wires

8026. No person shall run, place, erect, or maintain any wire or cable used to conduct electricity, on any pole, or any crossarm, bracket, or other appliance attached to such pole, within a distance of 13 inches from the center line of the pole.

This section does not apply to signal wires or cables which are attached to a pole to which is attached no wire or cable other than signal wires or cables, except within the corporate limits of a city, nor shall this section apply to such wires or cables where they are placed vertically on poles, nor to bridle

or jumper wires on any pole which are attached to signal wires on the same pole, nor to any aerial cable, as between such cable and any pole on which it originates or terminates.

Telephone toll lines may be exempt from the provisions of this section if proper evidence introduced before the commission proves to the satisfaction of the commission, that compliance would seriously interfere with long distance telephone transmission.

This section does not apply to wires run from lead wires to arc or incandescent lamps nor to transformers placed upon poles, nor to any wire or cable where it is attached to the top of a pole, as between it and the pole, nor to any aerial cable containing signal wires where the cable is attached to a pole on which no other wires or cables than wires continuing from the cable are maintained if electric light or power wires or cables are not maintained on the same side of the street or highway on which the aerial cable is placed.

Same

8027. No person shall run, place, erect, or maintain in the vicinity of any pole (and unattached thereto) within the distance of 13 inches from the center line of the pole, any wire or cable used to conduct electricity, or place, erect or maintain any pole (to which is attached any wire or cable used to conduct electricity) within the distance of 13 inches (measured from the center of such pole) from any wire or cable used to conduct or carry electricity. As between any wire or cable and any pole, only the wire, cable, or pole last in point of time run, placed, or erected, shall be held to be run, placed, erected, or maintained in violation of the provisions of this section.

This section does not apply to signal wires, or cables on poles to which are attached no other wires, as between such wires and poles to which are attached no other wires or cables than signal wires if such wires, cables, and poles are not within the corporate limits of a city.

Telephone toll lines may be exempt from this section if proper evidence introduced before the commission proves to the satisfaction of the commission, that compliance would seriously interfere with long distance telephone transmission.

600 volt lines

8028. No person shall run, place, erect, or maintain, above ground, within four feet from any wire or cable conducting less than 600 volts of electricity, any wire or cable which conducts at any one time more than 600 volts of electricity, or run, place, erect, or maintain within four feet from any wire or cable which conducts at any one time more than 600 volts of electricity any wire or cable conducting or carrying less than 600 volts of electricity.

This section does not apply to wires or cables attached to a transformer, arc or incandescent lamp within four feet (measured along the line of the wire or cable) from the point where such wire or cable is attached to such transformer, arc or incandescent lamp, nor to wires or cables within buildings or other structures, nor to wires or cables where they are placed vertically on poles, or to any lead wires or cables between the

points where they are made to leave any pole for the purpose of entering any building or other structure and the point at which they are made to enter such building or structure.

As between any two wires or cables, or any wire or any cable, run, placed, erected, or maintained in violation of this section, only the wire or cable last in point of time run, placed, or erected shall be held to be run, placed, erected, or maintained thus in violation of this section.

Where no more than one crossarm is maintained on a pole, all the wires or cables conducting at any one time more than 600 volts of electricity shall be placed on the crossarm on one side of the pole, and all the wires or cables conducting less than 600 volts of electricity shall be placed on the crossarm on the other side of the pole. The space between any wire or cable conducting at any one time more than 600 volts of electricity and any wire or cable conducting less than that voltage shall be at least 36 inches clear measurement in a horizontal line.

Where the provisions of this section cannot be complied with, the commission may grant permission for the following form of construction; where two or more systems for the distribution of electric light or power occupy the same poles with wires or cables, all wires or cables conducting at any one time more than 600 volts of electricity may be placed on the crossarms on one side of the pole, and all wires or cables conducting less than that voltage, shall in such case, be placed on the crossarms on the other side of the pole; the space between any wire or cable conducting at any one time more than 600 volts of electricity and any wire or cable conducting or carrying less than that voltage shall be at least 36 inches in measurement in a horizontal line; and in such construction all crossarms shall be at least 36 inches apart in a vertical line.

Same
Warning signs

8029. No person shall run, place, erect, or maintain any wire or cable which conducts at any one time more than 600 volts of electricity, without causing each crossarm, or such other appliance as is used in lieu thereof, to which such wire or cable is attached to be kept at all times painted a bright yellow color, or, on such crossarm, or other appliance used in lieu thereof, shall be placed signs, providing, in white letters on a green background, not less than three (3) inches in height the words "high voltage" on the face and back of each crossarm. The provisions of this section do not apply to crossarms to which are attached wires or cables conducting more than 10,000 volts of electricity, and which are situated outside the corporate limits of a city.

Guy wires
Insulation

8030. No person shall run, place, erect, or maintain any guy wire or guy cable attached to any pole or appliance to which is attached any wire or cable used to conduct electricity, without causing the guy wire or guy cable to be effectively insulated at all times at a distance of not less than four (4) feet nor more than eight (8) feet (measured along the line of the wire or cable) from the upper end thereof, and at a point not less than eight (8) feet vertically above the ground from

the lower end thereof. Where two or more guy wires or guy cables are attached to the same pole and same anchorage pole there shall be at least one foot, vertical space, between the points of attachment. No insulation shall be required at the lower end of a guy wire or guy cable where it is attached to a grounded anchor. Where guy wires or guy cables are attached to a pole or structure of steel or other conducting material supporting wires or cables conducting in excess of 15,000 volts where the pole or structure is thoroughly grounded no insulation shall be required at any point in the guy wire or guy cable.

This section does not apply to guy wires or guy cables attached to poles carrying no wire or cable other than signal wires or cables and which are situated outside the corporate limits of a city.

Vertical electric wires Insulation

8031. No person shall run, place, erect, or maintain vertically on any pole any wire or cable used to conduct electricity, without causing such wire or cable to be at all times wholly incased in a casing equal in durability and insulating efficiency to a wooded casing not less than one and one-half inches thick.

This section does not apply to vertical signal wires or cables on poles where no other such wires or cables are maintained, and which are outside the corporate limits of a city, nor to wires or cables run vertically on iron poles or structures where both pole or structure and conduit are securely grounded.

Arc lamps and transformers on same pole

8032. No person shall place, erect, or maintain on any pole, or any crossarm or other appliance on the pole, which carries or upon which is placed an electric arc lamp, any transformer for transforming electric currents. This section shall not apply if the arc lamp is suspended so that it can be trimmed from the ground or from a stand located on the pole not less than seven feet below the transformer, and in so suspending the arc lamp no wire or cable in connection therewith is run vertically on the pole unless the wire or cable is protected as provided for in Section 8031.

15,000 volt lines Restriction

8033. No person shall run, place, erect, or maintain any wire or cable carrying more than 15,000 volts of electricity across any wire or cable carrying less than that voltage or across any public highway, except on a pole of such height and so placed at each crossing that under no circumstances can the wire or cable of a voltage higher than 15,000 volts in case of breakage thereof or otherwise, come in contact with any wire or cable of less than that voltage, or fall within a distance of ten (10) feet from the surface of any public highway; or in lieu thereof double strength construction may be installed, in which case the wires carrying a voltage higher than 15,000 volts shall, between the points of crossing, be of a cross-section area equal to at least twice that used in the line outside of such crossing, except where the conductor used is equal to number four (4) stranded Brown and Sharpe gauge or greater, in which case the wires or cables will be considered as complying with the law.

Suspension wires Additional safety device

8034. No person shall run, place, erect, or maintain any suspension wire to which is attached any aerial cable of 75

pair No. 19 Brown and Sharpe gauge or over, or of 100 pair No. 22 Brown and Sharpe gauge or over suspended from a crossarm, or from any other structure or appliance from which the suspension wire is hung, by a single bolt and clamp without at the same time attaching the suspension wire to the crossarms, structure, or appliance by an additional safety bolt and clamp, or other safety appliance for thus attaching the suspension wire of tensile strength equal to the first bolt and clamp.

Exemptions

8035. None of the provisions of Sections 8026 to 8034, inclusive, apply to direct current electric wires or cables having the same polarity, nor to signal wires when no more than two (2) of such signal wires are attached to any one pole, but no such direct current or signal wires shall in any case be run, placed, erected, or maintained within the distance of thirteen (13) inches from the center line of any pole other than the pole or poles on which the wires or cables are carried, carrying electric wires or cables. As between any two wires, or cables, or any wire or cable run, placed, erected, or maintained in violation of this section, only the wire or cable last in point of time run, placed, erected, or maintained shall be held to be run, placed, erected, or maintained thus in violation of this section.

Span wires Insulation

8036. No person shall run, place, erect, or maintain any span wire attached to any wire or cable used to conduct electricity, without causing the span wire to be at all times effectively insulated between the outer point at which it is in any case fastened to the pole or other structure by which it is hung or supported, and at the point at which it is in any case thus attached. Such insulation shall not in any case be placed less than two (2) feet or more than four (4) feet from the point at which the span wire is so attached. When in any case such span wire is attached along its length to any two (2) such wires or cables, conducting electricity and extending parallel to each other, not more than eighteen (18) feet apart, such insulation shall not be required therein at any point between such parallel wires or cables. This section does not apply where feeder wires are used in place of span wires.

Inspection, etc., by commission

8037. The commission may grant such additional time and shall inspect all work which is included in the provisions of this article, and may make such further additions or changes as the commission deems necessary for the purpose of safety to employees and the general public. The commission shall enforce the provisions of this article.

Penalty

8038. Any violation of any provision of this article is a misdemeanor.

Article 3. Underground Transmission

Subways, manholes, etc Minimum dimensions

8051. No person shall build or rebuild any subway, manhole, chamber, or underground room used or to be used to contain, encase, cover, or conduct any wire, cable, or appliance, to conduct or handle electricity, unless such subway, manhole, chamber, or underground room has an inside measurement of

not less than four feet at the maximum points between the side walls thereof, and between the end walls thereof, and not less than five feet at all points between the floor and the top or ceiling thereof, or if circular in shape, at least four feet diameter inside measurement and not less than five feet at all points between the floor and ceiling thereof. This section does not apply to any such subway, manhole, chamber, or underground room, within which it is not intended or required that any human being perform work or labor or be employed. This section does not apply where satisfactory proof is submitted to the commission that it is impracticable or physically impossible to comply with this law within the space or location so designated by the proper municipal authorities.

Minimum dimensions of opening

8052. No person shall build or rebuild in any subway, manhole, chamber, or underground room used or to be used to contain, encase, cover, or conduct any wire, cable, or appliance to conduct or handle electricity, any opening to outer air which is less than 26 inches if circular in shape, or less than 24 inches by 26 inches clear measurement if rectangular in shape.

Proximity of opening to railway track

8053. No person shall build or rebuild in any subway, manhole, chamber, or underground room, used or to be used to contain, encase, cover, or conduct any wire, cable, or appliance to conduct or handle electricity, any opening which is at the surface of the ground, within the distance of three feet at any point from the rail of any railway or streetcar track. This section does not apply where satisfactory proof is submitted to the commission that it is impracticable or physically impossible to comply with this law in the space or location so designated by the proper municipal authorities.

Floor

8054. No person shall build or rebuild any subway, manhole, chamber, or underground room, used or to be used, to contain, encase, cover, or conduct any wire, cable, or appliance to conduct or handle electricity unless the floor of the subway, manhole, chamber, or underground room is made of stone, concrete, brick, or other similar material not subject to decomposition. This section does not apply to any subway, manhole, chamber, or underground room within which it is not intended or required that any human being perform work or labor or be employed.

Sanitary precautions

8055. No person shall build or rebuild or maintain any subway, manhole, chamber, or underground room used, or to be used, to contain, encase, cover, or conduct any wire, cable, or appliance to conduct or handle electricity, unless such subway, manhole, chamber, or underground room is kept at all times in a sanitary condition and free from stagnant water, seepage, or other drainage, or any offensive matter dangerous to health, either by sewer connection or otherwise. This section does not apply to any subway, manhole, chamber, or underground room within which it is not intended or required that any human being perform work or labor, or be employed.

Inspection, etc., by commission

8056. The commission may inspect all work which is included in the provisions of this article, and may make such

further additions or changes as the commission deems necessary for the purpose of safety to employees and the general public. The commission shall enforce the provisions of this article.

8057. Any violation of any provision of this article is a misdemeanor. Penalty

CHAPTER 6. ELECTRIC SERVICE AREAS

Article 1. Designation by Public Utilities Commission

8101. Under certain conditions the sale and distribution of electric power and energy in the same geographical area both by an electrical utility and by an irrigation district, results in duplication of service, waste of materials, increase in costs, waste of manpower and economic loss, and is detrimental to the efficiency and best interests of such districts. It is the policy of this State to induce such utilities and irrigation districts to prevent or remove such economic waste and to adopt more efficient and economic methods of distribution of electric power and energy, and to that end encourage the definition of areas to be served or not to be served by each. Declaration re duplication of service, etc

8102. Any utility may petition the commission setting forth in its petition the following: Petition by utility

(a) That the petitioner and an irrigation district formed under the laws of this State are both engaged or propose to engage in the sale and distribution of electric power and energy in the described area or areas or in contiguous areas, or that the petitioner proposes to sell an electric distribution system in a described area, to such irrigation district.

(b) That the petitioner and irrigation district are desirous of entering into a contract in which, among other things, and as one of the considerations therefor, they consent to the limitation of areas which each are to serve or are to be excluded from serving.

(c) A copy of the contract or proposed contract.

(d) A description of the respective areas that the limitations will affect and the terms of the contract, if any, or the conditions, if any, existing in connection with such limitations or the sale or acquisition of a utility distribution system.

(e) A prayer that the commission issue its order limiting the area or areas within which the petitioner may, directly or indirectly, sell or distribute electric power or energy or define the area or areas within which the petitioner shall not sell or distribute electric power or energy as indicated in the petition and set forth in a contract or proposed contract.

8103. Thereupon, the commission shall cause an investigation to be made and may conduct such hearings in connection therewith as it considers desirable. Commission investigation

8104. If the commission finds that it is for the best interests of the State and of the utility, and not incompatible with any public interest that the petition be granted, it shall make and issue its order limiting the area or areas within which the Order limiting area to be served or defining area not to be served

utility shall have the right and authority to sell or distribute electric power or energy, directly or indirectly, or define the area or areas within which the utility shall not have the right or authority to sell or distribute electric power or energy, directly or indirectly. The commission may, in its order, approve and thereby authorize the contract or conditions, if any, in connection therewith. No limitation or definition of area or areas or statement of conditions shall be included in the order except as contained in the petition and contract.

Order contingent on order of California Districts Securities Commission

8105. Such limitations on the utility contained in any such order of the Public Utilities Commission shall not be effective until the California Districts Securities Commission has issued its order limiting the area to be served or defining the area not to be served by the irrigation district and approving the contract or conditions, if any, in connection therewith as set forth in the petition and contract.

Prior arrangements

8106. Where limitation of areas to be served or limitations or designations of areas not to be served by the utility and by an irrigation district have heretofore been approved or are hereafter approved by the commission they shall be deemed to have complied with this article.

Defense to action for restraint of trade

8107. In any civil or criminal action or proceeding for violation of the Cartwright Act (Chapter 530, Statues of 1907), Part 2 of Division 7 of the Business and Professions Code, or any rule of statutory or common law against monopolies or combinations in restraint of trade, proof that the act complained of was done in compliance with this article or an order issued under it and in furtherance of the purposes and provisions of this article is a complete defense in such action or proceeding.

Violation of approved contract or order

8108. If, in any contract submitted and approved by the commission or in any order made by the commission pursuant to application and petition as in this article provided, it is provided that the utility is not to serve or furnish electric energy in a specified area or areas, or is to furnish or serve electric energy under limited or specified circumstances only, or is to refrain from serving or furnishing electric energy in certain specified areas or under certain specified circumstances or under certain specified limitations, then, from and after the effective date of such order of the commission, it shall be unlawful for the utility to serve electric energy in any area or in any manner which the contract and order provides that service shall not be rendered, and the affected district shall be entitled, as a matter of right, to an injunction to prevent any such unlawful act on the part of the utility.

Scope of jurisdiction

8109. Nothing in this article shall be construed to give to or vest in the Public Utilities Commission any jurisdiction over irrigation districts or to vest in or give to the California Districts Securities Commission any jurisdiction over utilities other than irrigation districts.

Article 2. Designation by Districts Securities Commission

Declaration re duplication of service, etc

8126. Under certain conditions, the sale and distribution of electric power and energy in the same geographical area both by an electrical utility and by an irrigation district, results in duplication of service, waste of materials, increase in costs, waste of manpower and economic loss, and is detrimental to the efficiency and best interests of such districts. It is the policy of this State to induce such utilities and irrigation districts to prevent or remove such economic waste and to adopt more efficient and economic methods of distribution of electric power and energy, and to that end encourage the definition of areas to be served or not to be served by each.

Petition by irrigation district

8127. Any irrigation district, formed under the laws of this State, may petition the California Districts Securities Commission, setting forth, among other things in its petition, the following:

(a) That the petitioner and a utility are both engaged or proposed to engage in the sale and distribution of electric power and energy in a described area or areas or in contiguous areas, or that the petitioner proposes to acquire an electric distribution system in a described area from the utility.

(b) That the petitioner and utility are desirous of entering into a contract in which, among other things, and as one of the considerations therefor, they consent to the limitation of areas which each are to serve or are to be excluded from serving

(c) A copy of the contract or proposed contract.

(d) A description of the respective areas that the limitations will affect and the terms of the contract, if any, or the conditions, if any, existing in connection with such limitations or the sale or acquisition of the utility distribution system.

(e) A prayer that the California Districts Securities Commission issue its order limiting the areas within which the petitioner may, directly or indirectly, sell or distribute electric power or energy or define the areas within which the petitioner shall not sell or distribute electric power or energy as indicated in the petition and set forth in the contract or proposed contract.

California Districts Securities Commission investigation

8128. Thereupon, the California Districts Securities Commission shall cause an investigation to be made and may conduct such hearings in connection therewith as it considers desirable.

Order limiting area to be served or defining area not to be served

8129. If the California Districts Securities Commission finds that it is for the best interests of the State and of the district, and not incompatible with any public interest, that the petition be granted, it shall make and issue its order limiting the area or areas, within or without the district and within or without the State, within which the district shall have the right and authority to sell or distribute electric power or energy, directly or indirectly, or defining the area or areas within or without the boundaries of such district and within or without the boundaries of this State, within which the district shall not

have the right or authority to sell or distribute electric power or energy, directly or indirectly. The California Districts Securities Commission may, in its order, approve and thereby authorize the contract or conditions, if any, in connection therewith. No limitations or definitions of areas or statement of conditions shall be included in the order except as contained in the petition and contract.

Order contingent on order of Public Utilities Commission

8130. If the utility is subject to the jurisdiction of the Public Utilities Commission, the limitations on the district contained in any order of the California Districts Securities Commission shall not be effective until the Public Utilities Commission has issued its order limiting the area or areas to be served or defining the area or areas not to be served by the utility as set forth in the contract or proposed contract and approving the contract or conditions, if any, in connection therewith as set forth in the petition of the district and the contract or proposed contract.

If the utility is not subject to the jurisdiction of the Public Utilities Commission, the order of the California Districts Securities Commission shall not be effective until, by contract or other means satisfactory to the district, the area or areas to be served or not to be served by the utility are limited or defined and written evidence thereof has been filed by the district with the California Districts Securities Commission.

Prior arrangements

8131. Where limitation of areas to be served or limitations or designations of areas not to be served by the utility and by an irrigation district have been heretofore approved or are hereafter approved by the California Districts Securities Commission, they shall be deemed to have complied with this article.

Defense to action for restraint of trade

8132. In any civil or criminal action or proceedings for violation of the Cartwright Act (Chapter 530, Statutes of 1907), Part 2 of Division 7 of the Business and Professions Code, or any rule of statutory or common law against monopolies or combinations in restraint of trade, proof that the act complained of was done in compliance with this article or an order issued under it and in furtherance of the purposes of this article, is a complete defense in such action or proceeding.

Violation of approved contract or order

8133. If, in any contract submitted to and approved by the California Districts Securities Commission, or in any order made by the California Districts Securities Commission pursuant to application and petition as in this article provided, it is provided that the irrigation district is not to serve or furnish electric energy in a specified area or areas, or is to furnish or serve electric energy under limited or specified circumstances only, or is to refrain from serving or furnishing electric energy in certain specified areas or under certain specified circumstances or under certain specified limitations, then, from and after the effective date of such order of the California Districts Securities Commission, it shall be unlawful for the irrigation district to serve electric energy in any area or in any manner which the contract and order provides that service shall not be rendered, the affected utility shall be entitled, as a matter of

right, to an injunction to prevent any such unlawful act on the part of the irrigation district.

Scope of jurisdiction

8134. Nothing contained in this article shall be construed to give to or vest in the Public Utilities Commission any jurisdiction over irrigation districts or to vest in or give to the California Districts Securities Commission any jurisdiction over utilities other than irrigation districts.

CHAPTER 7. MISCELLANEOUS REGULATIONS

Article 1. Adequate Water Service

Proper, adequate service

8201. Any water company having a franchise to use the streets of a city, shall properly and adequately serve with water the inhabitants of the territory for the service of which it has such franchise.

Same Enforcement

8202. If the commission has jurisdiction of extensions and service in the city it shall enforce a compliance with Section 8201. If the commission does not have such jurisdiction, then the governing body of the city shall adopt rules to enforce a compliance with Section 8201.

Double damages

8203. In addition to the penalties which may be provided by the governing body of a city for failure to comply with such regulations adopted by it, any person aggrieved by the failure of any water company to comply with such regulations may recover, by civil action against such water company, twice the amount of damages he may sustain by reason of such failure.

"Water company"

8204. "Water company" as used in this article, includes any person, firm, or private corporation engaged in the business of supplying water for domestic use within any city.

Article 2. Railroad and Steamboat Police

Appointment by Governor

8226. The Governor of the State may, upon the application of any railroad or steamboat company, appoint and commission during his pleasure one or more persons designated by such company, to serve at the expense of the company, as policemen, who shall have the powers of peace officers and who, after being duly sworn, may act as policemen upon the premises, cars, or boats of the company. The company designating such persons shall be responsible civilly for any abuse of their authority.

Badge

8227. Every such policeman shall, when on duty, wear in plain view a shield bearing the words "railroad police," or "steamboat police," as the case may be, and the name of the company for which he is commissioned.

Article 3. Use of "Spotter" Reports

Notice, hearing re discipline, discharge

8251. *It is unlawful for any public service corporation, or* agent, superintendent, or manager thereof, employing any special agent, detective, or person commonly known as a "spotter," for the purpose of investigating, obtaining, and reporting

to the employer information concerning its employees, to discipline or discharge any employee, where such act of discipline or the discharge is based upon a report by such special agent, detective, or spotter, which report involves a question of integrity, honesty, or a breach of rules of the employer, unless such employer, its agent, superintendent, or manager, gives notice and accords a hearing to the employee thus accused, when requested by the employee. At such hearing the employer shall state specific charges on which act of discipline or discharge is based, and the accused employee shall have the right to furnish testimony in his defense.

Penalty

8252. Each violation of this article by any person, firm, association, or corporation is a misdemeanor, and upon conviction thereof shall be punishable by a fine of not less than fifty dollars ($50) and not more than three hundred dollars ($300), or by imprisonment in the county jail for a period of not more than one (1) year, or by both such fine and imprisonment. In case of a public service corporation committing any violation of this article, the imprisonment when imposed shall be imposed upon the officers or agents thereof committing such offense.

DIVISION 5. UTILITIES OWNED BY MUNICIPAL CORPORATIONS

CHAPTER 1. ACQUISITION, OPERATION, AND SALE OF UTILITIES

Article 1. Acquisition and Operation

"Public utility"

10001. "Public utility" as used in this article, means the supply of a municipal corporation alone or together with its inhabitants, or any portion thereof, with water, light, heat, power, transportation of persons or property, means of communication, or means of promoting the public convenience.

Power to acquire, operate

10002. Any municipal corporation may acquire, construct, own, operate, or lease any public utility.

Same Scope

10003. The power to acquire and operate a public utility includes the power to complete, reconstruct, extend, change, enlarge, and repair a public utility acquired, constructed, owned, or operated by a municipality.

Other powers

10004. For the purpose set forth in Sections 10002 and 10003 a municipal corporation may acquire, own, control, sell, or exchange lands, easements, licenses, and rights of every nature within or without its corporate limits, and may operate a public utility within or without the corporate limits when necessary to supply the municipality, or its inhabitants or any portion thereof, with the service desired.

Sale of excess water, etc

10005. Whenever, in the operation of a utility, a municipality develops an excess of water, light, heat, or power, over and above the amount which is necessary for the use of the municipality and its inhabitants, or such portion thereof as the legislative body of the municipality determines is to be supplied

therewith, the municipality may sell, lease, or distribute the excess outside of its corporate limits.

Leases Length, auction

10006. No lease of a public utility is valid for a period of more than 15 years, and all such leases shall be let to the highest bidder at public auction.

Article 2. Sale and Disposal

Power to sell

10051. Any municipal corporation incorporated under the laws of this State may as provided in this article sell and dispose of any public utility that it owns.

Resolution of legislative body election

10052. Whenever the legislative body of a municipal corporation by a resolution passed by two-thirds of all its members determines that the public interest and necessity demand that any public utility owned by the municipal corporation should be sold, it may at any subsequent meeting by a vote of two-thirds of all its members order the proposition of selling the public utility to be submitted to the qualified voters of the municipal corporation at an election held for that purpose.

Ordinance calling election

10053. The ordinance calling the special election shall recite the object for which the election is to be held, the purpose for which the proceeds of the sale are proposed to be expended, the manner of holding the election, and the manner of voting for or against the sale of the public utility. In all particulars not recited in the ordinance the election shall be held as provided for by law for holding municipal elections in such municipality.

Same Publication

10054. The ordinance shall be published once a day for at least 12 days in a newspaper published at least six days a week in the municipality or at least once a week for two weeks in a newspaper published less than six days a week in the municipality. The insertion each week for two succeeding weeks is a sufficient publication in a newspaper published less than six days a week. The first publication of the ordinance shall be at least two weeks prior to the date mentioned in the ordinance for holding the election. In municipalities where no such newspaper is published the ordinance shall be posted in three public places therein for two succeeding weeks next before the day fixed for the election.

Two-thirds vote

10055. The votes of two-thirds of all voters voting at the election are necessary to authorize the sale of the public utility described in the ordinance calling the election.

Sale of several utilities

10056. The resolution and ordinance may provide for the sale of more than one public utility, but in such case the question of selling each public utility shall be separately stated in the ordinance and upon the election ballots.

Sale Date, bids, notice

10057. If the vote cast at the election is in favor of the sale of the public utility mentioned in the ordinance calling for the election, the legislative body of the municipal corporation shall immediately proceed to sell the public utility, and shall fix a date on which bids for the sale of the public utility will be received and the manner of filing bids. The legislative body shall cause notice of the sale to be published for at least two weeks

next before the day fixed for receiving bids in the manner provided in Section 10054 for publication of the ordinance calling for the election. If no newspaper is published in the municipality, the notice shall be posted in three public places therein for two succeeding weeks next before the date fixed for receiving bids.

Bids Opening, etc., inadequacy

10058. At the date fixed for receiving bids the legislative body of the municipal corporation shall open and examine all bids received and may sell the public utility to the highest and best bidder therefor. If the bids received, in the opinion of the legislative body are inadequate or disproportionate to the value of the public utility the legislative body may reject all bids and may proceed to give new notice of the sale of the public utility in the manner provided in Section 10057.

Conveyance

10059. When a bid is accepted by the legislative body of the municipal corporation, the legislative body may by resolution authorize its mayor, or president of its board of trustees, or other chief executive officer, and its clerk to execute, acknowledge, and deliver on behalf of the municipal corporation, in its name and under its corporate seal, a deed conveying the public utility to the successful bidder upon receiving from him in cash the full amount of the bid and the promise of the bidder to continue to operate the public utility. The deed shall operate to convey to the successful bidder all of the municipality's right, title, interest, and estate in and to the public utility described in the deed.

Proceeds Deposit, use

10060. The proceeds of the sale of the public utility shall be placed in the municipal treasury and shall be applied exclusively for the purposes and objects mentioned in the ordinance calling the election for the sale of the public utility.

Article 3. Rights of Way

Grant re roads, streets, etc

10101. There is granted to every municipal corporation of the State the right to construct, operate, and maintain water and gas pipes, mains and conduits, electric light and power lines, telephone and telegraph lines, sewers and sewer mains, all with the necessary appurtenances, across, along, in, under, over, or upon any road, street, alley, avenue, or highway, and across, under, or over any railway, canal, ditch, or flume which the route of such works intersects, crosses, or runs along, in such manner as to afford security for life and property.

Road, street, etc · Restoration

10102. A municipal corporation exercising its rights under this article shall restore the road, street, alley, avenue, highway, canal, ditch, or flume so used to its former state of usefulness as nearly as may be, and shall locate its use so as to interfere as little as possible with other existing uses of a road, street, alley, avenue, highway, canal, ditch, or flume.

Same Consent of other municipality

10103. Before any municipal corporation uses any street, alley, avenue, or highway within any other municipal corporation, it shall request the municipal corporation in which the street, alley, avenue, or highway is situated to agree with it upon

the location of the use and the terms and conditions to which the use shall be subject.

Same
Action to establish terms and conditions of use

10104. If the two municipal corporations are unable to agree on the terms and conditions and location of a use within three months after a proposal to do so, the municipal corporation proposing to use a street, alley, avenue, or highway may bring an action in the superior court of the county in which the street, alley, avenue, or highway is situated against the other municipal corporation to have the terms and conditions and location determined. The superior court may determine and adjudicate the terms and conditions to which the use of the street, avenue, alley, or highway shall be subject, and the location thereof, and upon the making of the final judgment the municipal corporation desiring to do so may enter and use the street, alley, avenue, or highway upon the terms and conditions and at the location specified in the judgment.

Territory previously unincorporated
Consent unnecessary

10105. A grant of authority from or agreement with another municipality is not necessary in any case where the street, alley, avenue, or highway, or portion thereof, proposed to be used is a necessary or convenient part of the route of the proposed works and at the time construction was commenced or the plans adopted was located in unincorporated territory. This section is not applicable if the street, alley, avenue, or highway, or portion thereof, was located in incorporated territory prior to May 5, 1933.

Limitation
Sewage disposal

10106. This article does not authorize the construction of any sanitary sewer within the territorial limits of any other municipality if the method of disposition of sewage therefrom is by discharging it in the Pacific Ocean within one mile of the territorial limits of the other municipality or in any manner that may create a public nuisance.

Scope of article

10107. Nothing in this article limits in any respect the jurisdiction, powers, and duties vested by law in the Public Utilities Commission, or, with respect to state highways, in the Department of Public Works. In the event of any conflict of jurisdiction, that of the Public Utilities Commission or the Department of Public Works, as the case may be, shall prevail.

Article 4. Rights in Public Lands and Waters

Grant over public lands

10151. There is granted to every municipal corporation of the State the right of way for the location, construction, and maintenance of water works and works for the generation and distribution of electrical power, and for every necessary adjunct thereto, over any swamp, overflowed, or other public lands of the State not otherwise disposed of or in use, not in any case exceeding in length or width that which is necessary for the construction of the works or adjuncts, or for the protection thereof, and not in any case exceeding 100 feet in width along each side of the marginal limits of the works or adjuncts.

Use of materials from adjacent state land

10152. There is granted to every municipal corporation of the State the right to take from any of the lands belonging

to the State adjacent to the works of such corporation, all materials, such as wood, stone, and earth, naturally appurtenant thereto, which are necessary and convenient for the original construction of the works and adjuncts.

Grant re state waters

10153. There is granted to every municipal corporation of the State the right to take, in the manner provided by law, any waters belonging to the State, not otherwise disposed of, flowing or existing in any stream or lake intersected, crossed, or tapped by its water works, so far as is necessary to give such municipality and its inhabitants an ample supply of water for all municipal, domestic, irrigation, and manufacturing purposes.

Reversion

10154. If the route or location of any works or adjuncts is changed so as not to cover or cross the lands selected under this article, or the use of the land selected is abandoned, the selected lands revert, and the title thereto is reinvested in the State or its grantees free from all such uses.

State Lands Commission permit

10155. When any selection of a right of way or land is made under this article by any municipal corporation, the legislative body thereof shall transmit to the State Lands Commission, State Controller, and recorder of the county in which the selected lands are situated, a verified plat of the lands selected, giving the extent thereof and the uses for which the lands are claimed or desired. If approved, the State Lands Commission shall so endorse the plat and issue to the corporation a permit to use the right of way and lands, unless on petition properly presented to a court of competent jurisdiction a review is had and such use prohibited.

Article 5. Permitted Use of Improvements

Purpose of article

10201. This article is intended to provide a means of making the work and improvements herein mentioned useful and beneficial to the lands or property assessed to pay the costs and expenses of the construction thereof. The powers herein granted are supplemental to any other powers granted by law to any county or city, and this article does not repeal any other powers to use or utilize such work or improvements.

Application of article

10202. When any legislative body elects to proceed under this article, the provisions hereof only shall apply and the limitations herein shall be followed

Construction

10203. This article and all of its provisions shall be liberally construed to the end that the purposes hereof may be effective.

"District"

10204. "District," as used in this article, includes any district for which the legislative body of any county or city may make contracts.

Permission to supply water, gas to city system

10205. Whenever, under any street improvement act under which public work or improvements may be installed or constructed and the costs and expenses assessed in whole or in part against the lands or property benefited, there have been installed or constructed within any city or within the unincor-

porated territory of any county any wells, pumps, dams, reservoirs, storage tanks, channels, tunnels, conduits, pipes, hydrants, meters, or other appurtenances for supplying or distributing a domestic water supply, or all or any combinations thereof, and whenever there have been installed or constructed within any city or within the unincorporated territory of any county any mains, services, pipes, fittings, valves, regulators, governors, meters, drips, drains, tanks, ditches, tunnels, conduits, channels, or other appurtenances for supplying or distributing a domestic or industrial gas supply, or all or any combinations thereof, and no provision has been made for the maintenance, operation, and use of the work or improvement constructed, and the city owns no plant or system which can conveniently furnish water or gas, or the county owns no plant or system which can conveniently furnish the water or gas, the legislative body of the city or county, as the case may be, may grant permission to furnish water or gas therefor to any district, public corporation, mutual company, public utility company, private company, or individual.

Same
Findings, permit

10206. Before granting such permission the legislative body of the county or city shall find that the public interest, convenience, and necessity require that the work or improvement be used, that water or gas is necessary therefor, and that a certain, named, district, public corporation, mutual company, public utility company, private corporation, or individual can most conveniently furnish water or gas. Thereupon the county or city may grant to such district, public corporation, mutual company, public utility company, private corporation, or individual the right to attach his lines or system to the work or improvement, and to furnish water or gas through the work or improvement to all lands which were assessed to pay the costs and expenses of constructing the work or improvement.

Permit
Execution

10207. The permission shall be signed by the mayor or other chief executive of the city or by the chairman of the board of supervisors of a county, and by the person or authorized officers of the permittee.

Same
Term and conditions

10208. The permission shall state the time for which it is given, which shall not exceed two years, and describe the work or improvement for which it is given, and shall require the permittee to maintain the work or improvement during the term of the permission, and to make all necessary repairs thereto during such term, and to furnish gas or water, as the case may be, to all lands assessed to pay all or any part of the costs and expenses of the work or improvement.

Extensions, additional installations

10209. If any extensions of or additional installations for the work or improvement are necessary in order to serve all of the lands required to be served, the permittee shall not be obligated to make such extensions or additional installations, but shall permit any owner of such land to make the extensions and installations under reasonable regulations to be fixed by the city engineer or county surveyor, to attach them to the work or improvement, and to receive gas or water therefrom.

Charges and rental

10210. The permission shall provide that the charge made by the permittee for gas or water shall not be greater than the charge therefor made by the permittee for such service elsewhere, and shall provide that the permittee shall pay a reasonable charge, to be determined by the legislative body granting the permission, for the use of the work or improvement. Such rental shall be paid to the treasurer of the county or city at least semiannually and placed in a special fund, which shall be used for the improvement or replacement of the work or improvement or any part thereof.

Permittee not a public utility

10211. The permission granted under this article to a private corporation or individual, not a public utility, and the furnishing of gas or water thereunder shall not be construed as a holding out or undertaking of such corporation or individual to serve any and all persons or as constituting the corporation or individual a public utility or as being any evidence thereof.

Right to terminate

10212. The permission shall expressly reserve to the legislative body granting it the right to terminate it whenever the city or county can conveniently furnish gas or water. If so terminated, the county or city shall thereafter furnish such gas or water.

Same

10213. The permission shall provide that if any district or public corporation is formed or extended, and if the district or public corporation can conveniently serve the territory with gas or water, any permission granted to any public utility, private corporation, or individual may be terminated by the legislative body. If permission is so terminated, the legislative body may grant permission to use the work or improvement and furnish gas or water to such district or public corporation in the manner and under the limitations provided in this article.

DIVISION 6. MUNICIPAL UTILITY DISTRICT ACT

CHAPTER 1. GENERAL PROVISIONS

Article 1. Definitions

Short title

11501. This division may be cited as the "Municipal Utility District Act."

Construction

11502. Unless the context otherwise requires, the provisions of this article govern the construction of this division.

"District"

11503. "District" means a municipal utility district formed under this division or under Chapter 218 of the Statutes of 1921, as originally enacted or subsequently amended; "special district" means a special district for sewage disposal purposes created under this division or under Chapter 218 of the Statutes of 1921, as originally enacted or subsequently amended; and "board" means the board of directors of a district.

"Public agency"

11504. "Public agency" includes a city, county water district, county sanitation district, or sanitary district.

"Voter"

11505. "Voter" means any elector who is registered under the Elections Code.

"Sewage disposal"

11506. "Sewage disposal" means the acquisition, construction, enlargement, operation, and maintenance of intercepting sewers, sewage treatment works, pumping plants, outfall sewers, and appurtenances.

"Percent of the total vote cast"

11507. "Percent of the total vote cast," when used with reference to the requirements of any petition or nomination paper, means percent of the total vote cast, exclusive of absent voter ballots, within the proposed district, district, proposed special district, special district, or territory proposed to be annexed to a district, as the case may be at the last general state election.

Article 2. General Provisions

Municipal utility districts

11531. A municipal utility district may be created as provided in this division and when so created may exercise the powers herein granted.

Existing officers

11532. All persons who, at the time this division goes into effect, hold offices under Chapter 218 of the Statutes of 1921, as originally enacted or subsequently amended, continue to hold them according to their former tenure.

Conduct of elections

11533. Except as otherwise provided in this division elections shall be held and conducted and the result ascertained, determined, and declared in all respects as nearly as practicable in conformity with the general election laws of the State.

Publication of notices

11534. Except as otherwise provided in this division all ordinances and notices which are required to be published shall be published once a week for two successive weeks (two publications) in a newspaper of general circulation published within the district.

Same

11535. Whenever in this division publication in a newspaper of general circulation published within the district is required, and there is no such newspaper, then the publication may be made in a newspaper of general circulation published in any county where the district is situated.

Facsimile signatures

11536. Whenever the signature of any officer or employee of a district or of any member of the Retirement Board or of any officer or employee of the Retirement System is authorized or required under the provisions of this division, except in the single instance provided in Section 13244, the signature may be made by the use of a plate bearing facsimiles of such signatures.

Chapter 2. Formation of Districts

Article 1. General Provisions

Agencies and territory

11561. Any public agency together with unincorporated territory, or two or more public agencies, with or without unincorporated territory, may organize and incorporate as a municipal utility district. Public agencies and unincorporated territory included within a district may be in the same or separate counties and need not be contiguous. No public agency shall be divided in the formation of a district.

Request for formation

11562. A request for the formation of a district may be made by resolution or by petition as set out in this chapter.

Article 2. Request by Resolution

Resolutions

11581. Legislative bodies of half or more of the public agencies proposed to be included in the proposed district may pass resolutions declaring that in their opinion public interest or necessity demands the creation and maintenance of a municipal utility district to be known as the "(giving the name) municipal utility district."

Contents

11582. The resolutions may state the kind of utility proposed to be first acquired, but failure to acquire such utility shall not affect the validity of the district. They shall describe the exterior boundaries of the proposed district, except that if it is intended to organize the district of public agencies only, a statement of the names of such public agencies is a sufficient and legal description of the district.

Request for election

11583. Certified copies of the resolutions shall be presented to the board of supervisors of the county containing the largest number of voters within the proposed district, requesting that board of supervisors to call an election without delay for determining whether the district will be created.

Article 3. Request by Petition

Petition by electors

11611. Instead of resolutions, a petition may be presented to the board of supervisors of the county containing the largest number of voters within the proposed district, signed by voters within the proposed district equal in number to at least 10 percent of the total vote cast.

Contents

11612. The petition shall contain substantially the same declarations and statements required to be contained in the resolutions presented to a board of supervisors under this chapter, and declare that, in the opinion of the petitioners, public interest or necessity demands the creation and maintenance of a municipal utility district.

Affidavits

11613. The petition may be on separate papers, but each paper shall contain the affidavit of the person who circulated it certifying that each name signed thereto is the true signature of the person whose name it purports to be.

Certification of signatures

11614. The clerk of the board of supervisors of the county in which the petition is presented shall compare the signatures to the petition with the affidavits of registration and certify to their sufficiency or insufficiency.

Article 4. Election

Call by supervisors

11641. Upon receipt of certified copies of the resolutions or of a sufficient petition, the board of supervisors to whom they are presented shall call an election within the proposed district without delay for the purpose of determining whether the proposed district will be created and established, and for

the purpose of electing the first board of directors therefor in case the district is created.

Wards

11642. Before calling the election the board of supervisors shall divide the proposed district into five wards, the boundaries of which shall be so drawn that each shall contain approximately an equal number of voters, as nearly as may be. The public agencies and any other territory included in the proposed district may be divided for the purpose of establishing ward boundaries.

Notice

11643. Upon establishing the wards, the board of supervisors shall publish notice of the election within the proposed district.

Same Content

11644. The notice shall state the name of the proposed district, and describe the boundaries thereof and the boundaries of the wards provided for the purpose of electing directors.

Ballots Form

11645. The ballot for the election shall contain such instructions as are required by law to be printed thereon and in addition thereto the following:

Shall the "(giving name thereof) municipal utility district" be created and established?	YES	
	NO	

Same Candidates for directors

11646. The ballots shall also contain the names of the persons nominated in each ward to serve as a member of the board from such ward, showing separately each ward and its nominees

Candidates Nomination

11647. Any person may be nominated for the office of director upon written petition of at least 50 voters of the ward in which such person resides.

Same Vote at large

11648. Candidates for the office of director shall be voted upon at large, and every voter in the proposed district may vote for all of the directors to be elected.

Eligible voters

11649. No person shall be entitled to vote at the election unless he is a voter of the territory included in the proposed district.

Consolidated election

11650. The election may be held on the same day as any other state, county, or city election, and be consolidated therewith.

Canvass

11651. The board of supervisors which called the election shall meet on Monday next succeeding the day of the election and canvass the votes cast thereat.

Creation of district

11652. The board of supervisors shall canvass the returns of each public agency and each parcel of unincorporated territory, if any, separately, and shall order and declare the district created and established of the public agencies and territory in which a majority of those who voted on the proposition voted in favor of the creation of the district if the total number of voters in such approving public agencies and territory is not less than two-thirds the number of voters within the district as first proposed, according to the register used at the election.

Directors Qualifications

11653. No person may serve as a director unless he is a resident and voter of the district as finally determined. Any vacancies on the board caused by the elimination of territory shall be filled by appointment by the remaining directors, in which case ward lines may be disregarded.

Same Canvass, result

11654. The board of supervisors shall also canvass the returns of the election with respect to the persons voted for as directors, and shall declare the persons receiving the highest number of votes, for each ward, respectively, to be duly elected as directors of the district, if they are residents and voters thereof as finally determined.

Cost of election

11655. The board of supervisors calling the election shall make all provision for the holding thereof throughout the entire district as proposed, and shall pay the cost thereof.

Reimbursement for special election costs

11656. If a special election is held exclusively on the proposition of organizing a district, the expenditure therefor shall be reimbursed to the county which called the election by means of a tax on all the taxable property within the public agencies and unincorporated territory which was proposed to be included in the district, and this tax shall be added to the next county tax bills by the proper officials of the counties involved, respectively.

Article 5. Establishment of the District

Filing order with Secretary of State

11681. The board of supervisors shall cause a certified copy of the order declaring the result of the election to be filed in the Office of the Secretary of State, from and after which the establishment of the district shall be deemed complete.

Article 6. Contest of Incorporation

Contest of election

11701. No informality in any proceeding or in the conduct of any election, not substantially affecting adversely the legal rights of any citizen, shall be held to invalidate the incorporation of any district. Any proceedings wherein the validity of incorporation is denied shall be commenced within three months from the date of filing the order declaring the result of the election with the Secretary of State, otherwise the incorporation and the legal existence of the district shall be held to be valid and in every respect legal and incontestable.

Chapter 3. Internal Organization of Districts

Article 1. Government

Board of directors

11801. The government of every district is vested in a board of five directors, one from each ward, together with the other officers mentioned in this division. The directors shall be residents and voters of the respective wards from which they are nominated.

Article 2. Election of Directors

Time

11821. The first directors are elected at the formation election as provided in Chapter 2. All elections of directors subsequent to the first shall be held at the same time as the general election in the manner provided in this article.

Notice

11822. Notice of election shall be published and no other notice of such election need be given.

Wards

11823. The board shall by resolution or ordinance fix the boundaries of the wards for the purpose of electing directors therefrom. Such wards shall be established in ample time prior to each biennial general election to permit candidates for the position of directors to circulate nominating papers.

Reference to wards

11824. The notice of election shall refer to the wards established by the board.

Nomination paper

11825. Upon the filing of a sufficient nomination paper and affidavit by any candidate the name of the candidate shall go upon the ballot at the ensuing general election.

Contents

11826. The nomination paper shall contain the name of the candidate, with such other information as may be required herein, and shall be signed by not less than 500 nor more than 650 voters within the district.

Circulation

11827. Nomination papers may be circulated throughout the district.

Time limits

11828. The time for verification deputies to obtain signatures to the nomination paper of any candidate, and for nomination papers to be filed with the secretary of the district and be examined by him, and for the secretary of the district to certify the names of all candidates to be placed upon the ballot to the county clerk or county clerks within the territory affected shall be such as is prescribed for independent nominations in the Elections Code.

Consolidation with general election

11829. The board shall in the notice, ordinance, or resolution calling an election consolidate it with the general election to be held at the same time in the respective counties in which the district is located and authorize the respective boards of supervisors to canvass the returns and certify the result of the canvass to the board. It shall be the duty of the board or boards of supervisors to so consolidate the election, canvass the returns, and cause the result thereof to be properly certified to the board of directors of the district. The election shall be held in all respects as if there were only one election, and only one ticket or ballot shall be used.

Vote at large

11830. Candidates for the office of director shall be voted upon at large, and every voter in the district may vote for all of the directors to be elected.

Declaration of result

11831. Upon receipt of the returns of the canvass by the respective boards of supervisors the board shall meet and determine results of the election and declare the candidate or candidates elected.

Certificates of election

11832. The secretary of the district shall issue certificates of election, signed by him and duly authenticated, immediately following the determination of the result of the election by the board.

Article 3. Terms of Office of Directors

Terms of first directors

11861. The directors elected at the formation election shall hold their respective offices only until the first Monday after the first day of January next following the next general election and until their successors are elected and qualified.

Staggered terms

11862. Of the directors elected at the first election following the formation election, those three elected by the highest vote shall hold office for four years, and the other two for two years, and until their successors are elected and qualified. Thereafter, at each biennial general election, a number of directors corresponding to the number whose terms of office expire shall be elected for the term of four years.

Commencement of official duties

11863. Directors elected at the formation election shall enter upon their official duties immediately upon the filing of the order declaring the result of the election with the Secretary of State, after qualifying according to law. The terms of directors elected after the formation election shall commence on the first Monday after the first day of January next following their election.

Recall

11864. Every director is subject to recall by voters of the district, in accordance with the recall provisions of the general laws of the State applicable to county officers.

Vacancies

11865. The board shall fill all vacancies on the board, including those caused by the death or resignation of a member. If, however, a vacancy exists for 60 days the Governor shall fill the vacancy.

Term of appointee

11866. The person appointed to fill any vacancy on the board shall hold office for the remainder of the unexpired term of his predecessor.

Article 4. Powers and Duties of Directors

Oath

11881. The oath of office of directors shall be taken, subscribed, and filed with the secretary of the district at any time after the director has notice of his election or appointment but not later than 15 days after the commencement of his term of office. No other filing is required.

Organization of board

11882. The board shall choose one of its members president, and another vice president, who shall be authorized to act for the president during his absence or disability, and shall provide for the time and place of holding its meetings, which shall be held at least once each month.

Legislative body

11883. The board is the legislative body of the district and determines all questions of policy.

Administrative powers

11884. All matters and things necessary for the proper administration of the affairs of the district which are not provided for in this division shall be provided for by the board.

Supervision, regulation of district utilities

11885. The board shall supervise and regulate every utility owned and operated by the district, including the fixing of rates, rentals, charges, and classifications, and the making and enforcement of rules, regulations, contracts, practices, and schedules, for or in connection with any service, product, or commodity owned or controlled by the district.

District employees

11886. The board shall by resolution determine and create such number and character of positions as are necessary properly to carry on the functions of the district and shall establish an appropriate salary, salary range, or wage for each position so created. The board may by resolution abolish any such position. Except as otherwise provided, appointments to such positions shall be made by the general manager in accordance with the civil service provisions applicable thereto.

Same Experts, etc

11887. The board of any district having 600 or more employees may appoint not to exceed 15 employees to positions requiring peculiar and exceptional qualifications, including those of a scientific, professional, or expert character or of special confidence.

Contracts for professional, other services

11888. The board may from time to time contract for or employ any professional service required by the district or for the performance of work or services which cannot satisfactorily be performed under the civil service provisions of this division.

Examination of accounts

11889. The board shall employ an expert who shall examine and report, at least annually, upon the system of accounts kept by the district.

Payment of salaries, wages

11890. The salaries or wages of all officers and employees of a district shall be paid periodically as the board may prescribe. At the expiration of the period fixed for the payment of salaries or wages a pay roll shall be prepared, showing all persons employed during the preceding salary period and stating the amount of compensation to which each such person is entitled. Warrants for the payment of the salary or wages of each person specified in the pay roll may be issued immediately after approval of the pay roll by the board or after the approval of the pay roll by the general manager in accordance with such rules as the board has previously established.

Payment of demands

11891. The board may provide by resolution, under such terms and conditions as it sees fit, for the payment of demands against the district without prior specific approval thereof by the board if the demand is for a purpose for which an expenditure has been previously approved by the board and in an amount not greater than the amount so authorized, and if the demand is approved by the general manager.

Revolving fund

11892. To facilitate the business of the district the board may provide for the creation and administration of such revolving funds as the needs of the district may require. The aggregate amount of such funds shall not exceed twenty thousand dollars ($20,000). The revolving funds shall be disbursed in accordance with rules established by the board, and all pay-

ments from any revolving fund shall be reported to the board and vouchers filed therefor.

Article 5. Meetings and Legislation

Public sessions

11906. All legislative sessions of the board, whether regular or special, are open to the public.

Quorum

11907. A majority of the board constitutes a quorum for the transaction of business.

Compensation

11908. The board shall establish rules for its proceedings and may provide by ordinance or resolution that each member shall receive for each attendance at the meetings of the board the sum of ten dollars ($10). No director shall receive any other compensation, nor receive pay for more than two meetings in any one calendar month.

Expression of board action

11909. The acts of the board shall be expressed by motion, resolution, or ordinance. No ordinance shall be passed by the board on the day of its introduction, nor within three days thereafter, nor at any time other than a regular or adjourned regular meeting. No ordinance, resolution, or motion shall have any validity or effect unless passed by the affirmative votes of at least three directors.

Ordinances Publication

11910. All ordinances shall be published after passage.

Same Enacting clause

11911. The enacting clause of all ordinances shall be as follows:

"Be it enacted by the board of directors of _____ municipal utility district:"

Same Execution

11912. All ordinances shall be signed by the president of the board or the vice president, and attested by the secretary.

Article 6. Other Officers

General manager

11926. The board shall appoint and fix the salary of a general manager, who shall have full charge and control of the construction of the works of the district and of their maintenance and operation, and also of the administration of the business affairs of the district.

Qualifications

11927. All other things being equal, the board shall appoint as general manager some person who has had experience in municipal engineering or in the construction or management of public utilities.

Residence

11928. The general manager need not be a resident of this State at the time of his appointment.

Term, removal, etc

11929. The general manager shall hold office for an indefinite term and may be removed by the board only upon the adoption of a resolution by the affirmative vote of not less than three members of the board. Before the general manager may be removed, he shall, if he demands it, be given a written statement of the reasons alleged for his removal and he shall have the right to be publicly heard thereon at a meeting of the board prior to the final vote on the resolution providing for his removal, but pending and during such hearing the board may suspend him.

from office. The board may not reduce the salary of the general manager below the amount fixed at the time of his original appointment except upon the adoption of a resolution by a like vote and after a like opportunity to be heard. The action of the board in suspending or removing the general manager or reducing his salary, if approved by a majority of the membership of the board, is final.

Period prior to operation

11930. Notwithstanding this article, until such time as the district has operated, controlled, or used works or parts of works for providing the inhabitants and public agencies within the boundaries of the district with the utility services, or any of them, specified in this division, for a period of six months, the board may or may not appoint a general manager, who during such time holds office at the pleasure of the majority of the board.

Accountant, secretary, treasurer, attorney

11931. The board may appoint an accountant, a secretary, a treasurer, and an attorney, who shall hold office during the pleasure of the board.

Attorney Qualifications

11932. The attorney shall be admitted to practice law in the Supreme Court of the State, and shall have been actively engaged in the practice of his profession for not less than three years next preceding his appointment.

Assistants to officers

11933. The board may also provide for assistants to any officer of the district who shall hold office at the pleasure of the board and may perform any and all acts that their principal may perform, when authorized so to do by the board.

Consolidation of offices

11934. The board may consolidate any of the district offices in one person.

Oath of office

11935. The oath of office of all appointive officers of the district shall be taken, subscribed, and filed with the secretary of the district at any time after the officer has notice of his appointment but not later than 15 days after the commencement of his term of office. No other filing is required.

Bond

11936. Each appointive officer shall give such bond and in such amount as the board may require.

Powers of general manager

11937. The powers of the general manager are:

(a) To see that all ordinances of the district are enforced.

(b) To administer the civil service system of the district and, except as otherwise provided in this division, to appoint to the positions created by the board which are subject to the civil service provisions of this division, such employees as are necessary for the administration of the affairs of the district, and to remove such employees, in accordance with the provisions of the civil service system.

(c) To attend all meetings of the board and submit a general report of the affairs of the district.

(d) To keep the board advised as to the needs of the district.

(e) To prepare or cause to be prepared all plans and specifications for the construction of the works of the district.

(f) To devote his entire time to the business of the district.

(g) To perform such other and additional duties as the board may require.

General manager Financial report

11938. The general manager shall within 90 days from the end of each fiscal year cause to be published a financial report showing the result of operations for the preceding fiscal year and the financial status of the district on the last day thereof. The publication shall be made in the manner provided in this division for the publication of ordinances and notices generally.

Attorney Duties

11939. The attorney shall take charge of all suits and other legal matters to which the district is a party or in which it is legally interested. He shall give his advice or opinion in writing whenever required by the board. He shall be the legal adviser of the general manager and other district officers and shall prepare and approve the forms of all ordinances, resolutions, contracts, bonds, and other legal documents connected with the business of the district. He shall perform such other and additional services as the board may require.

Accountant Duties

11940. The accountant shall install and maintain a system of auditing and accounting which shall completely and at all times show the financial condition of the district. He shall draw all warrants for the payment of demands against the district approved by the general manager and the board. He shall perform such other duties as the board may require.

Treasurer Duties

11941 The treasurer shall be the custodian of the funds of the district and shall make payments only upon warrants duly and regularly signed by the president or vice president of the board, or other person authorized by the board so to do, and by the secretary. He shall keep an account of all receipts and disbursements.

Same Trust deposits

11942. With the consent of the board, the treasurer may:

(a) Authorize the trust department of any state or national bank in this State, or a trust company authorized to act as such in this State, to receive as his agent deposits of any securities acquired by the district.

(b) Place and maintain for safekeeping as a trust deposit with the trust department of any state or national bank in this State, or a trust company authorized to act as such in this State, any securities owned by the district.

The bank or trust company selected shall have a total paid-in capital of at least one million dollars ($1,000,000). The treasurer shall take from the trust department or trust company a receipt for the securities, and neither the treasurer nor the district is responsible for the custody and safe return of the securities until they are withdrawn from the trust department or trust company by the treasurer. Any trust department or trust company to which securities are delivered, either as agent or depositary for the treasurer, shall make such disposition of the securities as the treasurer directs and is responsible only for strict compliance with written instructions given to it by the treasurer. All such securities are at all times subject to the order of the treasurer.

CHAPTER 4. CIVIL SERVICE SYSTEM

Article 1. Establishment

Adoption by general manager

12051. The general manager shall adopt a civil service system for the selection, examination, employment, classification, advancement, suspension, and discharge of employees included in the "district civil service."

Rules and regulations Scope

12052. The general manager shall adopt rules and regulations to carry out the purposes of the civil service provisions of this division and may from time to time amend existing rules. Except as otherwise provided herein such rules shall govern applications, examinations, eligibility, duration of eligible lists; certifications of eligibles; appointments; promotions; transfers; resignations; layoffs or reductions in force, both permanent and temporary, due to lack of work or funds, retrenchment, or completion of work; the filling of positions, temporary, seasonal, and permanent; classification; and such other matters as are not in conflict with the civil service provisions of this division.

Same Publication, objections

12053. The rules and regulations or any proposed amendments thereto shall be in writing and a copy thereof shall be posted in a conspicuous place in the office of the district and shall not become effective until 20 days after the posting thereof The board may require that such rules and regulations or amendments thereof be submitted to it for approval prior to posting. Any person interested may within 10 days after such posting file written objections to such proposed rules or amendments, or any part thereof, with the general manager, in which event the rules or amendments shall not become effective until the general manager has given notice of a hearing and heard objections thereto and announced his decision on the objections

Time of application of provisions

12054. The civil service provisions of this chapter do not apply to any district until such time as it has operated, controlled, or used works or parts of works for the providing of any of the utility services specified in this division. A civil service system may, however, be adopted at any time after the district commences to operate, control, or use works or parts of works for the providing of any of the utility services specified in this division, and such system shall be adopted within six months thereafter.

"District civil service"

12055. The "district civil service" shall include every employee of the district except:

(a) Officers elected by the people.

(b) Officers, assistant officers, and other persons and employees appointed by the board of directors.

(c) Temporary construction employees.

(d) Part time employees.

(e) Such unfilled positions (not to exceed 15) requiring peculiar and exceptional qualifications, including those of a scientific, professional, or expert character or of special confidence, as may be excepted from "district civil service" upon the rec-

ommendation of the general manager approved by the unanimous vote of the board.

Article 2. Appointments

Competitive tests, lists of eligibles

12101. All appointments under the civil service system shall be made for the good of the public service and solely on the basis of integrity, character, merit, fitness, and industry as established by appropriate competitive tests, without regard to partisan, political, social, or other considerations, and shall be made from lists of eligibles prepared by the general manager.

Temporary appointments

12102. When no list of eligibles is available for a position in the class requisitioned by the department or division head the general manager may make a noncivil service appointment thereto for a period of not exceeding six months and only until a regular appointment can be made, but no person shall be compensated under a noncivil service appointment, or appointments, for a period exceeding six months in any fiscal or calendar year, and no office or employment may be filled by such noncivil service appointment for more than six months in the aggregate in one fiscal or calendar year.

Promotional tests

12103. The general manager may make appointments to higher positions exclusively promotional by tests from lower ranks.

Probation period

12104. Every appointee to a permanent position shall be on probation for six months, during which the general manager may terminate the appointment; if the appointment is not then terminated it shall be permanent, subject to this division and the rules and regulations adopted pursuant to this division.

Emergency appointments

12105. Anything in this division to the contrary notwithstanding, at any time while this section is in effect the board may by resolution passed by a four-fifths vote of all its members authorize the general manager to make appointments without examination, which are termed emergency appointments. Positions may be filled by emergency appointments for such period as may be necessary for the proper operations of the district but not beyond two years after the termination of World War II. No emergency appointee shall acquire any civil service status because of any such emergency appointment. This section shall continue in effect until two years after the termination of World War II and shall have no force or effect thereafter.

Same
During war or national defense emergency

* 12106. Anything in this division to the contrary notwithstanding, the board may by resolution passed by a four-fifths vote of all its members authorize the general manager to make appointments without examination, which are termed emergency appointments. Emergency appointments may be made whenever the United States is engaged in war or whenever the President finds and proclaims that an emergency exists in preparing for the national defense. Positions may be filled by emergency appointments for such period as may be necessary for the operation of the district, but not beyond 90 days after the

* This section is effective until the ninety-first day after final adjournment of the 1953 Regular Session

termination of war or 90 days after the President finds and proclaims that the emergency no longer exists. No emergency appointee shall acquire any civil service status because of any such emergency appointment.

(Added by Stats. 1951, Ch. 828.)

Article 3. Blanketing-in

Incumbents when system adopted

12131. The incumbents of permanent positions who have held such positions for a period of at least six months continuously next preceding the time that a civil service system is first adopted shall be continued in their positions as if appointed thereto after examination and certification from a list of eligibles, and shall be governed thereafter by this division and the rules and regulations adopted pursuant thereto but shall not be subject to the six months' probation period.

Officers, employees of acquired facilities

12132. Whenever any district acquires existing facilities from a publicly or privately owned public utility, whether by proceedings in eminent domain or otherwise, any or all of the officers or employees of such public utility whose duties pertained to the facilities acquired may be appointed to positions in the district's civil service system without examination and certification from a list of eligibles and shall be governed thereafter by this division and the rules and regulations adopted pursuant thereto but shall not be subject to the six months' probation period.

Employees on military leave of absence

12133. If a civil service system is adopted for a district during the period of a leave of absence granted under Section 395.4 of the Military and Veterans Code or similar legislation, the officer or employee shall, on the termination of his leave of absence, be restored to a position in the district's civil service system wherein he shall have the same or equivalent status as of the last working day before his leave of absence began. The officer or employee shall hold that position as if appointed thereto after examination and certification from a list of eligibles, and shall be governed thereafter by the rules and regulations of the civil service system, except that if such officer or employee had held a permanent position with the district for a period of six months continuously next preceding the beginning of his leave of absence, he shall not be subject to the six months' probation period.

Same

12134. Whenever a district acquires existing facilities from a public utility, whether by proceedings in eminent domain or otherwise, any officer or employee of the public utility who left a permanent position with such utility pertaining principally to the facilities acquired in order to perform training and service under the Selective Training and Service Act of 1940 shall be entitled to be appointed to a position with permanent status in the district's civil service under the same conditions as would have governed his right to reinstatement with the public utility under Section 8 (b) of that act if the district had not acquired those facilities.

No civil service status acquired by other officers or employees of the district shall prevent their removal by layoff or transfer from positions to which reinstatement is provided for in this section.

Article 4. Discipline

Removal, etc.

12161. No person employed under civil service provisions of this division or of any rules and regulations adopted pursuant thereto in a permanent position shall be removed, discharged, or suspended except for cause.

Proper causes

12162. Removal or discharge may be made for any of the following causes: incompetence, habitual intemperance, immoral conduct, insubordination, discourteous treatment of the public, dishonesty, or inattention to public service.

Suspension

12163. The department or division head may for disciplinary purposes suspend a subordinate for a period of not exceeding 15 days and suspension shall carry with it a loss of salary for the period of suspension.

Request for hearing

12164. Within five days after the mailing of written notice of removal, discharge, or suspension any employee may file a written request with the general manager for an opportunity to be heard in his own defense.

Hearing committee, notice

12165. When such request is made the general manager shall immediately appoint from officers or assistant officers of the district (other than elected officials), or heads of departments or divisions, a committee of three to hear and determine such charges and shall notify the person accused of the time and place when the charges will be heard by mailing a notice to his last known address.

Hearing, decision, review

12166. The committee shall examine into the case and make such decision as it deems just and may among other things order the employee discharged, suspended, or reinstated. Its order or decision shall be final unless the employee within 10 days after the date of the order requests the general manager to review the order, in which event the general manager may require any additional evidence he deems material, and his order or decision, with or without such additional evidence, shall be final.

Legal rights, remedies

12167. Nothing in the civil service provisions of this division deprives any person of his rights and remedies in a court of competent jurisdiction.

Chapter 5. Retirement System

Article 1. Establishment

Board action

12301. The board may establish a retirement system for the officers and employees of the district and provide for the payment of annuities, pensions, retirement allowances, disability payments, and death benefits or any of them.

Fund

12302. The district may maintain its own retirement fund or may provide for benefits to eligible officers and employees, or their beneficiaries, by means of group insurance or other insurance, or by such means as in the opinion of the board will satisfactorily provide an adequate and sure method of meeting the payments contemplated by the retirement system.

Actuarial report

12303. Before establishing any retirement system the board shall secure a report from a qualified actuary, which shall show the cost of the benefits provided by the system, and the prospective assets and liabilities of the system.

Powers of board

12304. The board may adopt all ordinances and resolutions and perform all acts necessary or convenient to the initiation, maintenance, and administration of the retirement system.

Participation in state system

12305. Nothing in this chapter prevents a district from participating in and making all or part of its employees members of the State Employees' Retirement System by contract entered into between the district and the board of administration of the system under the State Employees' Retirement Law; and the district may perform all acts necessary or convenient for such participation.

Classification of included members

12306. The board may classify and determine the officers and employees who shall be included as members in the retirement system and may change the classification from time to time. Membership of all officers and employees so classified and included in the retirement system is compulsory. The retirement system shall not apply to elective officers.

Article 2. Benefits and Contributions

Terms and conditions

12331. The board may prescribe the terms and conditions upon which the officers and employees of the district or their beneficiaries shall be entitled to benefits and the amounts thereof.

"Prior service"

12332. The retirement allowance may be predicated in part upon service rendered the district by a member prior to the establishment of the retirement system, which service is known as "prior service."

Contributions

12333. The board shall provide that both the district and the members shall contribute to the retirement system, and the contributions by members shall be so fixed as to provide with accumulated interest at least one-half the value of any retirement allowance granted for service, exclusive of any credits allowed for prior service.

Members' contributions

12334. All members of the retirement system shall contribute in the manner and amount fixed by the board and such contributions may be collected by deducting the amounts thereof from the salary, wages, or compensation due such members.

District contributions

12335. Liabilities accruing under the retirement system because of benefits other than such as are the equivalent of contributions by the members, with accumulated interest, shall be met by contributions by the district. Prior service or other

liabilities of the district may be met by annual appropriations instead of by one appropriation for the total of the liabilities; but until the present value of regular contributions for current service, together with assets then available, equals the present value of all allowances and benefits granted or to be granted under the system, the appropriation for any one year when added to any unused balance of any previous appropriations for such purpose shall not be less than the amount disbursed during that year on account of prior service or other liabilities of the district.

Refund to withdrawing member

12336. If any member withdraws from the retirement system prior to retirement the total amount contributed by him with such interest as may be credited thereto shall be returned to him.

Exemption of benefits

12337. All money received by any person as an annuity, pension, retirement allowance, disability payment, or death benefit from the retirement system, and all contributions and interest thereon returned to any member of the retirement system, whether in the actual possession of such person or deposited, loaned, or invested by him, is exempt from execution, garnishment, or attachment and is unassignable.

Article 3. Retirement Board

Members, powers, duties

12361. The board shall create a retirement board of not more than five members, at least two members of which shall be the elected representatives of the employees, to administer the retirement system, and shall define its powers and duties and the tenure of the members.

Compensation

12362. All members of the retirement board shall serve without pay.

Determination of eligibility, conditions, etc

12363. The retirement board shall determine the eligibility of officers, employees, and their dependents to participation in the system and shall be the sole authority and judge under such ordinances as may be adopted by the board as to the conditions under which persons may be admitted to and continue to receive benefits of any sort under the retirement system, and may modify allowances for service and disability. The determination of the retirement board shall be final and conclusive and shall not be modified or set aside except for fraud or abuse of discretion.

Administration of retirement fund

12364. If the district maintains its own retirement fund the retirement board shall have exclusive control of the administration, investment, and disbursement of such fund. Investment of the fund shall be subject to the terms, conditions, limitations, and restrictions imposed by the laws of this State upon savings banks in the making of investments by savings banks, and cash may be deposited in any licensed national bank or banks in this State or in any bank, banks, or corporations authorized or licensed to do a banking business and organized under the laws of this State.

Article 4. Investigation and Penalties

Actuarial valuation, etc

12391. At least once in each four-year period after the establishment of the retirement system the board shall cause to be made an actuarial valuation of the assets and liabilities of the retirement fund, and upon the basis of such investigation and valuation shall make such revision or change of the rates of contribution, the periods and conditions of service, and amounts of retirement allowances as may be necessary.

Interest in investments, etc

12392. Except as herein provided, no member of the board or of the retirement board, nor any member of the retirement system or employee of the district, shall have any interest direct or indirect in the making of any investment or in the gains or profits accruing therefrom, and no such person, directly or indirectly, for himself or as an agent or partner of others, shall borrow any of its funds, nor shall any such person in any manner use the same except to make such current and necessary payments as are authorized by the retirement board, nor shall such a person become an endorser or surety as to, or in any manner an obligor for investments of the retirement fund.

Chapter 6. Powers and Functions of District

Article 1. Corporate Power

Perpetual succession, seal

12701. A district has perpetual succession and may adopt a seal and alter it at pleasure.

Suits

12702. A district may sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

Eminent domain

12703. A district shall have or exercise the right of eminent domain in the manner provided by law for the condemnation of private property for public use. A district may take any property necessary or convenient to the exercise of the powers granted in this division, whether the property is already devoted to the same use or otherwise. In the proceedings, venue, and trial relative to the exercise of the right the district has all the rights, powers, and privileges of an incorporated city and all rights, powers, and privileges conferred in this division. A district shall proceed in the name of the district in condemnation proceedings.

Article 2. Contracts

Power to contract

12721. A district may make contracts and enter into stipulations of any nature whatsoever, either in connection with eminent domain proceedings or otherwise, including, without limiting the generality of the foregoing, contracts and stipulations to indemnify and save harmless, to employ labor, and to do all acts necessary and convenient for the full exercise of the powers granted in this division.

Interest in contracts

12722. Neither the general manager nor any director of the district shall in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board, or in the profits to be derived therefrom. Any violation of this provision is a misdemeanor, and conviction shall work a forfeiture of office. This section has no application to contracts awarded to corporations in which such officer owns less than 1 percent of the entire capital stock.

Article 3. Purchases

Expenditure exceeding $3,000 Bidding

12751. The purchase of all supplies and materials, when the expenditure required exceeds three thousand dollars ($3,000), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before bids are received. The board may reject any and all bids and readvertise in its discretion.

Purchases in open market

12752. If after rejecting bids the board determines and declares by a four-fifths vote of all its members that in its opinion the materials and supplies may be purchased at a lower price in the open market, the board may proceed to purchase the supplies and materials in the open market without further observance of the provisions requiring contracts, bids, or notice.

Public calamity Suspension of restrictions

12753. In case of any great public calamity, such as an extraordinary fire, flood, storm, epidemic, or other disaster, the board may, by resolution passed by a four-fifths vote of all its members declare and determine that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property, and thereupon proceed to expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids, or notice.

Article 4. Property

Power to acquire, hold, sell, etc

12771. A district may take by grant, purchase, gift, devise, or lease, or condemn in proceedings under eminent domain, or otherwise acquire, and hold and enjoy, real and personal property of every kind within or without the district necessary to the full or convenient exercise of its powers. The board may lease, mortgage, sell, or otherwise dispose of any real or personal property within or without the district when in its judgment it is for the best interests of the district so to do. The provisions of this section apply to all sales or mortgages heretofore or hereafter made.

Disposition of records, etc

12772. Whenever the board by resolution determines that any record, map, book, or paper in the possession of the district or any officer or employee thereof is of no further value to the district, the board may authorize its sale, destruction, or other disposition.

Article 5. Utility Works and Service

Acquisition, etc., of works

12801. A district may acquire, construct, own, operate, control, or use, within or without, or partly within or partly without, the district, works or parts of works for supplying the inhabitants of the district and public agencies therein, or some of them, with light, water, power, heat, transportation, telephone service, or other means of communication, or means for the collection, treatment, or disposition of garbage, sewage, or refuse matter, and may do all things necessary or convenient to the full exercise of the powers herein granted. The district may also purchase any of such commodities or services from any other utility district, public agency, person, or private company, and distribute them.

Acceptance of contributions, cooperation with public agencies

12802. A district may accept, without limitation by any other provisions of this division requiring approval of indebtedness, contributions of money, rights of way, labor, materials, and any other property for the construction, maintenance, and operation of any enterprise in which the district is authorized to engage, and may enter into any contracts and cooperate with and accept cooperation from the State, or any department, instrumentality, or agency thereof, or any public agency of the State in the construction, maintenance, and operation of, and in financing the construction, maintenance, and operation of, any such enterprise.

Interference with other public utilities

12803. Except as provided in this division with reference to sewage disposal, a district shall not interfere with or exercise any control over any existing utility owned and operated by any public agency in the district, unless by consent of the legislative body of the public agency and upon such terms as are mutually agreed upon between the board and the legislative body of the public agency.

Sale of surplus products

12804. Whenever there is a surplus of water, light, heat, or power above that which is required by inhabitants or public agencies within a district, the district may sell or otherwise dispose of the surplus outside of the district to persons, firms, and public or private corporations, or public agencies outside the district.

Rental, lease of unused facilities

12805. Whenever any of the facilities, works, or utilities of the district, or part thereof, is not used or employed to its fullest capacity for the benefit or requirements of the district or its inhabitants, the district may enter into an agreement with public agencies or any person, firm, or corporation, upon such terms and conditions as are satisfactory to the board, for renting, leasing, or otherwise using the available portion or parts of the facilities, works, or utilities, and in connection with any such agreement, renting, or leasing the district may undertake or perform any services incidental thereto.

Use by, service to other public agencies in district

12806. The district and any public agencies included therein may at any time enter into appropriate contracts for the use by any such public agencies of commodities or service furnished by any of the works acquired, owned, or operated, or

authorized to be acquired, constructed, or completed by the district, or of any of the facilities of the district.

Sale of by-products

12807. A district may sell or otherwise dispose of any water, sewage effluent, fertilizer, or other by-product resulting from the operation of a sewage disposal system, and may construct, maintain, and operate such pipelines and other works as are necessary for that purpose.

Construction on streets, etc

12808. A district may construct works across or along any street or public highway, or over any of the lands which are the property of the State, and it shall have the same rights and privileges appertaining thereto as are granted to municipalities within the State. The district shall restore any such street or highway to its former state as near as may be, and shall not use it in a manner to unnecessarily impair its usefulness. A district may also construct its works across any stream or watercourse.

Rates and charges

12809. The rates and charges for commodities or service furnished by a district shall be fixed by the board. As far as possible utilities shall be self-supporting but the board is not required to fix a rate which in its opinion is unreasonably high, nor to cover by rates large expenditures and the interest thereon required for future needs and developments.

Same Joint collection

12810. The board may provide that rates, tolls, and charges for any sewage disposal enterprise or service may be collected with the rates, tolls, and charges for any water or other utility service rendered by the district, and that all rates may be billed upon the same bill and collected as one item. If charges for water and sewage disposal service are billed upon the same bill the district may discontinue water service in the event of failure to pay the whole or any part of the bill.

Same Manner of collection

12811. The board may provide for the collection of fees, tolls, rates, rentals, or other charges in any lawful manner and may provide for collection by action at law, and any and all remedies for the collection and enforcement of all fees, tolls, rates, rentals, or other charges shall be cumulative and may be pursued alternatively or consecutively as the board may determine. In addition to the fees, tolls, rates, rentals, or other charges, the board may provide for a penalty of not more than 10 percent in the event of nonpayment within the time and in the manner prescribed by the board, and may provide for collection of the penalty.

Apportionment of expenses of sewage facilities

12812. The board may apportion all or a portion of the expenses of operation and maintenance of any sewage disposal facilities constructed by the district, and the interest on any bonds issued therefor, among the public agencies whose sewers are connected with district facilities. The board shall establish rules for determining the apportionment, which among other things shall be based on the quantity, quality, or characteristics of the sewage delivered by each public agency.

Financing of sewage disposal enterprise

12813. Notwithstanding any of the provisions of this article, the board may, in its discretion, finance any sewage disposal enterprise, the interest on and retirement of any bonded

indebtedness therefor, and provide for the maintenance and operation thereof entirely by the levy and collection of taxes upon the property within the special district for which the enterprise is constructed or operated, or by rates and charges imposed upon the users of the facilities of the enterprise, or by both taxes, rates, and charges, apportionment of expenses among public agencies served, or any combination of the foregoing.

Article 6. Indebtedness

Incurring indebtedness

12841. A district may borrow money and incur indebtedness, and may issue bonds or other evidences of indebtedness. No indebtedness shall be incurred exceeding the ordinary annual income and revenue of the district without the approval of a two-thirds vote of the voters voting on the proposition to incur such indebtedness except as follows:

(a) A further vote of the voters is not required for any indebtedness heretofore or hereafter incurred within the purposes and not exceeding the available amount of any previously authorized bond issue, and as to such indebtedness the proceeds of any of the bonds unexpended in the treasury of the district, or the par value of any of the bonds which are unsold shall be deemed a part of the ordinary annual income and revenue of the district.

(b) Any district operating a utility under rules requiring applicants for extensions to advance the expenses of such extensions and facilities for serving additional territory may enter into agreements to refund to the applicants in a subsequent year the whole or any part of the expenses so advanced, and the refunds may be paid out of the revenues of subsequent years.

Debt limit

12842. No district shall incur an indebtedness for public works which in the aggregate exceeds 20 percent of the assessed value of all the real and personal property within the district.

Same: Exclusion of self-supporting utility

12843. Indebtedness which has been incurred for the construction and operation of a public utility, where the revenue from the utility for three years or more next preceding has been sufficient to pay the interest and principal due on any bonds issued for its construction or acquisition, in addition to the cost of operation and maintenance, shall not be counted and included in ascertaining the limit of indebtedness, and any indebtedness incurred for the construction or operation of a public utility within any special district shall be excluded in ascertaining the aggregate indebtedness specified in Section 12842.

Federal aid

12844. A district may accept, without limitation by any other provisions of this division requiring approval of indebtedness, contributions or loans from the United States, or any department, instrumentality, or agency thereof, for the purpose of financing the construction, maintenance, and operation of any enterprise in which the district is authorized to engage, and may enter into contracts and cooperate with, and accept cooperation from, the United States, or any department, instrumentality, or agency thereof, in the construction, maintenance, and operation, and in financing the construction, maintenance,

and operation, of any such enterprise in accordance with any legislation which Congress may have heretofore adopted or may hereafter adopt, under which aid, assistance, and cooperation may be furnished by the United States in the construction, maintenance, and operation or in financing the construction, maintenance, and operation of any such enterprise. A district may do any and all things necessary in order to avail itself of such aid, assistance, and cooperation under any federal legislation now or hereafter enacted. Any evidence of indebtedness issued under this section shall constitute a negotiable instrument.

Financing office building, warehouse

12845. Any district operating utility works and having a population of not more than 500,000 may accept, without limitation by any other provisions of this division requiring approval of indebtedness, loans from any person, firm, or corporation for the purpose of financing the construction of an office building and a warehouse for the district, and the acquisition of sites therefor, with appurtenances necessary or convenient thereto. The evidence of the district's indebtedness shall constitute a negotiable instrument.

As used in this section, "construction" includes the meaning of "reconstruction," "repair," "improve," "remodeling," "rehabilitation," and "completion."

Same Cost exceeding $2,000

12846 Whenever the cost of construction of any office building or warehouse of the district constructed under Section 12845 exceeds the sum of two thousand dollars ($2,000), the district shall adopt plans and specifications and working details, as may be proper, and shall advertise for bids for such work in accordance with the plans and specifications so adopted. All bidders shall be afforded an opportunity to examine such plans and specifications and the district shall award the contract to the lowest responsible bidder. The person or corporation to whom the contract is awarded shall be required to execute a bond, not to exceed 25 percent of the contract price, for the faithful performance of the contract. The form of the bond shall be approved by the board of directors. In cases of great emergency and when necessary to protect life and property, the board of directors, by unanimous vote of all members present, may without advertising for bids therefor, have the work done by day labor.

Article 7. Investments

Permissible investments

12871. A district may invest any surplus money in its treasury, including money in any sinking fund, in any of the following:

(a) Its own bonds, whether issued on behalf of the entire district or any special district.

(b) Treasury notes, certificates of indebtedness, bills, bonds of the United States, or any other evidence of indebtedness secured by the full faith and credit of the United States.

(c) Obligations issued pursuant to the Federal Home Loan Bank Act or the National Housing Act.

(d) Treasury notes or bonds of this State, or of any public corporation, municipal corporation, public district, or political subdivision within this State which are legal as security for the deposit of public funds.

Direct or subsequent purchase

12872. Such investment may be made by direct purchase of any issue of such bonds, treasury notes, or obligations, or part thereof, at the original sale or by the subsequent purchase of the bonds, treasury notes, or obligations.

Sale, reinvestment

12873 Any bonds, treasury notes, or obligations purchased and held as investments by the district may from time to time be sold and the proceeds reinvested in bonds, treasury notes, or obligations as provided in this article.

Application of proceeds

12874. Sales of any bonds, treasury notes, or obligations purchased and held by the district shall from time to time be made in season so that the proceeds may be applied to the purposes for which the money with which the bonds, treasury notes, or obligations were originally purchased was placed in the treasury of the district.

Article 8. Taxation

Power, purpose of tax

12891. A district may levy, and collect or cause to be collected, taxes for any lawful purpose.

Insufficient revenues

12892. If, in the opinion of the board, the revenues will not be sufficient for any and all lawful purposes the board shall levy a tax for such purpose or purposes and fix the amount of money necessary to be raised therefor by taxation.

Bond principal and interest

12893. The board shall, at the time of fixing the general tax levy and in the manner provided for the general tax levy, levy and collect annually until the district's bonds are paid, or until there is a sum in the treasury of the district set apart for that purpose to meet all sums coming due for principal and interest on the bonds, a tax sufficient to pay the annual interest on the bonds and such part of the principal thereof as becomes due before the time for fixing the next general tax levy. If the maturity of the indebtedness created by the issue of bonds begins more than one year after the date of the issuance thereof, the tax shall be levied and collected annually at the time and in the manner aforesaid, sufficient to pay the interest on the indebtedness as it falls due and to constitute a sinking fund for the payment of the principal on or before maturity.

Same In addition to other taxes

12894. The taxes required to be levied and collected on account of interest, principal, and sinking fund of district bonds shall be in addition to all other taxes levied for district purposes, and shall be collected at the time and in the same manner as other district taxes are collected, and be used for no other purpose than the payment of the bonds and accruing interest.

Revenue bonds

12895. Nothing in this division prevents the issuance of revenue bonds by a district for the entire district or any special district created therein under any provision of law permitting the issuance of revenue bonds by municipal utility districts.

Tax sale, etc.

12896. The board may provide for the assessment, levy, and collection of taxes by the district, including the sale of property to the district for delinquent taxes, with penalties, interest, and cost.

Assessment, etc., by county officers

12897. The board may elect to avail itself of the assessments made by the assessors of the counties in which the district is situated, and of the assessments made by the State Board of Equalization for those counties, and may take such assessments as the basis for district taxation and have its taxes collected by the county officials if the board declares its election so to do by resolution or ordinance and files a certified copy of the resolution or ordinance on or before the first day of August with the auditors of the counties in which the district is situated. Thereafter, each year and until otherwise provided by the board, all assessments shall be made for the district by the State Board of Equalization and the county assessors, and all taxes shall be collected for the district by the tax collectors, of the counties in which the district is situated.

(Amended by Stats 1951, Ch. 1632.)

[ORIGINAL SECTION]

12897. The board may elect to avail itself of the assessments made by the assessors of the counties in which the district is situated, and may take such assessments as the basis for district taxation and have its taxes collected by the county officials if the board declares its election so to do by resolution or ordinance and files a certified copy of the resolution or ordinance on or before the first day of August with the auditors of the counties in which the district is situated. Thereafter, each year and until otherwise provided by the board, all assessments shall be made and taxes collected for the district by the county assessors and tax collectors of the counties in which the district is situated.

Same
Transmission of statement to board

12898. In such case the county auditor shall, on or before the third Monday in August of each year, transmit to the board a statement in writing showing the total value of all property within the district, ascertained from the assessments referred to in Section 12897 as equalized.

(Amended by Stats. 1951, Ch. 1632.)

[ORIGINAL SECTION]

12898. In such case the county auditors shall, on or before the second Monday in August of each year, transmit to the board a statement in writing showing the total value of all property within the district, ascertained from the county assessment books for that year as equalized and corrected by the boards of supervisors.

Rate of taxes

12899. In case the board elects to avail itself of the assessments referred to in Section 12897 it shall, on or before the first week day in September, or if such week day falls upon a holiday then on the first business day thereafter, fix the rate of taxes, designating the number of cents upon each hundred dollars, using as a basis the value of property transmitted to the board by the county auditors, which rate of taxation shall be sufficient to raise the amount previously fixed by the board. These acts by the board shall constitute a valid assessment of the property and a valid levy of the taxes so fixed.

(Amended by Stats. 1951, Ch. 1632.)

[ORIGINAL SECTION]

12899. In case the board elects to avail itself of county assessments it shall, on or before the first week day in September, or if such week day falls upon a holiday then on the first business day thereafter, fix the rate of taxes, designating the number of cents upon each hundred dollars, using as a basis the value of property as assessed by the county assessors and returned to the board by the county auditors, which rate of taxation shall be sufficient to raise the amount previously fixed by the board. These acts by the board shall constitute a valid assessment of the property and a valid levy of the taxes so fixed.

Same
Transmission to county auditor

12900. The board shall immediately after fixing the rate of taxes as above provided transmit to the county auditors of the counties in which the district is situated a statement of the rate of taxes fixed by the board.

(Amended by Stats. 1951, Ch. 1632.)

[ORIGINAL SECTION]

12900. The board shall immediately after fixing the rate of taxes based on county assessments transmit to the county auditors of the counties in which the district is situated a statement of the rate of taxes fixed by the board.

Collection of taxes

12901. The district's taxes so levied shall be collected at the same time and in the same manner as county taxes. When collected the net amount, ascertained as provided in this article, shall be paid to the treasurer of the district, under the general requirements and penalties provided by law for the settlement of other taxes.

Proceeds of redemption

12902. Whenever any real property situate in any district which has availed itself of the provisions of Section 12897 has been sold for taxes and has been redeemed, the money paid for redemption shall be apportioned and paid to the district by the county treasurers receiving it in the proportion which the tax due to the district bears to the total tax for which the property was sold.

Compensation to county

12903. The compensation to be charged by and paid to any county for the performance of services under this article shall be fixed by agreement between the board of supervisors of the county and the board. The compensation shall in no event exceed one-half of 1 percent of all money collected for the district. The compensation collected by the county shall be placed to the credit of the county salary fund.

Lien for taxes

12904. All taxes levied under this division are a lien on the property on which they are levied. Unless the board has by ordinance otherwise provided, the enforcement of the collection of such taxes shall be in the same manner and by the same means provided by law for the enforcement of liens for county taxes, all the provisions of law relating to the enforcement of the latter being made a part of this division, so far as applicable.

CHAPTER 7. BONDS

Article 1. Issuance

Purposes

13201. A district may from time to time incur a bonded indebtedness as provided in this chapter to pay the cost of acquiring, constructing, or completing the whole or any portion

of any utility or works referred to in this division, or for acquiring any works, lands, structures, rights, or other property necessary or convenient to carry out the objects, purposes, or powers of the district.

Special bond election Resolution of board

13202. Whenever the board by resolution passed by vote of two-thirds of all its members determines that the public interest or necessity demands the acquisition, construction, or completion by the district of any public utility or utilities referred to in this division or any works, lands, structures, rights, or other property necessary or convenient to carry out the objects, purposes, or powers of the district, the cost of which will be too great to be paid out of the ordinary annual income and revenue of the district, it may at any subsequent meeting of the board provide for the submission of the proposition of incurring a bonded indebtedness for the purpose set forth in the resolution to the voters of the district at a special bond election held for that purpose.

Same Petition of voters

13203. In lieu of a resolution passed by the board, proceedings for the issuance of bonds for the purposes provided in this chapter may be initiated by petition of the voters of the district.

Petition Examination, verification, certification

13204. Whenever any petition signed by voters within the district equal in number to at least 15 percent of the total vote cast is presented to the board asking for the acquisition, construction, or completion of the whole or any portion of any utility or works referred to in this division or for acquiring any works, lands, structures, rights, or other property necessary or convenient to carry out the objects, purposes, or powers of the district, and also asking that a bonded indebtedness be incurred to pay for the cost thereof, the secretary of the district shall immediately examine and verify the signatures of the petition and certify the result of the examination to the board

Transmission to board

13205. If the required number of signatures is found to be genuine, the secretary shall transmit to the board an authentic copy of the petition without the signatures.

Election

13206. Upon receiving a petition with the certificate of the secretary stating that it contains the required number of signatures, the board shall formulate for submission to the voters of the district at a special bond election called for that purpose the proposition of incurring a bonded indebtedness for the purposes set forth in the petition. In its discretion the board may defer the calling of the election until the next general election to be held in the district in order to consolidate them.

Same Contents of ordinance

13207. The ordinance calling a special bond election shall fix the date on which the election will be held, and the manner of holding the election and of voting for or against incurring the indebtedness. It shall also recite the objects and purposes for which the indebtedness is proposed to be incurred, the estimated cost of the utility, works, lands, structures, rights, or other property proposed to be acquired, constructed, or completed, the amount of the principal of the indebtedness to be incurred therefor, and the maximum rate of interest to be paid

on the indebtedness, which shall not exceed 6 percent per annum, payable semiannually. If, however, the rate of interest to be paid on the indebtedness does not exceed 4½ percent per annum, payable semiannually, the rate of interest need not be recited in the ordinance.

More than one project

13208. Propositions for incurring indebtedness for more than one object or purpose may be submitted at the same election.

Consolidation with other elections

13209. Any special bond election may be held separately, or may be consolidated with any other election authorized by law at which the voters of the district may vote. If a special bond election is consolidated with any other election, the provisions of this chapter setting forth the procedure for the calling and holding of the special bond election shall be complied with, except that the ordinance calling the election need not set forth the election precincts, polling places, and officers of election, but may provide that the precincts, polling places, and officers of election shall be the same as those set forth in the ordinance, notice, or other proceedings calling the election with which the special bond election is consolidated, and shall refer to the ordinance, notice, or other proceedings by number and title, or by other definite description.

Notice of election

13210. The ordinance shall be published, and no other notice of election need be given.

Two-thirds vote

13211. The votes of two-thirds of all the voters voting on the proposition at the election are required to authorize the issuance of bonds under this chapter.

Defeat of proposition Subsequent election

13212. If the proposition submitted at a special bond election fails to receive the requisite number of votes, the board shall not within six months after the election hold another special election for the submission of a proposition of incurring a bonded indebtedness substantially the same as the proposition voted upon at the prior election unless a petition signed by voters within the district equal in number to at least 15 percent of the total vote cast is filed with the board, requesting that the proposition, or a proposition substantially the same, be submitted at an election to be called for that purpose.

Article 2. Form and Content

Maturity

13241. Bonds authorized by this chapter shall mature serially in amounts to be fixed by the board; except that payment shall begin not later than 10 years from the date thereof and be completed in not more than 50 years from that date.

Denominations

13242. The bonds shall be issued in such denominations as the board determines, except that no bonds shall be of a denomination less than one hundred dollars ($100), nor of a greater denomination than one thousand dollars ($1,000), and shall be payable on the day and at the place or places fixed in the bonds, and with interest at the rate specified therein, payable semiannually.

Call and redemption

13243. The board may at any time prior to the issuance and sale of any bonds provide for the call and redemption of any or all of the bonds on any interest payment date prior to their fixed maturity at not exceeding the par value and accrued interest plus a premium of not exceeding 5 percent upon the principal amount of the bonds, in which event the call price fixed by the board shall be set forth on the face of the bond. Notice of such redemption shall be published once a week for three successive weeks in a newspaper of general circulation printed and published within the district or if there is no such newspaper printed and published within the district then the publication shall be made in a newspaper of general circulation printed and published within the county in which the district or any part thereof is situated, the first publication of which shall be at least 30 days prior to the date fixed for the redemption. After the date fixed for such redemption interest on the bonds thereafter shall cease.

Signatures

13244. The bonds shall be signed by the president of the board or by such officer of the district as the board shall by resolution authorize and designate for that purpose. They shall also be signed by the treasurer, and be countersigned by the secretary. The coupons of the bonds shall be numbered consecutively and be signed by the treasurer. All signatures and countersignatures, except that of the treasurer on the bonds, may be printed, lithographed, or engraved. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before the delivery of the bonds to the purchaser, the signature or countersignature is nevertheless valid and sufficient for all purposes as if he had remained in office until the delivery of the bonds.

Article 3. Issue and Sale

Consideration for issue

13261. The bonds may be issued and sold for not less than their par value, but otherwise as the board determines.

Deposit and use of proceeds

13262. The proceeds of the bonds shall be placed in the district treasury to the credit of the proper fund, and shall be used exclusively for the objects or purposes for which the bonds were voted.

Interest during construction, etc

13263. In lieu of the immediate levy of a tax to pay the interest or any part thereof on any bonded indebtedness incurred in accordance with this division, the board may in the estimate of the amount of money necessary to be raised by the bonds include a sum sufficient to pay interest on all of the bonds or part thereof during the period of acquisition, construction, or completion, but for no period in excess of five years.

Article 4. Refunding

Resolution to refund

13281. Whenever the board by resolution passed by a vote of two-thirds of all its members determines that the refunding of the whole or any portion of the bonded indebtedness will be of advantage to the district the board may refund the bonded

indebtedness or any portion thereof and issue refunding bonds of the district therefor.

Effect of issuance, vote, redemption

13282. The issuance of refunding bonds shall not be construed as the incurring or increase of an indebtedness within the meaning of this division, and the approval of the voters is not required for the issuance of refunding bonds. The board may provide for the call and redemption of any or all of the bonds on any interest payment date prior to their fixed maturity in the ordinance authorizing the issuance of the refunding bonds.

Provisions applicable

13283. Except as otherwise provided, the provisions of this chapter shall substantially govern as to all matters pertaining to the issuance of refunding bonds, including and without limiting the generality of the foregoing, the form, execution, issuance, maturity, redemption, refunding, validation, the payment of interest from bond funds, and the status of the bonds as investments.

Property taxable

13284. Only the property in a special district is taxable for the payment of the principal and interest on any refunding bonds which are issued for the purpose of refunding any indebtedness of a special district.

Interest, maturity

13285. Refunding bonds shall bear interest at a rate not exceeding the interest rate on the refunded bonds, but payment of the refunding bonds shall begin not later than one year from the date thereof and be completed in not more than 40 years from that date.

Use of proceeds

13286. The proceeds of the sale of refunding bonds shall be applied only to the purchase, or retirement at not more than par and accrued interest, or the call price, of the bonded indebtedness for which the refunding bonds were issued.

Exchange of bonds

13287. In lieu of selling refunding bonds and using the proceeds to purchase or retire the bonds to be refunded, the board may exchange refunding bonds at not less than par and accrued interest for the bonds so refunded.

Surrender, cancellation of refunded bonds

13288. Whenever outstanding bonds are refunded they shall be surrendered to the treasurer of the district, who shall cancel them by endorsing on their face the manner in which the refunding was effected (whether by exchange or purchase, and the amount for which so purchased, if any) and by perforating through each bond and each coupon attached thereto the word "canceled" together with the date of cancellation.

Article 5. Status as Investments

Legal investments

13311. All bonds including refunding bonds issued by a district are legal investments for all trust funds and for the funds of all insurance companies, banks, both commercial and savings, and trust companies, and for the State School Fund, and for all sinking funds under the control of the State Treasurer. Whenever any money or funds may by law be invested in or loaned upon the security of bonds of cities, cities and counties, counties, or school districts, in the State, such money or funds may be invested in or loaned upon the security

of the bonds of a district; and whenever bonds of cities, cities and counties, counties, or school districts by law may be used as security for the faithful performance or execution of any court or private trust or of any other act, bonds of the district may be so used.

Legal security

13312. All bonds of the district, to the same extent as bonds of any other municipality, are legal for use by any state or national bank or banks in the State as security for the deposit of funds of the State or of any county, city and county, city, municipality, or other public or municipal corporation within the State.

Article 6. Validation

Action to determine validity of bonds

13341. The board may at any time within 60 days from the date of an election authorizing the issuance of bonds or within 60 days from the date of the resolution authorizing the issuance of refunding bonds cause to be brought in the name of the district an action in the superior court of the county in which the district or the greater portion thereof is located to determine the validity of the bonds.

Proceeding in rem

13342. The action shall be in the nature of a proceeding in rem, and jurisdiction of all parties interested may be had by publication of summons for at least once a week for three weeks in some paper of general circulation published in the county where the action is pending, such paper to be designated by the court having jurisdiction of the proceedings.

Jurisdiction, appearances

13343. Jurisdiction is complete within 10 days after the full publication of the summons in the manner herein provided. Anyone interested may at any time before the expiration of the 10 days appear and by proper proceedings contest the validity of the bonds.

Consolidation of actions

13344. If there is more than one action or proceeding involving the validity of any such bonds, they shall be consolidated and tried together.

Substantial rights of parties

13345. The court hearing any proceeding or action inquiring into the regularity, legality, or correctness of the proceedings leading up to the issuance of bonds or the validity of bonds shall disregard any error, irregularity, or omission which does not affect the substantial rights of the parties to the action or proceeding.

Rules of pleading and practice, new trial, costs

13346. The rules of pleading and practice provided by the Code of Civil Procedure which are not inconsistent with the provisions of this division, are applicable to all actions or proceedings herein provided for. The motion for a new trial of any such action or proceeding shall be heard and determined within 10 days from the filing of the notice of intention. The costs on any proceeding or action herein provided for may be allowed and apportioned between the parties, or taxed to the losing party in the discretion of the court.

Conduct, appeal

13347. The action shall be speedily tried and judgment rendered declaring the bonds valid or invalid. Either party may appeal to the Supreme Court at any time within 30 days

after the rendition of judgment, which appeal shall be heard and determined within three months from the time of taking the appeal.

13348. After the expiration of 90 days from the date of a bond election or the date of the resolution authorizing the issuance of refunding bonds, no action may be brought by any person to contest or question the validity of the bonds and the proceedings thereto. Limitation

Chapter 8. Special District for Sewage Disposal

Article 1. Proposal of Formation

13451. One or more special districts for sewage disposal purposes may be created within the boundaries of a district as provided in this chapter. Authorization

13452. Resolutions shall first be passed by the legislative bodies of half or more, but of not less than two, of the public agencies, all or any part of the area of which it is intended to include in the proposed special district, declaring that the public interest or necessity demands the creation of a special district for sewage disposal purposes and describing its boundaries. The boundaries of the proposed special district may include territory outside any such public agency if the territory is within the area of the municipal utility district. When the entire area of any public agency is to be included in the special district it may be described in the resolutions by name. Certified copies of the resolutions shall be filed with the secretary of the district. Initiation by public agencies in district

13453. Instead of procedure by resolutions, a petition may be filed with the secretary of a district signed by voters within the proposed special district equal in number to at least 10 percent of the total vote cast. The boundaries of the proposed special district shall be described in the petition and shall include at least two public agencies or portions thereof. A statement of the name of any public agency constitutes a sufficient and legal description of the territory thereof if the entire area of the agency is included. Petition in lieu of resolution

13454. The petition shall declare that the public interest or necessity demands the creation of a special district for sewage disposal purposes within the area of the district described in the petition. The petition may be on separate papers, but each paper shall contain the affidavit of the party who circulated it, certifying that each name signed thereto is the true signature of the person whose name it purports to be. Petition Content, form

13455. The secretary of the district shall compare the signatures with the affidavits of registration and shall certify to the sufficiency or insufficiency of the petition. Same Sufficiency

13456. The board may initiate proceedings for the creation of a special district for sewage disposal purposes within the area of the district by passing a resolution declaring that the public interest or necessity demands the creation of a special district Initiation by board resolution

for sewage disposal purposes, and describing its boundaries, which shall include all or any part of two or more public agencies. A public agency to be included may be described by name. No certified copy of the resolution need be filed with the secretary of the district.

Article 2. Hearing

Resolution re name of district, time and notice of hearing

13481. Within 60 days after receipt of the resolutions of the public agencies or receipt of the certification of the sufficiency of a petition by the secretary of the district, or the passage of the resolution of the board, the board shall, by resolution, designate the special district as "_____ (here insert name) Municipal Utility District, Special District No. _____ (here insert number)" (all such special districts shall be numbered consecutively) and shall fix a time and place for a hearing on the proposed creation of the special district for sewage disposal purposes, and shall publish notice thereof.

Publication of notice

13482. The notice of hearing shall be published once in a newspaper of general circulation published in the district.

Time of hearing

13483. The time fixed for the hearing shall be not less than 30 nor more than 60 days from the date of the first publication of the notice.

Hearing

13484. At or before the hearing, any person interested may file with the secretary of the district written objections to the creation of the special district or to the inclusion of his property therein. Upon the hearing the board shall hear and determine all protests and objections. The hearing may be adjourned from time to time by the board without further notice other than an order to be entered upon the minutes of its meeting fixing the time and place of the adjournment.

Boundary change

13485. The board may reduce or enlarge the boundaries of the proposed special district, but the boundaries as enlarged shall be within the district.

Notice re inclusion of additional territory

13486. The board shall not approve the creation of a special district containing territory in addition to the territory included in the resolutions or petitions filed with the secretary of the district, or in its own resolution, until notice of its intention to include such additional territory has been published for the time and in the manner prescribed for the original hearing on the matter and a hearing is had pursuant to the notice.

Inclusion of public agency

13487. No public agency or portion thereof shall be included within the boundaries of a special district unless its legislative body consents by resolution, or unless the proceedings for the creation of the special district have been initiated by petition of the voters.

Approval by board

13488. If no protests are filed, or if the protests filed are overruled and denied by the board, the board shall thereupon by resolution approve the creation of the special district either as originally described or as revised by the board.

Article 3. Election

Creation, incurrence of bonded indebtedness

13511. At any time after the board has approved the creation of the proposed special district, and fixed its boundaries, the board shall call and publish notice of an election within the proposed special district for the purpose of determining whether the proposed special district will be created and, if the board so determines, for the submission of a proposition for incurring a bonded indebtedness for the acquisition, construction, or completion by the district of any works, lands, structures, rights, or any other property necessary or convenient for the collection, treatment, or disposition of sewage matter for the special district. If the board determines that no bonded indebtedness is presently necessary, the board may call the election for the creation and establishment of the special district only, and a bond election may later be called.

Voters, consolidation of elections

13512. No person is entitled to vote at the election unless he is a voter of the territory included in the proposed special district. The election may be held on the same day as any other state, county, or city election and may be consolidated therewith.

Bond proposition canvass, vote

13513. If a proposition for incurring a bonded indebtedness is submitted at the same election with the proposal to create the special district, the votes cast on the proposition of incurring a bonded indebtedness shall be separately canvassed in the special district as a whole. The favorable vote of two-thirds of all the voters voting on the proposition of issuing bonds within the special district as finally established is required to authorize the issuance of the bonds.

Article 4. Establishment

Creation proposition canvass, vote

13531. On the question of the creation of a special district, the returns of each public agency and of each parcel of unincorporated territory shall be canvassed separately, and the board shall order and declare the special district created and established if in each public agency and if in each parcel of unincorporated territory a majority of those who voted on the proposition of creating the special district voted in favor thereof.

Taxing subdivision

13532. A special district has no separate corporate existence but shall be deemed to be a taxing subdivision of the district.

Article 5. Powers and Functions

Rules, charges, etc., re connections

13561. Connections of all sewers within the special district to intercepting sewers of the district shall be made at such points and in such manner and under such rules, regulations, terms, charges, and conditions as the board may prescribe.

Intercepting and outfall sewers

13562. Nothing in this division shall require the district to construct any sewers other than intercepting and outfall sewers. The determination by the board of what are intercepting and outfall sewers within the meaning of this division is final and conclusive.

Disposal facilities

13563. Upon completion of sewage disposal facilities for any special district all sewage and industrial waste originating within the special district shall be disposed of through the sewage disposal facilities of the district.

Contracts with public agencies

13564. Without limiting in any way the foregoing provisions of this division, the respective public agencies within the district and the district may contract regarding the collection, treatment, or disposition of sewage.

Utilities deemed owned, operated by district

13565. Each utility which a district is authorized to acquire, construct, own, operate, control, or use pursuant to this division shall be considered to be a utility owned and operated by the district even though service therefrom is limited to a special district created as provided in this division.

Article 6. Financing

Advancements

13591. The board may use temporarily any district funds for the payment of any costs or expenses incident to the proposed or actual creation of a special district for sewage disposal purposes or the acquisition, construction, or completion of any works, lands, structures, rights, or other property necessary or convenient for the collection, treatment, or disposition of sewage matter for the special district or incident to the operation or maintenance of the special district.

Same Tax to repay

13592. The board shall recover all district funds advanced under this article by means of taxes levied upon all property within the special district or from any appropriate funds or revenues of the special district; but nothing in this section shall compel reimbursement if the tax required therefor would amount to less than one mill ($0.001) on each one hundred dollars ($100) of assessed value of the property within the special district.

Effect of article

13593. Nothing in this article limits the general powers of a district with reference to sewage disposal.

Article 7. Bonds

Election

13621. At any time after the creation of a special district a proposition of incurring bonded indebtedness for the acquisition, construction, or completion by the district of any works, lands, structures, rights, or any other property necessary or convenient for the collection, treatment, or disposition of sewage matter for the special district may be submitted.

Applicability of Ch 8

13622. Except as otherwise provided herein the provisions of Chapter 8 shall substantially govern as to all matters pertaining to the issuance of bonds under this article, including among other things, and without limiting the generality of the foregoing, the calling and holding of the bond election, the form, execution, issuance, maturity, redemption, refunding, validation, the payment of interest from bond funds and the status of the bonds as investments.

Two-thirds vote

13623. The favorable vote of two-thirds of all the voters within the special district voting on the proposition is required to authorize the issuance of the bonds.

Taxable property, amount of levy

13624. Only the property in the special district shall be taxable for the payment of the principal and interest on special district bonds. Until the bonds are paid, taxes shall be levied in substantial compliance with Section 12893.

Action re validity Limitation

13625. Any proceeding denying the validity of the creation of any special district, or of any bonds authorized by the voters thereof pursuant to this division, shall be brought within three months after the date upon which the applicable proposition is approved by the voters.

Article 8. Annexation

Authorization

13651. Any public agency or portion thereof or unincorporated territory within the boundaries of a district (hereinafter referred to collectively as "territory") not included within the boundaries of a special district may be annexed thereto in the manner provided in this article.

Resolution, terms, etc

13652. The board shall by resolution determine that the annexation of the territory will facilitate the acquisition or operation of a public utility for the special district, describe therein the territory, declare its intention to annex the territory to the special district, set forth the terms and conditions upon which the territory shall be annexed, fix the time and place for hearing on the question of the annexation, and provide for the giving of notice of the hearing.

Consent of public agency

13653. No public agency or portion thereof shall be annexed to a special district unless the legislative body thereof shall by resolution consent.

Permissible terms and conditions

13654. The terms and conditions for the annexation of territory to a special district may provide, among other things, for the payment of taxes within the territory to be annexed in addition to the taxes elsewhere in this division provided for, the fixing of rates, rentals, and charges differing from those fixed or existing elsewhere within the special district, the making of a payment or payments, or the transfer of property, real and personal, and other assets to the district by the territory proposed to be annexed.

Hearing Notice

13655. Notice fixing the time and place for hearing on the question of the annexation of territory to a special district shall be published once in a newspaper of general circulation published in the district.

Same Time

13656. The time for hearing shall be not less than 30 nor more than 60 days from the date of the first publication of the notice.

Same Objections

13657. At or before the hearing any person interested may file with the secretary of the district written objections to the annexation of the territory to the special district or to the inclusion of his property therein. Upon the hearing, the board shall hear and determine all protests and objections.

Same Adjournment, declaration

13658. The hearing may be adjourned from time to time by the board without further notice other than an order entered upon the minutes of its meeting fixing the time and place of adjournment. In the event that no protests are filed or the protests filed are overruled and denied the board shall thereupon by resolution declare the territory, or a portion thereof, annexed to the special district.

Annexation complete

13659. From and after the date of filing of the resolution with the secretary of the district the annexation of the territory, or portion thereof, to the special district is complete.

Effect of annexation

13660. No annexation to a special district shall operate to dissolve or terminate the legal existence of any public agency within or partly within the territory annexed.

Liability of annexed territory

13661. From and after the date of annexation any territory annexed to a special district is liable for payment of its proportionate share of any indebtedness then existing and payable by the special district. From and after the date of annexation the board shall levy upon all of the property in the territory annexed such taxes, tolls, or charges as are necessary to comply with the terms and conditions of annexation, in addition to any other district taxes authorized elsewhere in this division to be levied and collected.

Article 9. Dissolution

Requirements, effect

13691. A special district may be dissolved by resolution of the board if any proposition for the incurring of a bonded indebtedness fails to carry, and if the special district is then subject to no other indebtedness or liability pursuant to this division and has been organized for not less than two years. Such dissolution of the special district shall not prevent subsequent proceedings for the creation of a special district including the same or any part of the area of the special district dissolved.

Chapter 9. Annexation of Public Agencies

Article 1. Annexation Agreement

Authorization

13801. Any public agency not included within the boundaries of a district may be annexed thereto in the manner provided in this chapter.

Terms, conditions

13802. The legislative body of the public agency proposed to be annexed shall agree in writing with the board upon the terms and conditions of annexation, which agreement (among other things) may provide for the levy and collection of special taxes within the public agency in addition to the taxes elsewhere in this division provided for, the fixing of rates, rentals, and charges differing from those fixed or existing elsewhere within the district, the incurring or assumption of indebtedness, or the making of a payment or payments, or the transfer of property, real and personal, and other assets to the district by the public agency. The corporate boundaries of the public agency to be annexed need not be coterminous with any election precincts.

Article 2. Approval by District

Approval

13821. The agreement shall become effective and be binding upon the district and the public agency when approved in the manner set forth in this chapter.

The board shall by ordinance setting forth the agreement at length declare its intention of causing it to be executed by the district.

Publication of ordinance, notice of hearing

13822. The ordinance, together with a notice fixing the time and place for hearing thereon, shall be published once in a newspaper of general circulation published in the district. The time fixed for the hearing shall be not less than 30 nor more than 60 days from the date of the first publication of the ordinance.

Hearing Objections

13823. At the hearing any person interested may file with the board written objections to the execution of the agreement.

Same Determination, effect of failure to show cause

13824. Upon the hearing the board shall determine whether or not the agreement will be carried into execution and shall hear and determine all objections thereto. Failure of any person interested in the district or in the matter of the proposed execution of the agreement to show cause in writing pursuant to Section 13823 constitutes an assent on his part to a change in the boundaries of the district and to the execution of the agreement.

Same Adjournment

13825. Any hearing on the agreement may be adjourned from time to time by the board without further notice other than an order to be entered upon the minutes of the meeting fixing the time and place of adjournment.

Approval

13826. If no protests are filed or if the protests filed are overruled and denied the board shall thereupon by resolution finally approve the agreement and authorize its execution, which shall become effective when executed by the public agency, duly authorized in the manner provided in this chapter.

Execution, filing of agreement

13827. When executed by the district the agreement shall be dated and an executed copy filed with the secretary of the district. An executed copy shall also be filed with the secretary or clerk of the public agency to be annexed.

Article 3. Approval by Public Agency

Election

13851. At any time after the board has finally approved the agreement of annexation the legislative body of the public agency to be annexed shall cause an election to be held in the public agency to determine whether the public agency will be annexed to the district upon the terms and conditions stated in the agreement.

Notice

13852. Notice of election shall be published and shall either state that a copy of the annexation agreement is on file in the office of the secretary or clerk of the public agency proposed to be annexed, and open to the inspection of all persons interested, or set forth the terms and conditions of the agreement of annexation at length, in the discretion of the legislative body calling the election.

Ballots

13853. The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and in addition shall set forth the proposition of annexation substantially as follows:

Shall the _____ (public agency) be annexed to _____ municipal utility district in accordance with and subject to all of the terms and conditions of an agreement of annexation dated _____ now on file in the office of the clerk (or secretary) of _____ (public agency)?	YES	
	NO	

Vote

13854. If upon a canvass of the election it is found that a majority of all votes cast on the proposition at the election were cast in favor of the annexation, the proposition and all of the terms and conditions of the agreement of annexation shall be deemed carried and approved by the voters; except that if the terms and conditions of the agreement of annexation provide for the assumption of any indebtedness of the district by any city proposed to be annexed, the proposition of annexation shall not be deemed carried unless approved by the vote of two-thirds of all the voters voting on the proposition at the election.

Failure to carry; Entry

13855. If the proposition fails to carry, the result shall be entered upon the minutes of the governing body of the public agency.

Favorable vote, execution of agreement

13856. If the proposition receives the vote of the requisite majority of voters the governing body of the public agency shall enter in its minutes an order declaring the result of the election and shall thereupon cause the agreement of annexation to be executed by its duly authorized officers.

Article 4. Establishment of Annexation

Declaration, filing

13886. Upon receipt by the district of a certified copy of the agreement of annexation properly executed by the district and the public agency proposed to be annexed the board shall pass a resolution declaring the public agency annexed to the district, and shall cause a certified copy of the resolution to be filed with the Secretary of State. From and after the date of filing of the resolution with the Secretary of State the annexation of the public agency to the district is complete.

Article 5. Annexation of Territory Annexed to Public Agencies

Incorporation into district

13911. Any territory annexed in accordance with law to any public agency included in the district shall, upon the completion of such annexation proceeding, be deemed incorporated into and annexed to the district, and thereafter is subject to taxation, along with the entire territory of the district in accordance with the assessable valuation of the property thereof, for general district purposes, and for the payment of any indebtedness theretofore or thereafter incurred by the district.

Article 6. Effect of Annexation

13931. From and after the date of annexation the board shall levy upon all of the property in the public agency annexed such taxes, tolls, or charges as are necessary to provide funds for the payment of the indebtedness assumed by the public agency or otherwise necessary to comply with the terms and conditions of the annexation agreement, all in addition to the general district taxes authorized elsewhere in this division to be levied and collected. Tax levy, etc

13932. No annexation of a public agency to a district shall operate to dissolve or terminate the legal existence of the public agency annexed. Legal existence continued

Article 7. Contest of Annexation

13951. The validity of any proceedings for the annexation of any public agency or part thereof to any district or special district within the district shall not be contested in any action unless the action is brought within three months after the completion of the proceedings. Limitation

Chapter 11. Annexation of Unincorporated Territory

Article 1. Annexation Agreement

14051. Unincorporated territory may be annexed to a district in the manner provided in this chapter. Authorization

14052. Unincorporated territory not contiguous to a district may not be annexed if the district does not possess facilities for supplying utility service to that territory. Noncontiguous territory

14053. A petition signed by voters within the territory proposed to be annexed equal in number to at least 25 percent of the total vote cast, describing the territory and asking that proceedings be taken for its annexation, shall be addressed to the board and filed with the secretary of the district. Petition

14054. The secretary shall compare the signatures on the petition with the affidavits of registration on file with the county clerk and if he finds that the petition has been signed by the required number of voters he shall attach his signature thereto and present the petition to the board. Same Sufficiency presumption

14055. If the board determines that the annexation of the territory would facilitate the acquisition or operation of any public utility for the district, or be of advantage to the district, then the board shall also determine the terms and conditions upon which the annexation should be made. Terms and conditions

14056. Provisions may be made (among other things) for payment of taxes within the territory to be annexed in addition to the taxes elsewhere in this division provided for, the fixing of rates, rentals, and charges differing from those fixed or existing elsewhere within the district, the incurring or assumption of indebtedness, or the making of a payment or payments, Taxes rates, etc

or the transfer of property, real and personal, and other assets to the district by the territory proposed to be annexed. The boundaries of the territory proposed to be annexed need not be coterminous with any election precincts. The terms and conditions shall become effective and be binding upon the district and the territory to be annexed when approved in the manner set forth in this chapter.

Article 2. Approval by District

Ordinance

14081. The board shall by ordinance setting forth the terms and conditions at length declare its intention of causing the agreement to be approved by the district.

Publication of ordinance, notice of hearing

14082. The ordinance together with a notice fixing the time and place for hearing thereon shall be published once in a newspaper of general circulation published in the district. A copy of the ordinance shall be filed with the secretary of the district. The time fixed for hearing shall not be less than 30 nor more than 60 days from the date of the first publication of the ordinance.

Hearing: Objections

14083. At the hearing any person interested may file with the board written objections to the approval of the terms and conditions.

Same Determination, effect of failure to show cause

14084. Upon the hearing the board shall determine whether or not the terms and conditions will be approved and shall hear and determine all objections thereto. Failure of any person interested in the district or in the matter of the proposed annexation on the terms and conditions set forth in the ordinance to show cause in writing pursuant to Section 14083 constitutes an assent on his part to a change in the boundaries of the district upon the terms and conditions set forth.

Same Adjournment

14085. Any hearing on the agreement may be adjourned from time to time by the board, not exceeding 30 days in all, without further notice other than an order entered upon the minutes of the meeting fixing the time and place of adjournment.

Approval

14086. If no protests are filed or the protests filed are overruled and denied by the board the board shall thereupon by resolution finally approve the terms and conditions and proceed with the annexation in the manner provided in this chapter.

Rejection

14087. If protests against the proposed annexation are sustained, all proceedings shall be dismissed and no proceedings shall be undertaken again concerning the territory or any part thereof until after the expiration of one year.

Article 3. Approval by Unincorporated Territory

Election.

14111. Within 90 days after the board has finally approved the terms and conditions of annexation the board shall cause an election to be held in the territory proposed to be annexed to determine whether the territory shall be annexed

to the district upon the terms and conditions stated in the ordinance.

Notice

14112. Notice of election shall be published and shall either state that a copy of the ordinance containing the terms and conditions of annexation at length is on file in the office of the secretary of the district, and open to the inspection of all persons interested, or itself set forth the terms and conditions of annexation at length, in the discretion of the board.

Ballots

14113. The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and in addition shall set forth the proposition of annexation substantially as follows:

Shall the territory described in the petition filed with the secretary of the _____ municipal utility district on the_____ day of _____ be annexed to the utility district in accordance with and subject to all of the terms and conditions set forth in that certain ordinance passed by the board of directors of the municipal utility district on the _____ day of _____, a copy of which is now on file in the office of the secretary of the municipal utility district?	YES	
	NO	

Favorable vote

14114. If upon a canvass of the election it is found that a majority of all votes cast on the proposition at the election were cast in favor of the annexation, the proposition and all of the terms and conditions set forth in the ordinance shall be deemed carried and approved by the voters.

Unfavorable vote

14115. If the proposition fails to carry, the result shall be entered upon the minutes of the board.

New proceedings

14116. If the proposition is defeated by the voters, no annexation proceeding shall be commenced involving the territory or any part thereof until after the expiration of one year.

Article 4. Establishment of Annexation

Declaration, filing

14141. In the event the proposition receives the vote of the requisite majority of voters the board shall pass a resolution declaring the territory annexed to the district, and shall cause a certified copy of the resolution to be filed with the Secretary of State, from and after the date of which filing with the Secretary of State the annexation of the territory to the district is complete.

Article 5. Annexation Without Election

Authorization

14161. Unincorporated territory may be annexed to a district without an election in the manner provided in this article.

Petition by all owners

14162. A petition describing the territory proposed to be annexed and requesting that proceedings be taken for its annex-

ation shall be signed by all of the owners of the real property described therein, verified by the affidavit of one of the petitioners, addressed to the board, and filed with the secretary of the district.

Hearing, etc

14163. Proceedings shall thereafter be taken and a hearing held in substantial compliance with the provisions of this chapter relating to the annexation of unincorporated territory except that no election shall be held within the territory proposed to be annexed and the territory shall be deemed annexed to the district upon the passage of a resolution of the board declaring the territory annexed and the filing of a certified copy thereof with the Secretary of State.

Article 6. Effect of Annexation

Tax levy, etc.

14191. From and after the date of annexation the board shall levy upon all of the property in the territory annexed such taxes, tolls, or charges as are necessary to provide funds for the payment of the indebtedness assumed by the territory or otherwise necessary to comply with the terms and conditions of the annexation, all in addition to the general district taxes authorized elsewhere in this division to be levied and collected.

Article 7. Contest of Annexation

Limitation

14211. The validity of any proceedings for the annexation of any unincorporated territory to any district or special district within the district shall not be contested in any action unless the action is brought within three months after the completion of the proceedings.

Chapter 11. Exclusion of Territory

Article 1. Exclusion of Unincorporated Territory

Conditions, petition

14351. Any territory contained within a district not operating any utility and not included within the boundaries of any incorporated city and not benefited in any manner by the district or by its continued inclusion therein may be excluded therefrom by order of the board upon the verified petition of the owners in fee of lands whose assessed value with improvements is in excess of one-half of the assessed value of all the lands with improvements held in private ownership in the territory sought to be excluded.

Petition Content

14352. The petition shall describe the territory sought to be excluded and shall set forth that the territory is not benefited in any manner by the district or by its continued inclusion therein, and shall pray that the territory be excluded from the district.

Same Filing, deposit

14353. The petition shall be filed with the secretary of the district and shall be accompanied by a deposit with the secretary of the sum of one hundred dollars ($100) to meet the expenses of advertising and other costs incident to the proceedings for

the exclusion of the territory, including the cost of recording a certified copy of the order provided for in this chapter. Any unconsumed balance of the deposit shall be returned to the petitioners.

Notice of hearing

14354. Upon the filing of the petition the secretary shall cause it to be set for hearing at a regular or adjourned regular meeting of the board and shall cause a notice of the filing thereof to be published. The notice shall also state the date of the filing of the petition and that it will come on for hearing before the board and shall state the time and place of the hearing. The time fixed for hearing shall not be less than 30 days from the date of the first publication of the notice. The property to be excluded may or may not be specifically described in the notice, but if not described the notice shall refer to the petition on file with the secretary for a particular description of the property sought to be excluded.

Hearing Appearances

14355. Any landowner or taxpayer within the district may appear at the hearing either in behalf of or in opposition to the granting of the petition.

Same Time and place

14356. The petition shall come on for hearing before the board at the time and place specified in the notice of hearing.

Order of exclusion

14357. If upon the hearing the board determines that it is for the best interests of the district that the lands mentioned in the petition or some portion thereof be excluded from the district, or if it appears that the lands or some portion thereof will not be benefited by their continued inclusion in this district, then the board shall make an order that the lands, or such portion thereof as the board may determine, be excluded from the district, describing specifically the lands so excluded.

Same Certification recordation

14358. A copy of the order of exclusion certified by the secretary of the district shall be recorded in the office of the county recorder of the county in which the lands are situated. The record of the certified copy is prima facie evidence of the exclusion from the district of the lands purporting to be excluded thereby.

Same Effect

14359. From and after the making of the order of exclusion and the record thereof the lands excluded are no longer included in the district. The order of exclusion does not invalidate in any manner any taxes or assessments theretofore levied or assessed against the lands excluded nor relieve the property excluded from any outstanding bonds which are a lien thereon at the time of exclusion, nor from any taxes to pay the principal or interest thereof.

Article 2. Exclusion of Incorporated Territory

Petition by governing body

14381. If the city to which any territory included in any district has been annexed already serves electricity or water to the territory annexed, the city council or other governing body of the city may petition the district for the exclusion of such territory from the district.

Petition Content, filing deposit

14382. The petition shall contain the information prescribed for petitions for exclusion under Article 1 of this chapter,

a deposit for expenses shall be made as therein provided, and thereafter all proceedings shall be had as provided therein for such petitions after filing.

Contract re payment of liabilities, taxes

14383. If an order of exclusion is granted, the board and the governing body of the city shall by contract provide for the payment by the city of the proportion of the taxes and bonded indebtedness for which the territory excluded is justly liable. If they do not agree, either may petition the superior court in and for the county in which the property is located for a judgment declaring the proportion of the taxes and bonded indebtedness for which the territory excluded is justly liable. The proceeding shall be governed by the provisions of the Code of Civil Procedure relating to declaratory relief.

Effect of order of exclusion

14384. The order of exclusion does not invalidate in any manner any taxes or assessments theretofore levied or assessed against the lands excluded nor relieve the property excluded from any outstanding bonds which are a lien thereon at the time of exclusion, nor from any taxes to pay the principal or interest thereof.

CHAPTER 13. DISSOLUTION

Election

14501. The board of any district which operates no works or properties, or with exterior boundaries coincident with the boundaries of a single city, may call an election at any time for the purpose of submitting to the voters of the district the question of whether the district will be dissolved. Upon the filing with the secretary of such a district of a petition signed by voters within the district equal in number to at least 25 percent of the total vote cast, asking that the question of dissolution of the district be submitted to the voters of the district, the board shall call such an election.

Time

14502. The election for the purpose of submitting to the voters of the district the question of whether or not the district shall be dissolved shall be held within 60 days next succeeding the date on which the petition is filed.

Notice

14503. Notice of any election for dissolution, whether called because of the filing of a petition or ordered by the board without petition, shall be published. The date fixed for the election shall not be less than 30 days from the date of the first publication of the notice.

Ballots

14504. The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and in addition the following:

Shall the "(giving the name thereof) municipal utility district" be dissolved?	YES	
	NO	

Notice

14505. No other notice of the election other than that provided for in this chapter need be given and no sample ballots need be sent to the voters.

14506. If upon a canvass of the election it is found that a majority of all votes cast on the proposition at the election were in favor of the dissolution, the dissolution shall be deemed carried and approved by the voters. The board shall meet on Monday next succeeding the election and canvass the votes cast. Canvass of votes

14507. Upon dissolution of any district which has boundaries that are coincident with the corporate limits of a city, the district property wherever situated vests absolutely in the city, and upon the dissolution of any district operating no works or properties and which has boundaries that extend beyond the boundaries of a single city the property of the district wherever situated vests in the county in which the whole or greater portion of the district is situated. District property

14508. If at the time of dissolution there is any outstanding indebtedness of the district the legislative authority of the city, where the limits of the district lie wholly within the corporate limits of a city, and in all other cases the board of supervisors of the county in which the whole or greater portion of the district is situated are ex officio the board of directors of the district for the purpose only of the levy and collection of taxes for the payment of the indebtedness of the district existing at the time of dissolution and the interest thereon. The board or legislative authority shall levy the taxes and perform such other acts as are necessary to raise the money necessary for the payment of the indebtedness and the interest thereon. District indebtedness

14509. In the event that the proposition for dissolution fails to carry, no subsequent election for the dissolution of the district shall be called until after the expiration of one year from the date of the prior election. Effect of failure to carry

DIVISION 10. REPEALS

25001. The following acts and parts of acts, together with all acts amendatory thereof, and supplementary thereto, are repealed: General laws

GENERAL LAWS

Year	Ch.	Pg.
1893	27	44
1901	228	666
1905	578	777
1907	404	747
1909	352	581
1911	445	895
1911	499	1037
1911	500	1042
1911	715	1394
1913	80	84
1913	284	522
1913	601	1121
1915	65	69
1915	91	115
1915	494	824
1915	498	827
1915	499	828
1915	646	1273
1915	720	1420
1917	578	820
1917	784	1645
1919	215	314
1921	218	245
1921	396	586
1921	527	829
1923	76	147

Year	Ch.	Pg.	Year	Ch.	Pg.
1927	127	234	1935	705	1906
1933	223	723	1937	650	1781
1935	223	878	1939	1098	3027
1935	312	1057	1943	552	2116
1935	683	1873	1943	553	2119

Same

25002. The following acts and parts of acts, together with all acts amendatory thereof and supplementary thereto, are repealed:

Year	Ch.	Pg.	Year	Ch.	Pg.
Secs. 54–86, incl. and			1875–6	114	82
185–198, incl. of			1875–6	240	312
1850	128	347	1877–8	11	18
1851	12	170	1877–8	130	167
1852	98	171	1880	20	15
1852	99	172	1880	28	21
1858	262	218	1881	52	54
1860	306	285	1893	17	29
1861	532	607	1893	175	208
1862	262	288	1893	204	288
1863	215	296	1897	107	135
1863	409	647	1899	150	183
1865–6	622	849	1901	103	265
1869–70	307	407	1st Ex. Sess.		
1869–70	360	481	1911	14	18
1869–70	547	815			

Civil Code

25003. (a) The following sections of the Civil Code are repealed:

454	473a	487	504
455	474	488	505
456	475	489	506
457	476	490	507
458	477	491	508
459	478	492	509
465	479	493	510
465a	480	494	511
466	481	497	536
467	482	498	537
467a	483	499	538
468	484	500	539
469	485	501	540
470	485a	502	2189
472	486	503	

Penal Code

(b) The following sections of the Penal Code are repealed:

367f	369a	390	392	525	567	639
369	369f	391	393	566	638	

Government Code

(c) Sections 39700 to 39703, inclusive, of the Government Code are repealed.

Political Code

(d) Section 130 of the Political Code is repealed.

CHAPTER 765

An act to amend Section 2824 to the Elections Code, relating to procedure.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2824 of the Elections Code is amended to read:

2824. The proceedings at the convention and at all meetings of the State Central Committee shall be governed by any manual of parliamentary procedure as may be designated by the convention or central committee.

Parliamentary procedure

CHAPTER 766

An act to add Section 1256.1 to the Code of Civil Procedure, relating to condemnation proceedings.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1256.1 is added to the Code of Civil Procedure, to read:

1256.1. Notwithstanding the provisions of Part 2 of this code, in any action brought under the provisions of this title, the defendant shall commence and conclude the argument.

Argument

CHAPTER 767

An act to add Sections 19440 and 19441 to the Education Code, relating to use of school property.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 19440 is added to the Education Code, to read:

19440. Any use, by any individual, society, group, or organization for the commission of any act intended to further any program or movement the purpose of which is to accomplish the overthrow of the Government of the United States or of the State by force, violence, or other unlawful means shall not be permitted or suffered.

Individuals, groups, etc., intending overthrow of government

Any individual, society, group, or organization which commits any act intended to further any program or movement the

purpose of which is to accomplish the overthrow of the government by force, violence or other unlawful means while using school property pursuant to the provisions of this chapter, is guilty of a misdemeanor.

SEC. 2. Section 19441 is added to said code, to read:

Prohibition

19441. No governing board of a school district shall grant the use of any school property to any person or organization for any use in violation of Section 19440.

Affidavit

For the purpose of determination by such governing board whether or not any person or organization applying for the use of such school property intends to violate Section 19440, the governing board may require the making and delivery to such governing board, by such person or organization, of affidavits in form prescribed by such governing board, stating facts showing that such school property is not to be used for the commission of any act intended to further any program or movement the purpose of which is to accomplish the overthrow of the government by force, violence or other unlawful means.

CHAPTER 768

An act to amend Sections 8137, 8140, and 10552, and to repeal Sections 8138 and 8139 of the Elections Code, relating to proceedings after announcement of election returns.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 8137 of the Elections Code is amended to read:

Certificate of election

8137. When the Secretary of State has compared and estimated the vote cast he shall make out and deliver, or transmit by mail, a certificate of election to each person elected.

SEC. 2. Section 8140 of said code is amended to read:

Presidential electors

8140. On the last Monday in the month of the election, or as soon as the returns have been received from all the counties in the State, if received before that time, the Secretary of State shall compare and estimate the votes given for electors, and certify to the Governor the names of the proper number of persons having the highest number of votes. Upon receipt of the list, the Governor shall issue commissions to the persons named therein.

SEC. 3. Section 10552 of said code is amended to read:

Same Duties of Governor

10552. On or before the day of meeting of the electors the Governor shall deliver to the electors a list of the names of electors, and he shall perform any other duties relating to presidential electors which are required of him by the laws of the United States.

Repeal

SEC. 4. Sections 8138 and 8139 of said code are repealed.

CHAPTER 769

An act to amend Section 5026 of the Streets and Highways Code, relating to the adoption and change of street names and providing for due notification by the cities effecting such changes to the county clerk and county surveyor of the county in which the city is situated.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5026 of the Streets and Highways Code is amended to read:

Change of name of street, etc

5026. The legislative body of a county, city or city and county, may by resolution adopt a name for any street, boulevard, park or place which is to be improved under this division, for which a name has not been provided under the provisions of Sections 970.5 and 971, or otherwise, and may by resolution change the name of any such street, boulevard, park or place heretofore established; provided further, that a copy of the resolution or order providing for such new name or change of name made by any city shall be promptly forwarded by the city clerk to the county clerk and county surveyor of the county in which such municipality is situated.

CHAPTER 770

An act to amend Section 5007 of the Education Code, relating to the investment of school district funds.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5007 of the Education Code is amended to read:

Investment of surplus or building funds

5007. The governing board of any school district which now has, or hereafter shall have, funds in a special accumulative building fund of the district or any surplus moneys not required for the immediate necessities of the district, is hereby authorized to invest all or any part of such funds in bonds, notes, bills or certificates issued by the United States of America. Any bonds, notes, bills or certificates so purchased may be sold and the proceeds reinvested in similar bonds, notes, bills or certificates of the United States of America or placed in the county treasury for credit to the fund of the district from which purchased. This section shall not be construed as in any way limiting or modifying the application of any other law providing for or authorizing the investment of any funds of a school district.

CHAPTER 771

An act to amend Section 650.6 of the Vehicle Code, relating to special restrictions on lamps.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 650.6 of the Vehicle Code is amended to read:

Special restrictions on lamps

650.6. Special Restrictions on Lamps. (a) Any lighted lamp or illuminating device upon a motor vehicle other than headlamps, spot lamps, fog lamps, signal lamps or auxiliary driving lamps which projects a beam of light of an intensity greater than 300 candlepower shall be so directed that no part of the beam will strike the level of the roadway on which the vehicle stands at a distance of more than 75 feet from the vehicle.

(b) Flashing lights are prohibited on motor vehicles except as a means of indicating right or left turn. Emergency vehicles shall be exempt from this regulation, and tow cars to the extent as provided in Section 586.5. Vehicles used by highway authorities in highway maintenance work may be equipped with flashing or other red lights, to the front or rear, which may be used during the nighttime or at times of low visibility when such vehicles are parked or working on the highway. Vehicles used by mosquito abatement districts or pest abatement districts, when dispersing insecticides in aerosol form or as mists, fogs or smokes, may be equipped with flashing or other red lights, to the front or rear, which may be used during the nighttime or at times of low visibility, when such vehicles are parked or working on the highway.

(c) No vehicle shall be equipped with any lamp or illuminating device not required or permitted in this code. The provisions of this section shall not apply to:

1. Interior lamps;

2. Lamps needed in the operation or utilization of those vehicles mentioned in Section 623.5, or vehicles used by public utilities in the repair or maintenance of their service; or

3. Lamps or devices that emit a diffused nonglaring light of not more than .05 of one candlepower per square inch of area.

Any diffused nonglaring light shall not display red to the front, but may display other colors notwithstanding the color limitations in Section 640. Such diffused nonglaring light shall not resemble nor be installed within 12 inches or in such position as to interfere with the visibility or effectiveness of any required lamp, reflector or other device upon the vehicle, nor shall any such diffused nonglaring light resemble any traffic sign, signal or control device nor any street or highway regulatory, warning, directional or informational sign. Every such diffused nonglaring light shall be subject to approval by the California Highway Patrol.

Such lamps or devices shall be limited in size to an area of 720 square inches and where any lease, rental or donation is involved the installation of such lamps or devices shall be limited to those vehicles operated either wholly within business or residential districts or municipalities, or between business districts, residential districts and municipalities in close proximity.

(d) The department may issue a permit for the use of lamps or devices for experimental purposes. The use of any lamp or device under such permit shall not be deemed to be a violation of this code.

CHAPTER 772

An act to add Section 7.1 to the Welfare and Institutions Code, relating to powers and duties of boards of supervisors in matters of public assistance.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7.1 is added to the Welfare and Institutions Code, to read:

Exercise by agent

7.1. The authority of a county board of supervisors to grant, deny, terminate, increase or decrease aid as provided in Chapter 1 of Part 2 of Division 2, Chapter 1 of Division 3, Chapter 2 of Division 4 or Division 5 of this code may be exercised by an agent when duly authorized by resolution of such board.

CHAPTER 773

An act to add Section 9483 to the Elections Code, relating to municipal elections.

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 9483 is added to the Elections Code, to read:

Services of county registrar of voters

9483. Whenever it is deemed economical and satisfactory to the governing body of any city, and unless prohibited by the city charter, the governing body of any city located in a county having a registrar of voters may by resolution request the board of supervisors of the county to permit the county registrar of voters to render specified services to the city relating to the conduct of any municipal election. Subject to approval by resolution of the county board of supervisors, and unless prohibited by the county charter, such services shall be performed by the county registrar of voters under the supervision and direction of the city clerk.

The resolution of the governing body of the city shall specify the services requested and shall provide that an amount 10 percent in excess of the estimated cost of the services requested of the county be reserved from city funds in such a manner that a sum equal to the actual cost of the services may be transferred to the county when the work is completed or the goods supplied, upon presentation to the city of a properly approved bill from the county.

CHAPTER 774

An act to add Section 272 to the Labor Code, relating to security for wages.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 272 is added to the Labor Code, to read:

Notice of deposit

272. Every person, agent, or officer thereof engaged in the businesses specified in Section 270 or Section 271, shall keep conspicuously posted upon the premises where persons are employed, a notice specifying the name and address of the bank or trust company where the required cash or readily saleable securities are on deposit. Failure to keep the notice conspicuously posted is prima facie evidence of a violation of Section 270 or Section 271.

CHAPTER 775

An act to add Section 111.5 to the Streets and Highways Code, relating to the adoption of city streets as a part of the State Highway System.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State May 31, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 111.5 is added to the Streets and Highways Code, to read:

One way streets

111.5. Whenever a city street and an existing state highway, through or within a city: (1) are substantially parallel; (2) each has been restricted to one-way traffic, proceeding in opposite directions as to each other, by ordinance of such city duly enacted and applicable thereto; and (3) the commission determines that both are suitable as a connecting portion of a state highway into or through such city, the commission may adopt any portion of the city street so substantially parallel with an existing state highway, as a part of the State Highway System without compensation to the city.

Whenever an ordinance of any city designating a particular highway as a one-way highway becomes applicable to a state highway, whether an existing state highway at the time of the enactment of such ordinance or a city street thereafter adopted as a state highway, such ordinance shall not be thereafter rescinded by action of the legislative authority of such city without the consent in writing of the department first obtained unless otherwise provided by the terms of any written agreement between the State and any city entered into prior to the effective date of this section. If any city street which has become a portion of the State Highway System pursuant to this section ceases to be a one-way street because the ordinance declaring such street to be a one-way street is rescinded, repealed, revoked, or amended, such city street, or the portion thereof that is no longer restricted to one-way traffic, shall by operation of law revert to the status of a city street and cease to be a portion of the State Highway System.

CHAPTER 776

An act to amend Section 538 of the Code of Civil Procedure, relating to affidavit for attachment.

[Approved by Governor May 31, 1951. Filed with Secretary of State June 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 538 of the Code of Civil Procedure is amended to read:

538 The clerk of the court, or the justice, where there is no clerk, must issue the writ of attachment upon receiving an affidavit by or on behalf of the plaintiff showing:

Information required for issuance

1. The facts specified in Section 537 which entitle him to the writ;

2. The amount of the indebtedness claimed, over and above all legal set-offs or counterclaims, or the amount claimed as damages; and

3. That the attachment is not sought, and the action is not prosecuted, to hinder, delay, or defraud any creditor of the defendant.

Provided, however, that no attachment may be issued under this chapter in any action in which the sum claimed, exclusive of interest, is less than thirty dollars ($30).

In all cases where the earnings of the judgment debtor which would be exempt under the provisions of Section 690.11 of the Code of Civil Procedure are sought to be attached on the ground that the action is brought to collect a debt incurred for the common necessaries of life, the affidavit must contain a statement to that effect, and must specify the character or nature of the items constituting the alleged necessaries.

CHAPTER 777

An act to add Section 684.1 to the Code of Civil Procedure, relating to the enforcement of judgments.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 684.1 is added to the Code of Civil Procedure, to read:

Manner of enforcement

684.1. The sheriff, constable or marshal shall enforce a judgment for the possession of personal property in the manner prescribed by Section 517 or as otherwise provided by law.

CHAPTER 778

An act to amend Sections 115, 5001, 5301, 5309, 5310, 5315, 5709, 5800, 5900, 5901, 5902, 5903, 5904, 5905, 5907, 5909, and 5910 of the Labor Code; to repeal Sections 5313, 5314, 5906, 5908, and 5950 of said code; and add Sections 5313, 5906, 5908, 5908.5, 5911, and 5950 to said code; and to amend the titles of Chapter 7, and Article 1 of Chapter 7, of Part 4 of Division 4 of said code, all relating to workmen's compensation.

In effect September 22, 1951

[Approved by Governor May 31, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 115 of the Labor Code is amended to read:

Quorum panel action, findings, etc. by commissioner or referee

115. Except as otherwise expressly provided, a majority of a panel shall constitute a quorum for the transaction of business, or the exercise of any power of the commission.

Any investigation, inquiry, or hearing which the commission has power to undertake or to hold, and which has been assigned or transferred to a panel may be undertaken or held by any commissioner of that panel or any referee attached to the headquarters of that panel to whom the matter is assigned.

Every finding, order, decision, or award made and filed by a panel pursuant to such investigation, inquiry, or hearing is the finding, order, decision or award of the commission.

Every finding, order, decision, or award made and filed by any commissioner or referee pursuant to such investigation, inquiry or hearing is the finding, order, decision, or award of the commission unless reconsideration is had in accordance with the provisions of Article 1, Chapter 7, Part 4, Division 4 of this code.

SEC. 2. Section 5001 of said code is amended to read:

5001. Compensation is the measure of the responsibility which the employer has assumed for injuries or deaths which occur to employees in his employment when subject to this division. No release of liability or compromise agreement is valid unless it is approved by the commission as a whole or a panel thereof. Release, compromise Approved

SEC. 3. Section 5301 of said code is amended to read:

5301. The commission is vested with full power, authority and jurisdiction to try and determine finally all the matters specified in Section 5300 subject only to the review by the courts as specified in this division. Such jurisdiction may be exercised by the commission as described in Section 115. Jurisdiction of commission

SEC. 4. Section 5309 of said code is amended to read:

5309. The commission may, in accordance with rules of practice and procedure which it shall adopt and upon the agreement of the parties, on the application of either, or of its own motion, and with or without notice, direct and order a commissioner or a referee: Delegation to commissioner, referee

(a) To try the issues in any proceeding before it, whether of fact or of law, and make and file a finding, order, decision, or award based thereon.

(b) To hold hearings and ascertain facts necessary to enable the commission to determine any proceeding or to make any order, decision, or award that the commission is authorized to make under Divisions 4 or 5, or necessary for the information of the commission.

SEC. 5. Section 5310 of said code is amended to read:

5310. The commission or a panel may appoint one or more referees in any proceeding, as it may deem necessary or advisable and may refer, remove to itself, or transfer to another commissioner or referee the proceedings on any claim. The commission may appoint general referees. Any referee appointed by the commission has the powers, jurisdiction, and authority granted by law, by the order of appointment, and by the rules of the commission. The compensation for his services shall be fixed by the commission. Referees

SEC. 6. Sections 5313 and 5314 of said code are repealed. Repeal

SEC. 7. Section 5313 is added to said code, to read:

5313. The commission, a panel, every referee or commissioner shall, within 30 days after the testimony is closed, make and file findings upon all facts involved in the controversy and an award, order, or decision stating the determination as to the rights of the parties, and in addition thereto and concurrently therewith shall make and file a written report. Such report shall separately state the findings of fact and conclusions of law. The findings, decision, order, or award and the accompanying report shall, if made by the commission or a panel, be signed by a majority of the commission or the panel. Requirement of findings, decision, report

SEC. 8. Section 5315 of said code is amended to read:

5315. Within sixty (60) days after the filing of the findings, decision, order or award and the accompanying report, Commission action

the commission may confirm, adopt, modify or set aside the findings, order, decision, or award of a commissioner or referee and may, with or without further proceedings, and with or without notice, enter its order, findings, decision, or award based upon the record in the case.

SEC. 9. Section 5709 of said code is amended to read:

Effect of informality, inadmissible evidence

5709. No informality in any proceeding or in the manner of taking testimony shall invalidate any order, decision, award, or rule made and filed as specified in this division. No order, decision, award, or rule shall be invalidated because of the admission into the record, and use as proof of any fact in dispute, of any evidence not admissible under the common law or statutory rules of evidence and procedure.

SEC. 10. Section 5800 of said code is amended to read:

Interest on awards

5800. All awards of the commission either for the payment of compensation or for the payment of death benefits, shall carry interest at the same rate as judgments in civil actions on all due and unpaid payments from the date of the making and filing of said award. Such interest shall run from the date of making and filing of an award, as to amounts which by the terms of the award are payable forthwith. As to amounts which under the terms of the award subsequently become due in installments or otherwise, such interest shall run from the date when each such amount becomes due and payable.

SEC. 11. The title of Chapter 7 of Part 4 of Division 4 of said code is amended to read:

CHAPTER 7. RECONSIDERATION AND JUDICIAL REVIEW

SEC. 12. The title of Article 1 of Chapter 7 of Part 4 of Division 4 of said code is amended to read:

Article 1. Reconsideration

SEC. 13. Section 5900 of said code is amended to read:

Petition

5900. (a) Any person aggrieved directly or indirectly by any final order, decision, or award made and filed by a commissioner or a referee under any provision contained in this division, may petition the commission for reconsideration in respect to any matters determined or covered by the final order, decision, or award, and specified in the petition for reconsideration. Such petition shall be made only within the time and in the manner specified in this chapter.

(b) At any time within 60 days after the filing of an order, decision, or award made by a commissioner or a referee and the accompanying report, the commission may, on its own motion, grant reconsideration.

SEC. 14. Section 5901 of said code is amended to read:

Condition to cause of action

5901. No cause of action arising out of any final order, decision or award made and filed by a commissioner or a referee shall accrue in any court to any person until and unless the commission on its own motion sets aside such final order, decision, or award and removes such proceeding to itself or such

person files a petition for reconsideration, and such reconsideration is granted or denied. Nothing herein contained shall prevent the enforcement of any such final order, decision, or award, in the manner provided in this division.

SEC. 15. Section 5902 of said code is amended to read:

Form, content of petition

5902. The petition for reconsideration shall set forth specifically and in full detail the grounds upon which the petitioner considers the final order, decision or award made and filed by a commissioner or a referee to be unjust or unlawful, and every issue to be considered by the commission. The petition shall be verified upon oath in the manner required for verified pleadings in courts of record and shall contain a general statement of any evidence or other matters upon which the applicant relies in support thereof.

SEC. 16. Section 5903 of said code is amended to read:

Grounds for reconsideration

5903. At any time within 20 days after the service of any final order, decision, or award made and filed by a commissioner or a referee granting or denying compensation, or arising out of or incidental thereto, any person aggrieved thereby may petition for reconsideration upon one or more of the following grounds and no other:

(a) That by such order, decision, or award made and filed by a commissioner or referee, the commission acted without or in excess of its powers.

(b) That the order, decision, or award was procured by fraud.

(c) That the evidence does not justify the findings of fact.

(d) That the petitioner has discovered new evidence material to him, which he could not, with reasonable diligence, have discovered and produced at the hearing.

(e) That the findings of fact do not support the order, decision, or award.

Nothing contained in this section shall limit the grant of continuing jurisdiction contained in Sections 5803 to 5805 inclusive.

SEC. 17. Section 5904 of said code is amended to read:

Waiver of other objections, etc.

5904. The petitioner for reconsideration shall be deemed to have finally waived all objections, irregularities, and illegalities concerning the matter upon which the reconsideration is sought other than those set forth in the petition for reconsideration.

SEC. 18. Section 5905 of said code is amended to read:

Service of petition

5905. A copy of the petition for reconsideration shall be served forthwith upon all adverse parties by the person petitioning for reconsideration. Any adverse party may file an answer thereto within 10 days thereafter. Such answer shall likewise be verified. The commission may require the petition for reconsideration to be served on other persons designated by it.

SEC. 19. Section 5906 of said code is repealed. Repeal

SEC. 20. Section 5906 is added to said code, to read:

Commission action

5906. Upon the filing of a petition for reconsideration, or having granted reconsideration upon its own motion, the com-

mission as a whole or a panel thereof may, with or without further proceedings and with or without notice affirm, rescind, alter, or amend the order, decision, or award made and filed by a commissioner or referee on the basis of the evidence previously submitted in the case, or may grant reconsideration and direct the taking of additional evidence. Notice of the time and place of any hearing on reconsideration shall be given to the petitioner and adverse parties and to such other persons as the commission orders.

SEC. 21. Section 5907 of said code is amended to read:

Further proceedings

5907. If at the time of granting reconsideration, it appears to the satisfaction of the commission that no sufficient reason exists for taking further testimony, the commission may affirm, rescind, alter or amend the order, decision, or award made and filed by a commissioner or referee and may, without further proceedings, without notice, and without setting a time and place for further hearing, enter its findings, order, decision, or award based upon the record in the case.

Repeal

SEC. 22. Section 5908 of said code is repealed.

SEC. 23. Section 5908 is added to said code, to read:

Amendment, etc., of order

5908. After the taking of additional evidence and a consideration of all of the facts the commission may affirm, rescind, alter, or amend the original order, decision, or award. An order, decision, or award made following reconsideration which affirms, rescinds, alters, or amends the original order, decision, or award shall be made by the commission as a whole or a panel thereof but shall not affect any right or the enforcement of any right arising from or by virtue of the original order, decision, or award, unless so ordered by the commission.

SEC. 24. Section 5908.5 is added to said code, to read:

Decision Form, content

5908.5. Any decision of the commission as a whole or of a panel thereof denying a petition for reconsideration or affirming, rescinding, altering, or amending the original order, decision, or award following reconsideration shall be in writing, signed by a majority of the commission or of the panel and shall contain findings of fact and conclusions of law.

SEC. 25. Section 5909 of said code is amended to read:

Denial by inaction

5909. A petition for reconsideration is deemed to have been denied by the commission unless it is acted upon within 30 days from the date of filing. The commission may, upon good cause being shown therefor, extend the time within which it may act upon such petition for not exceeding 30 days.

SEC. 26. Section 5910 of said code is amended to read:

Petition for reconsideration Effect

5910. The filing of a petition for reconsideration shall suspend for a period of 10 days the order, decision, or award affected, insofar as it applies to the parties to the petition, unless otherwise ordered by the commission. The commission upon the terms and conditions which it by order directs, may stay, suspend, or postpone the order, decision, or award during the pendency of the reconsideration.

SEC. 27. A new Section 5911 is added to said code, to read:

5911. Nothing contained in this article shall be construed to prevent the commission, on petition of an aggrieved party or on its own motion, from granting reconsideration of an original order, decision, or award made and filed by the commission or a panel thereof, within the same time specified for reconsideration of an original order, decision, or award made and filed by a commissioner or a referee. Reconsideration without petition

SEC. 28. Section 5950 of said code is repealed. Repeal

SEC. 29. Section 5950 is added to said code, to read:

5950. Any person affected by an order, decision, or award of the commission may, within the time limit specified in this section, apply to the Supreme Court or to the district court of appeal for the appellate district in which he resides, for a writ of review, for the purpose of inquiring into and determining the lawfulness of the original order, decision, or award or of the order, decision, or award following reconsideration. The application for writ of review must be made within 30 days after a petition for reconsideration is denied, or, if a petition is granted or reconsideration is had on the commission's own motion, within 30 days after the filing of the order, decision, or award following reconsideration. Judicial review

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CHAPTER 779

An act to add Section 789 to, and to amend Section 1170 of, the Probate Code, relating to real property.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 789 is added to the Probate Code, to read:

789. If the sale has not been vacated in accordance with the provisions prescribed in Section 788, then upon filing of a petition within 45 days after the confirmation of a sale showing that the purchaser at such sale has failed to complete the purchase and that a bid has been made for the property in the same or a higher amount, on the same or better terms, and in the manner prescribed in the original notice, the court may vacate the prior order of confirmation and make an order confirming the sale to the new high bidder; provided, that such notice as the court directs shall be given the defaulting purchaser, unless his written consent to the vacation of the order confirming sale to him is filed with the court. If the report and petition for confirmation of the second sale are not filed within 45 days of the confirmation of the first sale, the property may be resold only in the manner prescribed in Section 788. Vacation of order confirming sale

SEC. 2. Section 1170 of said code is amended to read:

1170. Whenever title to or an interest in real property is affected by the death of any person, any person who claims any interest in such real property, which interest is affected by Petition by claimant of real property interest affected by death

the death of such person, may, and a surviving joint tenant or surviving joint tenants must, file in the superior court of the county of which the decedent was a resident at the time of his death, or in any county in which any part of the real property is situated, a verified petition setting forth those facts, and particularly describing the real property and his interest therein.

In the event of no opposition to, or contest of, such petition, the same, or affidavits in support thereof, may be received in evidence and acted upon by the court with the same force and effect as if the petitioner or affiants were personally present and testified to the facts set forth.

CHAPTER 780

R & T C, §7301, ff

An act to amend Section 7651 of the Revenue and Taxation Code, relating to returns under the Motor Vehicle Fuel License Tax Law.

In effect September 22, 1951

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 7651 of the Revenue and Taxation Code is amended to read:

Fuel distributor returns, remittance

7651. Each distributor shall prepare and file with the board on forms prescribed by the board a return showing the total number of gallons of motor vehicle fuel distributed by him within this State during each calendar month, or such monthly period ended during that calendar month as the board may authorize, the amount of license tax due for the month covered by the return, and such other information as the board deems necessary for the proper administration of this part. The distributor shall file the return on or before the first day of the second calendar month following the monthly period to which it relates, together with a remittance payable to the Controller for the amount of license tax due for that period less whatever amounts may have been paid theretofore for the same period because of returns and payments made on a weekly basis.

CHAPTER 781

An act to amend Section 195 of the Vehicle Code, relating to chattel mortgages on vehicles.

In effect September 22, 1951

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 195 of the Vehicle Code is amended to read:

195. Chattel Mortgagee to Appear as Legal Owner. No chattel mortgage on any vehicle registered hereunder, irrespective of whether such registration was effected prior or subsequent to the execution of such mortgage is valid as against creditors or subsequent purchasers or encumbrancers until the mortgagee or his successor or assignee has deposited with the department, at its office in Sacramento, or at any other office as may be designated by the director, a properly endorsed certificate of ownership to the vehicle subject to said mortgage showing the chattel mortgagee as legal owner if said vehicle is then registered hereunder, or if said vehicle is not so registered, an application in usual form for an original registration, together with an application for registration of said chattel mortgagee as legal owner, and upon payment of the fees as provided in this code. Deposit of a certificate within 30 days after the date of any such mortgage shall be deemed a deposit within a reasonable time.

Chattel mortgagee to appear as legal owner

CHAPTER 782

An act providing for the constitution of the municipal court in a district embracing the City of Modesto, and prescribing the number and compensation of the judges, officers and attaches thereof.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. The municipal court established in a district embracing the City of Modesto shall be constituted, and the judges, officers and attaches thereof shall receive compensation, as follows:

Modesto municipal court· Constitution, personnel, salaries

(1) There shall be two judges, each of whom shall receive eight thousand dollars ($8,000) per annum, payable in equal monthly installments.

(2) There shall be one clerk who shall receive a minimum salary of two hundred ninety dollars ($290) monthly, with annual increments of fourteen dollars ($14), fourteen dollars ($14), fifteen dollars ($15), and sixteen dollars ($16) to a maximum of three hundred forty-nine dollars ($349) monthly.

(3) The clerk may appoint the following:

Two deputy clerks who shall be court clerks and each of whom shall receive a minimum salary of two hundred forty-two dollars ($242) monthly with annual increments of eleven dollars ($11), twelve dollars ($12), twelve dollars ($12), and thirteen dollars ($13) to a maximum of two hundred ninety dollars ($290) monthly.

One deputy clerk who shall receive a minimum salary of two hundred two dollars ($202) monthly with annual increments of nine dollars ($9), ten dollars ($10), ten dollars ($10),

Same

and eleven dollars ($11), to a maximum of two hundred forty-two dollars ($242) monthly.

Two deputy clerks, each of whom shall receive a minimum salary of one hundred ninety-three dollars ($193) monthly with annual increments of nine dollars ($9), nine dollars ($9), ten dollars ($10), and ten dollars ($10) to a maximum of two hundred thirty-one dollars ($231) monthly.

(4) There shall be one marshal who shall receive a salary of two hundred ninety dollars ($290) monthly, with annual increments of fourteen dollars ($14), fourteen dollars ($14), fifteen dollars ($15), and sixteen dollars ($16) to a maximum of three hundred forty-nine dollars ($349) monthly.

(5) The marshal may appoint the following:

One deputy marshal who shall be court bailiff, and who shall receive a minimum salary of two hundred forty-two dollars ($242) monthly with annual increments of eleven dollars ($11), twelve dollars ($12), twelve dollars ($12), and thirteen dollars ($13) to a maximum of two hundred ninety dollars ($290) monthly.

One deputy marshal who shall receive a minimum salary of one hundred ninety-three dollars ($193) monthly with annual increments of nine dollars ($9), nine dollars ($9), ten dollars ($10), and ten dollars ($10) to a maximum of two hundred thirty-one dollars ($231) monthly.

Two deputies (custodians) at the fee allowed by law for keeping property.

(6) Official reporters in such municipal courts described in this section, appointed as provided in Sections 274c and 274d of the Code of Civil Procedure, shall be attaches of such court and in lieu of any other compensation provided by law for their services in reporting testimony and proceedings in such court, shall receive a salary of four hundred dollars ($400) per month, which shall be a charge against the general fund of the county.

In conformity with the provisions of Section 274c of the Code of Civil Procedure, the judges of such court may appoint as many additional reporters as the business of the court may require, who shall be known as official reporters pro tempore, and who shall serve without salary but shall receive the fees provided by Section 274 of the Code of Civil Procedure, except that in lieu of the per diem fees provided in said section for reporting testimony and proceedings, said official reporters pro tempore shall in all cases receive fifteen dollars ($15) per day, which shall upon order of the court be a charge against the general fund of the said county.

Fees for transcription of testimony and proceedings in such court shall be paid by the litigants to official reporters and official reporters pro tempore as otherwise provided by law. In all cases where by law, the court may direct the payment of transcription fees out of the county treasury, such fees shall, upon order of the court, be paid from the general fund including fees for transcription of testimony and proceedings in criminal cases

as provided in Section 274 of the Code of Civil Procedure which shall be paid from the county treasury.

Official reporters of such court shall be members of any retirement system maintained by the county in which they are employed. For the purpose of such retirement system the salary herein provided for such reporters shall be deemed their entire compensation.

(7) Persons who succeed to positions in the municipal court under provisions of the Municipal and Justice Court Act of 1949 shall receive credit for continuous prior service in superseded courts and in the sheriff's department or constabulary of the county, and shall receive, in addition to the minimum rate, the annual increments commensurate with such years of prior service up to the maximum rate set.

CHAPTER 783

An act to add Section 7076.1 to the Water Code, relating to water wells.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7076.1 is added to the Water Code, to read:

7076.1. Reports made pursuant to Section 7076 shall not be made available for inspection by the public but shall be made available to governmental agencies for use in making studies.

Availability of reports

CHAPTER 784

An act to add Section 2211 to the Education Code, relating to the joint use and maintenance of school buildings and other school facilities by contiguous or coterminous school districts.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2211 is added to the Education Code, to read:

2211. The governing boards of two or more school districts whose boundaries are contiguous or coterminous may enter into an agreement upon such terms and conditions as may be agreeable to the respective governing boards, and subject to the approval of the county superintendent of schools, for the joint use and maintenance of school buildings and other school facilities.

Joint use agreements

CHAPTER 785

An act to amend Section 4530 of the Penal Code, relating to escapes.

In effect September 22, 1951

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 4530 of the Penal Code is amended to read:

Punishment for escapes, attempts

4530. Every prisoner confined in a state prison who escapes or attempts to escape therefrom, is punishable by imprisonment in a state prison for a term of not less than one year; said second term of imprisonment to commence from the time he would otherwise have been discharged from said prison. No additional probational report shall be required with respect to such offense.

CHAPTER 786

An act to amend Section 625a of the Penal Code, relating to the unlawful interference with fire alarm apparatus and false alarms, providing punishment therefor.

In effect September 22, 1951

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 625a of the Penal Code is amended to read as follows:

Misdemeanor

625a. (1) Any person who wilfully and maliciously tampers with, molests, injures, or breaks any public fire alarm apparatus, wire, or signal, or wilfully and maliciously sends, gives, transmits, or sounds any false alarm of fire, by means of any public fire alarm system or signal or by any other means or methods, is guilty of a misdemeanor and upon conviction thereof shall be punishable by imprisonment in the county jail, not exceeding one year, or by a fine, not exceeding one thousand dollars ($1,000), or by both such fine and imprisonment.

Felony

(2) Any person who wilfully and maliciously sends, gives, transmits, or sounds any false alarm of fire, by means of any public fire alarm system or signal, or by any other means or methods, and great bodily injury or death is sustained by any person as a result thereof, is guilty of a felony and upon conviction thereof shall be punishable by imprisonment in the state prison for not less than one year nor more than five years or by a fine of not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000), or by both such fine and imprisonment.

CHAPTER 787

An act to add Section 1162 to the Fish and Game Code, relating to possession of firearms on highways or other public ways.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1162 is added to the Fish and Game Code, to read:

1162. It is unlawful to possess a loaded rifle or shotgun in any vehicle or conveyance or its attachments standing on or along or being driven on or along any highway or other public way open to the public. A rifle or shotgun shall be deemed to be loaded for the purposes of this section when there is an unexpended cartridge or shell in the barrel thereof but not when the only cartridges or shells therein are in the magazine thereof. The provisions of this section shall not apply to police officers, peace officers, or members of the armed forces of this State or the United States, while on duty or going to or returning from such duty.

Unlawful possession of loaded firearm in vehicle

CHAPTER 788

An act to add Section 2013 to the Business and Professions Code, relating to the definition of the words "diagnose" and "diagnosis."

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2013 is added to the Business and Professions Code, to read as follows:

2013. Whenever the words "diagnose" or "diagnosis" are used in this chapter, they shall include any undertaking by any method, device or procedure whatsoever, and whether gratuitous or not, to ascertain or establish whether or not a person is suffering from any physical, mental or nervous disorder. Without in any manner limiting the generality of the foregoing, "diagnose" and "diagnosis" shall specifically include the taking of a person's blood pressure and the use of mechanical devices or machines, for the purpose of representing to any person any conclusion with respect to such person's physical, mental or nervous condition. Machines or mechanical devices for measuring or ascertaining height or weight are excluded from this section. Nothing in this section shall be construed as limiting or enlarging the practice of licensed clinical laboratory technologists and other persons licensed under any provision of law relating to the healing arts. The performance of psychological services on referral from a person licensed under this chapter is not a violation of this chapter.

"Diagnose," "diagnosis"

Testing and guidance programs in schools, colleges and universities and physical fitness tests given by public or private agencies in connection with employment or issuance or renewal of licenses or permits do not constitute diagnoses within the meaning or intent of this section.

CHAPTER 789

An act to amend Section 28145 of the Government Code, relating to compensation for public services in counties of the forty-fifth class.

In effect September 22, 1951

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 28145 of the Government Code is amended to read:

Plumas County Salaries

28145. In a county of the forty-fifth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, two thousand dollars ($2,000) a year.

(b) The district attorney, three thousand dollars ($3,000) a year.

(c) Each supervisor, three thousand dollars ($3,000) a year and mileage from his residence to the county seat at each sitting of the board, twenty cents ($0.20) a mile, such compensation to be in full for services either as supervisor or for mileage as road commissioner.

(d) Grand and trial jurors, five dollars ($5) per day and such mileage fees as are allowed by law.

The compensation provided by this section shall be payable to incumbent officers.

Saving clause

SEC. 2. If it is not legally competent to pay the compensation provided by this act to incumbent officers on the effective date of this act, such increase in compensation shall nevertheless be payable to the officers designated in this act as soon as it is legally competent to do so.

CHAPTER 790

An act to amend Section 330.24 of the Civil Code to enable mutual water companies to sell water to any public agency and under certain circumstances to other mutual water companies and other persons and declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 330.24 of the Civil Code is hereby amended to read as follows:

330.24. Any corporation organized for or engaged in the business of selling, distributing, supplying or delivering water for irrigation purposes, or for domestic use, may provide in its articles or by-laws that water shall be sold, distributed, supplied or delivered only to owners of its shares and that such shares shall be appurtenant to certain lands when the same are described in the certificate issued therefor; and when such certificate is so issued and a certified copy of such articles or by-laws recorded in the office of the county recorder in the county where such lands are situated the shares of stock shall become appurtenant to the said lands and shall only be transferred therewith, except after sale or forfeiture for delinquent assessments thereon as provided in Section 331 of this title. Notwithstanding such provision in its articles or by-laws, any such corporation may sell water to the State, or any department or agency thereof, or to any school district, or to any public agency or, during periods of water shortage, to any other mutual water company or, during any emergency resulting from fire or other disaster involving danger to public health or safety, to any person at the same rates as to holders of shares of such corporations. In the event lands to which any such stock is appurtenant are owned or purchased by the State, or any department or agency thereof, or any school district, or public agency, such stock shall be canceled by the secretary, but shall be reissued to any person later acquiring title to such land from the state department, agency, or school district, or public agency.

Sale of water Limitation

Same Emergency sales

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Urgency

In view of the present national emergency and in furtherance of measures designed to protect the public health and safety in the event of enemy attack and to minimize the consequences thereof, it is necessary and desirable that private mutual water companies be authorized to make sales of water to any public agency and in case of fire or other emergencies involving danger to the public health or safety to any person. Therefore this legislation is immediately necessary.

CHAPTER 791

An act to add Section 1238.3 to the Code of Civil Procedure, relating to the exercise of the right of eminent domain by nonprofit hospitals.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1238.3 is added to the Code of Civil Procedure, to read:

Limitations

1238.3. Subject to the provisions of this title, the right of eminent domain may be exercised in behalf of the following public uses:

1. Property immediately adjacent to and necessary for the operation or expansion of a nonprofit hospital then in existence and engaged in scientific research or an educational activity and the acquisition of which has been certified as necessary by the Director of the State Department of Public Health, except that property devoted to use for the relief, care, or treatment of the spiritual, mental, or physical illness or ailment of humans shall not be taken under this section.

2. As used in this section, "nonprofit hospital" means any health center or general, tuberculosis, mental, chronic disease, or other type of hospital holding a license in good standing issued under the provisions of Chapter 2 of Division 2 of the Health and Safety Code and owned and operated by a fund, foundation or corporation, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

CHAPTER 792

An act to amend Sections 2383 and 2384 of the Business and Professions Code, relating to unprofessional conduct.

In effect September 22, 1951

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2383 of the Business and Professions Code is amended to read:

Unprofessional conduct Felony, moral turpitude conviction

2383. The conviction of a felony, or of any offense involving moral turpitude, constitutes unprofessional conduct within the meaning of this chapter. The record of the conviction is conclusive evidence of such unprofessional conduct. A plea or verdict of guilty or a conviction following a plea of nolo contendere made to a charge of a felony or of any offense involving moral turpitude is deemed to be a conviction within the meaning of this section. The board may order the license suspended or revoked, or may decline to issue a license, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing such person to withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information or indictment.

SEC. 2. Section 2384 of the Business and Professions Code is amended to read:

Same Narcotics conviction 26 U S C, §2550

2384. The conviction of or cash compromise of a charge of violation of the Harrison Act regulating narcotics, or the conviction of a violation of the statutes of this State, regulating narcotics, or dangerous drugs, constitutes unprofessional con-

duct within the meaning of this chapter. The record of the conviction or compromise is conclusive evidence of such unprofessional conduct. A plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this section. The board may order the license suspended or revoked, or may decline to issue a license, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing such person to withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information or indictment.

CHAPTER 793

An act to amend Section 14290 of the Business and Professions Code, relating to trade-marks.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 14290 of the Business and Professions Code is amended to read:

14290. The Secretary of State shall charge and collect the following fees: Trade-marks' fees

(a) For filing a claim to a trade-mark and issuing a certificate of filing, ten dollars ($10).

(b) For recording an assignment of a registered trade-mark, five dollars ($5), plus one dollar ($1) additional for each registered trade-mark over one assigned in the same instrument.

(c) For renewing the registration of a trade-mark and issuing certificate of renewal, ten dollars ($10).

CHAPTER 794

An act to amend Sections 39560 and 39566 of, to add Section 39587 to, and to repeal Article 2 of Chapter 13, Part 2, Division 3, Title 4 of the Government Code, comprising Sections 39520 through 39531, relating to municipal weed and rubbish abatement.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 39560 of the Government Code is amended to read:

39560. As used in this article: Definitions

(a) "Superintendent" means street superintendent, his assistants and deputies, or other public officer designated by the

legislative body to perform the duties imposed by this article upon the superintendent.

(b) "Weeds" means weeds which when mature bear wingy or downy seeds, which will attain such a large growth as to become a fire menace when dry, or which are otherwise noxious or dangerous.

SEC. 2. Section 39566 of said code is amended to read:

Form of notice

39566. The notice shall be substantially in the following form:

NOTICE TO DESTROY WEEDS AND REMOVE RUBBISH, REFUSE, AND DIRT

Notice is hereby given that on the _____ day of _____, 19___, the (name of the legislative body) passed a resolution declaring that noxious or dangerous weeds were growing upon or in front of the property on this street, and that rubbish, refuse, and dirt were upon or in front of property on this street, in _____, and more particularly described in the resolution, and that they constitute a public nuisance which must be abated by the removal of the weeds, rubbish, refuse, and dirt. Otherwise they will be removed and the nuisance abated by the city and the cost of removal assessed upon the land from or in front of which the weeds, rubbish, refuse, and dirt are removed and will constitute a lien upon such land until paid. Reference is hereby made to the resolution for further particulars. A copy of said resolution is on file in the office of the city clerk.

All property owners having any objections to the proposed removal of the weeds, rubbish, refuse, and dirt are hereby notified to attend a meeting of the (name of the legislative body) of (city or town) to be held (give date), when their objections will be heard and given due consideration.

Dated this _____ day of _____, 19___.

_____

Street Superintendent
(City of _____)

SEC. 3. Section 39587 is added to said code, to read:

Alternative proceedings

39587. The proceedings provided by this article are an alternative to any procedure established by ordinance pursuant to Article 1 of this chapter.

SEC. 4. Article 2 of Chapter 13, Part 2, Division 3, Title 4 of said code is hereby repealed.

CHAPTER 795

An act to amend Section 2421 of the Education Code, relating to school districts.

In effect September 22, 1951

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2421 of the Education Code is amended to read:

2421. Every city, except cities of the sixth class, unless otherwise prescribed in its original city charter, constitutes a separate school district, which shall be governed by the board of education or board of school trustees of the city. If the consent of the governing board of the district is first obtained, territory within the exterior boundaries of a city may be withdrawn from the school district of that city and annexed to an adjoining school district in the manner provided elsewhere in this code for the change of school district boundaries. City as separate school district

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CHAPTER 796

An act to add Section 1590.5 to the Labor Code, relating to the regulation of employment agencies.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1590.5 is added to the Labor Code, to read:

1590.5. If any licensee fails to file a new bond with the Labor Commissioner within 30 days after notice of cancellation by the surety of the bond required under Section 1589, the license issued to the principal under the bond is suspended until such time as a new surety bond is filed. A person whose license is suspended pursuant to this section shall not carry on the business of an employment agency during the period of such suspension. Failure to file new bond

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CHAPTER 797

An act to amend Sections 50, 51, 53, 54, and 55 of, and to add Section 55.5 to, the Fish and Game Code, relating to game management areas.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 50 of the Fish and Game Code is amended to read:

50. In order to foster and increase the upland game bird population in the State of California, any person who owns or controls the shooting rights on a tract of land of not more than 5,000 acres, and who so handles such land as to feed, cover, and water, to make it a more suitable habitat for quail or pheasants, may apply to the commission for a licensed game bird club license authorizing the killing by shooting only, of quail or pheasants, or either, upon such land in accordance with Game bird club licenses

the provisions of this chapter, and the rules and regulations thereon as may be prescribed by the commission, from time to time, for the administration of this act. Such license may be issued for a commercial licensed game bird club where a fee or charge is made for the privilege of shooting thereon; or for a private licensed game bird club of not to exceed 2,500 acres, where no fee or charge is made for the privilege of shooting thereon. If the license is issued for a commercial licensed game bird club, such club must be open to any licensed hunter for shooting during the entire licensed game bird club season upon payment of such fee or charge as set forth in the application filed by the licensee with the Division of Fish and Game; providing the number of birds remaining to be legally taken on such club is equal to or exceeds one legal limit for each permittee on such club; and providing that the licensee shall be allowed to set a maximum daily quota of not more than one hunter for each 50 acres included in the licensed game bird club. The commission shall prescribe rules and regulations for the conduct of hunters on such clubs in the interest of safety of hunters, to prevent wastage of game, and to promote orderly operation of the club. If the license is issued for a private licensed game bird club and no fee or charge is made by the licensee for the privilege of shooting thereon, such club shall be open to licensed hunters during the licensed game bird club season authorized for such club by the commission in such numbers and under such conditions as shall be approved by the commission at the time of the issuance of such license as being in the interest of good management of such club. The application shall show the name and address of the applicant; whether the application is for a commercial or private license; the legal description of the tract of land, and description by exterior boundaries of the tract with reference insofar as possible to roads, rivers, railroads or natural boundaries; the species of birds the taking of which the license is applied for; whether the applicant proposes to propagate and rear the birds to be released and if so the location or proposed location where the birds are to be propagated and reared; whether the applicant proposes to purchase birds for release; whether the applicant proposes to charge a fee for the right to shoot birds on his lands and the amount of such fee; and such other information as the commission may require.

SEC. 2. Section 51 of said code is amended to read:

Same Fees

51. (a) If the commission is satisfied, after investigation, that the tract is suitable for the purpose of a licensed game bird club and that the establishment of such a club will not conflict with the public interest, the commission may issue a commercial licensed game bird club license upon the payment of a license fee of fifty dollars ($50), or, a private licensed game bird club license upon the payment of a license fee of twenty-five dollars ($25) for a club of 500 acres or less and fifty dollars

($50) for a club of over 500 acres. Such license shall be issued for a term of one year from February 1st, to January 31st, or, if issued after the beginning of such term, for the remainder thereof.

(b) The license shall authorize the licensee to shoot, or permit to be shot, legally propagated birds of the species mentioned in the application, upon the premises for which the license is issued. The licensee shall fix a daily bag limit, not to exceed six birds of the species released on such club.

(c) The licensee shall propagate and rear, or otherwise acquire, and release upon the premises birds of the species referred to in the license at the rate of not less than one bird per three acres on private licensed game bird clubs and not less than one bird per five acres on commercial licensed game bird clubs. At least fifty percent (50%) of the total number of birds released on the premises shall be released within the period beginning five days prior to the opening and ending the last day of the licensed game bird club season Such birds at the time of release shall be full-winged and otherwise in condition to go wild.

SEC. 3. Section 53 of said code is amended to read:

53. The holder of a licensed game bird club license must post his property on the exterior boundary at intervals of not more than 500 feet with signs of a size not less than 12 by 18 inches, which signs shall include the name of the person or organization holding the license and shall also include the words: "Commercial Licensed Game Bird Club," or "Private Licensed Game Bird Club—authorized under Regulations of the Fish and Game Commission—No Trespassing." License holder Notices

SEC. 4. Section 54 of said code is amended to read:

54. The season during which shooting is to be permitted upon the licensed premises shall be for a period of 75 consecutive days beginning on the Saturday nearest the first day of November. The total number of birds which may be taken on the premises shall not exceed 70 percent of the birds released before five days prior to the licensed game bird club season plus 80 percent of the birds released during, and within five days prior to the opening of, such season. Shooting season

SEC. 5. Section 55 of said code is amended to read:

55. The licensee on a commercial licensed game bird club may charge a fee to include a daily permit fee not to exceed eighteen dollars ($18) and a bird fee not to exceed six dollars ($6) per bird. The daily permit fee shall be applied on the charge for birds taken. The amount of such fee shall be stated in the application for license and upon the license that may be issued, and also upon the permit issued by the licensee to each hunter. The hunter must carry on his person this permit at all times while on the club. Fees authorized

SEC. 6. Section 55 5 is added to said code, to read:

55.5. One trained bird dog, or retrieving dog, shall be used in all clubs for each group of three or less hunters. Dogs

CHAPTER 798

An act to add Section 6019 to the Revenue and Taxation Code, relating to the production of X-ray films, and declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6019 is added to the Revenue and Taxation Code, to read:

X-ray diagnosis film Producers as consumers of materials

6019. Producers of X-ray films for the purpose of diagnosis are the consumers of materials and supplies used in the production thereof.

Urgency

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution, and shall go into immediate effect. The facts constituting such necessity are: Continuously since the adoption of the "Sales and Use Tax Law" it has been understood by the administrators of the law, as well as by the public generally, that physicians and dentists who take X-ray films during the course of practicing their respective professions, are consumers of the materials and supplies that are used in connection with such films, and are not retailers, and that the radiological departments maintained by hospitals are likewise consumers with respect to X-ray films taken therein at the request of attending physicians.

Recently, doubt has been cast upon the foregoing interpretation by a decision of the district court of appeal involving the taxability under the sales and use tax law of so-called lay laboratories. It has never been the intention of the Legislature that persons producing or taking X-ray films for diagnostic purposes should be considered retailers; on the contrary, the Legislature has intended that such persons be deemed to be the consumers of the materials and supplies used by them.

Therefore, in order to clarify the legislative intent and to remove any doubt with respect to the status of X-ray films, it is necessary to incorporate the foregoing intent and the administrative interpretation into the sales and use tax law. It is essential that this be done at the earliest possible moment, because thousands of physicians and dentists throughout the State are in a position of uncertainty as to their liability, if any, under the sales and use tax law.

CHAPTER 799

An act making an appropriation for expenses of Members of the Assembly, to take effect immediately.

[Approved by Governor June 1, 1951. Filed with Secretary of State June 1, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. The sum of ten thousand five hundred sixty dollars ($10,560) is hereby appropriated out of the General Fund in the State Treasury in augmentation of Item 10 of the Budget Act of 1950 for expenses of Members of the Assembly. Appropriation Expenses of Assemblymen

SEC. 2. This act makes an appropriation for the usual current expenses of the State within the meaning of Article IV of the Constitution and shall go into immediate effect. Current expense

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CHAPTER 800

An act to add Section 1953.6 to the Government Code, relating to the liability of a county, city, or city and county officer for the acts of any deputy or employee serving under him.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1953.6 is added to the Government Code, to read:

1953.6. No officer of a county, city, or city and county, whose sole compensation by virtue of his office is a fixed salary established by the Legislature, the local governing body, or the board of supervisors, shall be personally liable for the negligent act or omission of any deputy or employee serving under him and performing the duties of his office, where the appointment or qualification of such deputy or employee is required to be and has been approved by the local governing body or the board of supervisors, or by the civil service commission, unless the officer failed to exercise due care in the selection, appointment, or supervision of such deputy or employee, or negligently failed to suspend or secure the discharge of such deputy or employee after knowledge or notice of his inefficiency or incompetency. Exemption from liability

Nothing in this section shall be interpreted as placing any liability upon the principal officer for the act of a deputy or employee unless such liability is otherwise imposed upon the principal officer by law, nor shall this section be construed or interpreted as releasing or relieving any such county, city, or city and county of any liability for the negligent act or omission of any such deputy or employee otherwise imposed by law.

CHAPTER 801

An act to amend Sections 629 and 659 of the Code of Civil Procedure, relating to judgments notwithstanding the verdict.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 629 of the Code of Civil Procedure is amended to read:

Judgment notwithstanding the verdict

629. When a motion for a directed verdict, which should have been granted, has been denied and a verdict rendered against the moving party, the court, at any time before the entry of judgment, either of its own motion or on motion of the aggrieved party, shall render judgment in favor of the aggrieved party notwithstanding the verdict.

A motion for judgment notwithstanding such verdict may also be made in the alternative form, either before or after the entry of judgment, asking therefor and reserving, if that be denied, the right to apply for a new trial, and if made after the entry of judgment such motion shall be made within the period specified by Section 659 of this code in respect of the filing and serving of notice of intention to move for a new trial. If such reservation is not made contemporaneously with the motion for judgment notwithstanding the verdict, the right to apply for a new trial shall be waived. If both motions are made the court shall pass upon both of them. A motion for judgment notwithstanding the verdict made after the entry of judgment shall be deemed to be made when notice thereof is filed with the clerk and served upon the adverse party and shall be heard at the same time as the motion for a new trial. The power of the court to pass on a motion for judgment notwithstanding the verdict shall not extend beyond the last date upon which it has the power to pass on a motion for a new trial. If a motion for judgment notwithstanding the verdict is not determined before such date, the effect shall be a denial of such motion without further order of the court.

If the motion for a directed verdict and the motion for judgment notwithstanding the verdict be denied and the latter motion is made in the alternative form and if a new trial be denied, the appellate court may, when it appears from the whole of the evidence that a verdict should have been so directed at the trial, order judgment to be so entered on appeal from the judgment or from the order denying the motion for judgment notwithstanding the verdict. Where a new trial is granted to the party moving for judgment notwithstanding the verdict, the order denying the motion for judgment notwithstanding the verdict shall not be reviewed on appeal, unless the adverse party appeal from the order granting a new trial, in which case the order denying judgment notwithstanding the verdict may be reviewed on appeal. If the court grants the motion for, or of its own motion directs the entry of, judgment notwithstanding the

verdict, and likewise grants the motion for a new trial, the order granting a new trial shall be effective only if, on appeal, the judgment notwithstanding the verdict is reversed and the order granting a new trial is not appealed from or, if appealed from, is affirmed.

SEC. 2. Section 659 of said code is amended to read:

659. Notice of Motion: Filing and Service, Time: Contents: Extension of Time. The party intending to move for a new trial must, either (1) before the entry of judgment and, where a motion for judgment notwithstanding the verdict is pending, then within five (5) days after the making of said motion, or (2) within ten (10) days after receiving written notice of the entry of the judgment, file with the clerk and serve upon the adverse party a notice of his intention to move for a new trial, designating the grounds upon which the motion will be made and whether the same will be made upon affidavits or the minutes of the court or both. Said notice shall be deemed to be a motion for a new trial on all the grounds stated in the notice. The time above specified shall not be extended by order or stipulation. Notice of motion

SEC. 3. The amendments made by this act in Sections 629 and 659 of the Code of Civil Procedure shall take effect on January 1, 1952, and apply only to verdicts rendered on and after said date. Operative date

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CHAPTER 802

An act to amend Sections 736, 737, 738, 739, and 743.6 of, to amend and renumber Sections 737.2, 737.4, and 737.6 of, and to add Sections 737.1, 737.2, and 737.3 to, the Vehicle Code, relating to procedure after arrest of persons charged with misdemeanor violations of the code.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 736 of the Vehicle Code is amended to read:

736. When Person Arrested Must Be Taken Without Unnecessary Delay Before a Magistrate. Whenever any person is arrested for any violation of this code, not declared herein to be a felony, the arrested person shall be taken without unnecessary delay before a magistrate within the county in which the offense charged is alleged to have been committed and who has jurisdiction of such offense and is nearest or most accessible with reference to the place where the arrest is made or, if the magistrate is not available, before his clerk or a jail custodian, as provided in Section 737.1, in any of the following cases: Presentation before magistrate Mandatory

(a) When the person arrested fails to exhibit his operator's or chauffeur's license or other satisfactory evidence of his identity.

(b) When the person arrested refuses to give his written promise to appear in court.

(c) When the person arrested demands an immediate appearance before a magistrate.

(d) When the person arrested is charged with violating Section 480, Section 502 or Section 506 hereof.

SEC. 2. Section 737 of said code is amended to read:

Same Permissive

737. When Officer Has Option to Take Arrested Person Before a Magistrate. Whenever any person is arrested for any of the following offenses and the arresting officer is not required as hereinbefore provided to take such person without unnecessary delay before a magistrate, the arrested person shall, in the judgment of the arresting officer, either be given a five days' notice to appear as herein provided or be taken without unnecessary delay before a magistrate within the county in which the offense charged is alleged to have been committed and who has jurisdiction of such offense and is nearest or most accessible with reference to the place where said arrest is made or, if the magistrate is not available, before his clerk or a jail custodian, as provided in Section 737.1.

(a) Section 504, relating generally to injuring or tampering with a vehicle.

(b) Section 505, relating to reckless driving, when such offense causes injury to any person.

(c) Section 662, relating to a failure or refusal of the driver of a vehicle to stop and submit to an inspection or test of the lamps upon such vehicle under Section 663 hereof, which is punishable as a misdemeanor.

(d) Section 670(e), relating to a failure or refusal of the driver of a vehicle to stop and submit to a brake test which is punishable as a misdemeanor.

(e) Section 709(c), relating to refusal to submit vehicle and load to a weighing which is punishable as a misdemeanor.

(f) Section 481, relating to failure to stop in the event of an accident involving damage to property.

(g) Section 483, relating to failure to stop after collision with an unattended vehicle.

(h) Section 601.5, relating to participating in speed contests.

(i) Section 332, relating to driving while license is suspended or revoked.

(j) When the person arrested has attempted to evade arrest.

SEC. 3. Section 737.1 is added to said code, to read:

Bail

737.1. Clerk of Magistrate or Jail Custodian May Accept Bail. (a) When an arresting officer attempts to take a person arrested for a misdemeanor violation of this code before a magistrate as provided in Sections 736 and 737 and no such magistrate or person authorized to act for him is available, the arresting officer shall take the person arrested before the clerk of the magistrate or the officer in charge of the most accessible county jail, city jail or other place of detention within the county, who

shall admit him to bail in accordance with a schedule, fixed as provided in Section 737.2.

(b) Any bail deposited with an officer in charge of the most accessible county jail, city jail or other place of detention within the county shall be transmitted to a magistrate having jurisdiction over the offense, or to the clerk of such magistrate, not later than the next business day.

(c) The authority to admit to bail as provided in subdivision (a) shall include authority to approve the same, to issue and sign an order for the release of the person arrested, and to set a time and place for his appearance before the appropriate magistrate.

(d) Any jail custodian authorized to accept bail by this section who is not already bonded shall give a bond in such sum as the board of supervisors, or the governing body of the city in the case of a city jail, shall prescribe.

SEC. 4. Section 737.2 is added to said code, to read:

737.2. Bail Schedule Fixed by County Magistrates. (a) Every six months there shall be held a meeting of the magistrates in each county having jurisdiction over misdemeanor violations of this code at which a schedule of the amount of bail to be set for the release of persons charged with such violations when taken before a clerk of a magistrate or an officer in charge of a county jail, city jail or other place of public detention as provided in Section 737.1 shall be adopted, approved, or revised by the majority vote of such magistrates. Bail schedule

(b) In any court within the county having more than one judge or justice, one such judge or justice shall be selected to represent that court.

(c) The meetings shall be held at the time and place specified by the judge of the municipal or justice court situated at the county seat, or if there be more than one, then by a majority of such judges.

SEC. 5. Section 737.3 is added to said code, to read:

737.3. Schedule to Be Sent to Clerks of Magistrates and Jail Custodians. A copy of the schedule mentioned in Section 737.2 shall be sent forthwith to each clerk of a magistrate in the county and to each officer in the county in charge of a county jail, city jail or other place of detention. Same

SEC. 6. Section 737.2 of said code is amended and renumbered to read:

737.1. Clerk of Magistrate or Jail Custodian May Accept Bail. (a) When an arresting officer attempts to take a person arrested for a misdemeanor violation of this code before a magistrate as provided in Sections 736 and 737 and no such magistrate or person authorized to act for him is available, the arresting officer shall take the person arrested before the clerk of the magistrate or the officer in charge of the most accessible county jail, city jail or other place of detention within the county, who shall admit him to bail in accordance with a schedule, fixed as provided in Section 737.2. Acceptance of bail

(b) Any bail deposited with an officer in charge of the most accessible county jail, city jail or other place of detention within the county shall be transmitted to a magistrate having jurisdiction over the offense, or to the clerk of such magistrate, not later than the next business day.

(c) The authority to admit to bail as provided in subdivision (a) shall include authority to approve the same, to issue and sign an order for the release of the person arrested, and to set a time and place for his appearance before the appropriate magistrate.

(d) Any jail custodian authorized to accept bail by this section who is not already bonded shall give a bond in such sum as the board of supervisors, or the governing body of the city in the case of a city jail, shall prescribe.

SEC. 7. Section 737.4 of said code is amended and renumbered to read:

Bail schedule

737 2. Bail Schedule Fixed by County Magistrates. (a) Every six months there shall be held a meeting of the magistrates in each county having jurisdiction over misdemeanor violations of this code at which a schedule of the amount of bail to be set for the release of persons charged with such violations when taken before a clerk of a magistrate or an officer in charge of a county jail, city jail or other place of public detention as provided in Section 737.1 shall be adopted, approved, or revised by the majority vote of such magistrates.

(b) In any court within the county having more than one judge or justice, one such judge or justice shall be selected to represent that court.

(c) The meetings shall be held at the time and place specified by the judge of the municipal or justice court situated at the county seat, or if there be more than one, then by a majority of such judges.

SEC. 8. Section 737.6 of said code is amended and renumbered to read:

Same

737.3. Schedule to Be Sent to Clerks of Magistrates and Jail Custodians. A copy of the schedule mentioned in Section 737 2 shall be sent forthwith to each clerk of a magistrate in the county and to each officer in the county in charge of a county jail, city jail or other place of detention.

SEC. 9. Section 738 of said code is amended to read:

Court procedure

738. Court Procedure Where Person Arrested for Misdemeanor Is Taken Before Magistrate. (a) Whenever a person is arrested for a misdemeanor and is taken before a magistrate, the arresting officer shall file with said magistrate a complaint stating the offense with which said person is charged.

(b) The person so taken before a magistrate shall be entitled to at least five days' continuance of his case in which to plead and prepare for trial and said person shall not be required to plead or be tried within said five days unless he waives such time in writing or in open court.

(c) The person so taken before a magistrate shall thereupon be released from custody upon his own recognizance or upon such bail as the magistrate may fix.

SEC. 10. Section 739 of said code is amended to read:

739. When Person Arrested to Be Given Notice to Appear in Court (a) Whenever a person is arrested for any violation of this code, not declared herein to be a felony, and such person is not taken before a magistrate as hereinbefore required or permitted, the arresting officer shall prepare in duplicate a written notice to appear in court containing the name and address of such person, the license number of his vehicle if any, the offense charged and the time and place when and where such person shall appear in court. Notice to appear

(b) The time specified in said notice to appear must be at least five days after such arrest.

(c) The place specified in said notice to appear shall be either:

(1) Before a magistrate within the county in which the offense charged is alleged to have been committed and who has jurisdiction of the offense and is nearest or most accessible with reference to the place where said arrest is made; or

(2) Upon demand of the person arrested, before a municipal court judge or other magistrate having jurisdiction of such offense at the county seat of the county in which such offense is alleged to have been committed or before a magistrate in the township in which the offense is alleged to have been committed.

(3) Before an officer authorized by the city, county, or city and county, to receive a deposit of bail.

(d) Said officer shall deliver one copy of said notice to appear to the arrested person and said arrested person in order to secure release must give his written promise so to appear in court by signing the duplicate notice which shall be retained by said officer. Thereupon the arresting officer shall forthwith release the person arrested from custody.

(e) Said officer shall, as soon as practicable, file said duplicate notice with the magistrate specified therein. Thereupon the magistrate shall fix the amount of bail which in his judgment, in accordance with the provisions of Section 1275 of the Penal Code, will be reasonable and sufficient for the appearance of the defendant and shall endorse upon said notice a statement signed by him in the form set forth in Section 815a of the Penal Code. The defendant may, prior to the date upon which he promised to appear in court, deposit with the magistrate the amount of bail thus set. Thereafter, at the time when the case is called for arraignment before the magistrate, if the defendant shall not appear, either in person or by counsel, the magistrate may declare the bail forfeited, and may in his discretion order that no further proceedings shall be had in such case.

Upon the making of such order that no further proceedings be had, all sums deposited as bail shall forthwith be paid into the city or county treasury, as the case may be.

(f) No warrant shall issue on such charge for the arrest of a person who has given such written promise to appear in court, unless and until he has violated such promise or has failed to deposit bail, to appear for arraignment, trial or judgment, or to comply with the terms and provisions of the judgment, as required by law.

SEC. 11. Section 743.6 of said code is amended to read:

Discretionary procedure

743.6. Procedure Upon Arrest Discretionary in Certain Cases. Whenever any person is arrested by any member of the California Highway Patrol for any violation of any state law regulating the operation of vehicles or the use of the highways declared to be a misdemeanor but which offense is not specified in this code, such person shall, in the judgment of the arresting officer, either be given a five-day notice to appear in the manner hereinbefore provided or be taken without unnecessary delay before a magistrate within the county in which the offense charged is alleged to have been committed and who has jurisdiction of such offense and is nearest or most accessible with reference to the place where said arrest is made, or, upon demand of the person arrested, before a magistrate in the township in which the offense is alleged to have been committed.

Effect Stats 1951, Ch 444

SEC. 12. Sections 6, 7 and 8 of this act become operative only if Senate Bill No. 118 is enacted at the 1951 Regular Session, in which case Sections 737.1, 737.2, and 737.3 added to the Vehicle Code by Sections 3, 4, and 5 of this act shall not become operative.

CHAPTER 803

An act to amend the title of Article 3 of Chapter 4, Part 1, Division 6, and Section 6357 of the Public Resources Code, relating to procedure on establishment of ordinary high-water and low-water marks.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. The title of Article 3, Chapter 4, Part 1, Division 6, of the Public Resources Code is amended to read:

Article 3. Procedure on Establishment of Ordinary High-water and Low-water Mark

SEC. 2. Section 6357 of the Public Resources Code is amended to read:

Establishment of ordinary high-water mark, etc

6357. The commission may establish the ordinary high-water mark or the ordinary low-water mark of any of the swamp, overflowed, marsh, tide, or submerged lands of this State, either by arbitration or action to quiet title, whenever it is deemed expedient or necessary.

CHAPTER 804

An act to add Section 25826 to the Government Code, relating to fixing and collecting of fees for the use of public land for camping purposes.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 25826 is added to the Government Code, to read:

25826. The board of supervisors may fix and collect a fee from each camper or party of two or more campers for the privilege of using for camping purposes, any land owned by the State, the county, or any land owned by any city or the United States, to the extent that it has jurisdiction over that land for the purpose of levying such a fee. City-owned land located in the county within which the city is situated and regularly established city-owned camps having sanitary facilities are not subject to the provisions of this section. Money so collected shall be used solely for sanitary measures in the area and to acquire, construct, reconstruct, alter, enlarge, repair, operate and maintain sanitary facilities therein for campers. Camping fees

The board of supervisors may enter into a cooperative agreement with the United States or any agency thereof for the purpose of carrying out the provisions of this section.

CHAPTER 805

An act to amend Sections 736.1-1 and 736.11 of the Agricultural Code, relating to stabilization and marketing of fluid milk and fluid cream.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 736.1-1 of the Agricultural Code is amended to read:

736.1-1. Each distributor who purchases from producers fluid milk and/or fluid milk for fluid cream for the purpose of freezing and holding in cold storage the market cream or concentrated market cream derived therefrom, as authorized in Section 460.5 of this code, shall pay to producers not less than the minimum price for Class 2 milk as provided in the stabilization and marketing plan in the area in which such purchases are made, and shall keep a record of all such lots of fluid milk and/or fluid milk for fluid cream received from each Prices, etc., of fluid milk, etc

producer. Should such market cream or concentrated market cream be subsequently sold in Class 1 and the Class 1 price established in the stabilization and marketing plan applicable to the area where such market cream or concentrated market cream is sold exceed the price paid for the fluid milk and/or fluid milk for fluid cream established in the stabilization and marketing plan, the distributor shall pay to the producer the difference between the Class 2 and the Class 1 price, less the cost of storage of such market cream or concentrated market cream.

SEC. 2. Section 736.11 of the Agricultural Code is amended to read:

Method of designating, etc., minimum prices

736.11. The director shall, as soon as possible after the effective date hereof, in all marketing areas wherein a stabilization and marketing plan for fluid milk or fluid cream is in effect under the provisions of this chapter, designate and prescribe or provide methods for designating and prescribing minimum wholesale and minimum retail prices for fluid milk or fluid cream.

(a) Minimum wholesale prices, as used herein, shall mean prices at which fluid milk or fluid cream, or both, shall be sold by distributors to retail stores including the prices at which fluid milk or fluid cream shall be sold by distributors to retail stores, restaurants, confectioneries and other places for consumption on the premises but excluding, however, the prices at which fluid milk or fluid cream, or both, shall be sold by distributors to retail stores owned or operated by such distributor. Minimum wholesale prices, as used herein, includes prices at which fluid milk or fluid cream, or both, shall be sold by distributors to other distributors, other than in bulk, which prices may vary from the minimum prices established for sales by distributors to other wholesale customers; provided, however, the director shall not be required to establish such minimum wholesale prices in those marketing areas wherein he finds, after public hearing held pursuant to this article, that conditions of transportation, production, and distribution are such that the establishment thereof will cause disparity in prices to exist between two or more marketing areas.

(b) Minimum retail prices herein, shall mean prices at which fluid milk or fluid cream, or both, shall be sold by distributors and retail stores to consumers.

At the time any stabilization and marketing plan is hereafter established under the provisions of this chapter, the director shall designate and prescribe, or provide methods for designating and prescribing, such minimum wholesale prices and such minimum retail prices; provided, however, that all prices established under the terms of this article shall be such prices as are determined by the director pursuant to the provisions of Section 736.12.

CHAPTER 806

An act to amend Section 12155 of the Revenue and Taxation Code, relating to the taxation of marine insurers.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 12155 of the Revenue and Taxation Code is amended to read:

12155. When computing the tax of a marine insurer issuing participating policies, the insurance commissioner shall not include in underwriting profit the amounts refunded by the insurer on account of premiums previously paid by its policyholders. Taxation of marine insurers

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CHAPTER 807

An act to amend Sections 5312, 5324, and 5325 of the Business and Professions Code, relating to outdoor advertising.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5312 of the Business and Professions Code is amended to read:

5312. The director may revoke any license or permit for the failure to comply with the provisions of this chapter and may remove and destroy any advertising display placed or maintained in violation of this chapter after 10 days' written notice posted on such structure or sign and a copy forwarded by mail to the display owner at his last known address Revocation of license, destruction of display

Notwithstanding any other provision of this chapter the director or any authorized employee may summarily and without notice remove and destroy any advertising display placed in violation of this chapter which is temporary in nature because of the materials of which it is constructed or because of the nature of the copy thereon.

For the purpose of removing or destroying any advertising display placed in violation of the provisions of this chapter, the director or his authorized agent may enter upon private property without incurring any liability therefor.

SEC. 2. Section 5324 of said code is amended to read:

5324. The license fee is fifty dollars ($50) for an original license and for each annual renewal thereof, except where the applicant has engaged in the business of outdoor advertising without a valid, unrevoked and unexpired license, the fee for any issuance of the first license thereafter is one hundred dollars ($100), one-half of which is the penalty. License fee

SEC. 3. Section 5325 of said code is amended to read:

Permit fee

5325. (a) The permit fee for each advertising sign is twenty-five cents ($0.25) for an original permit and for each annual renewal thereof, except where the applicant has placed or maintained any such sign without a valid, unrevoked and unexpired permit therefor, the fee for any issuance of the first permit thereafter is one dollar and twenty-five cents ($1.25), one dollar ($1) of which is the penalty.

(b) The permit fee for an advertising structure for the original permit and for each annual renewal thereof is one dollar ($1), except where the applicant has placed or maintained such structure without a valid, unrevoked and unexpired permit therefor, the fee for any issuance of the first permit thereafter is two dollars ($2), one dollar ($1) of which is the penalty.

CHAPTER 808

An act to amend Section 53732 of the Government Code, relating to capital outlay funds of local agencies.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 53732 of the Government Code is amended to read:

Limitation

53732. In making a levy, the legislative body shall not exceed any limitation upon its right to impose taxes prescribed by law except as authorized by law.

CHAPTER 809

Stats 1927, p 1728, amended

An act to amend Section 1 of an act entitled "An act to provide a stenographer and typist for judges of the superior courts and providing for their salaries and the payment thereof," approved May 31, 1927, relating to superior court stenographers and secretaries.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1 of the act cited in the title hereof is amended to read:

Court stenographers

Section 1. In each county, and city and county, having a population of 65,500 or over, and where there is no jury commissioner provided, and having not more than three departments of the superior court in and for said county or city and county, the judges of the superior court in and for such county,

or city and county, to assist the court in the transaction of the judicial business of said court may appoint one competent stenographer or secretary skilled in such work for each judge of the superior court in and for said county or city and county, whose duty it shall be to render such service as such judge may require each day; the salary of each such stenographer or secretary shall be three hundred dollars ($300) per month.

CHAPTER 810

An act to amend Sections 14441, 14449.1, 14449 2, 14452, 14638, 14641, 14680, 14681, and 14683 of, and to add Section 14575.1 to, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 14441 of the Education Code is amended to read:

14441. Service shall be computed by school years and not by calendar years, portions of years served in completed months being accumulated and counted as service. All of the service rendered in any one school year shall not count for more than one year, and the total service credited shall be taken to the next lower completed quarter year of total time served. No time shall be included for which, or on the basis of which, a member is entitled to receive a pension in a lump sum or installment payments, for other than naval or military service from any source other than this system or a local retirement system. If a retired member becomes entitled to such a pension, his retirement allowance shall be reduced thereafter to exclude the time upon which the pension is based, without other change in his retirement status. No time shall be included during which a member is on retirement under this system.

Computation of service

SEC. 2. Section 14449.1 of said code is amended to read:

14449.1. The member shall receive credit for time served in teaching positions in publicly supported and publicly administered universities and colleges in this State.

Service with universities, etc

SEC. 3. Section 14449.2 of said code is amended to read:

14449.2. The member shall receive credit for time served in teaching positions in schools supported and administered by the United States Government in this State.

Service with federal schools

SEC. 4. Section 14452 of said code is amended to read:

14452. Every person who was a member or a retired member of the California State Teachers' Retirement System on June 30, 1944, shall receive credit for time served outside this State prior to July 1, 1944, as follows:

Credit for time prior to July 1, 1944

(a) He shall receive credit for time served in a status which in this State is requisite for membership, in other states of the United States and its territories and possessions and in Canada.

(b) He shall receive credit for time served in teaching positions in publicly supported and publicly administered universities or colleges in the United States and its territories and possessions and in Canada. Retirement salaries payable to persons retired after July 1, 1937, and prior to September 13, 1941, shall be adjusted upon the request of the persons, to the provisions of this section, effective on the first day of the month in which the requests are received at the office of the Retirement System in Sacramento.

(c) He shall receive credit for time served in teaching positions in schools supported and administered by the United States Government.

(d) Members who are employed in the California School for the Deaf or the California School for the Blind, or in special classes maintained by the public schools of this State, for the instruction of the deaf, the hard of hearing, the blind, or the semisighted shall receive credit for time served in publicly supported residential schools for the deaf and blind outside this State.

SEC. 5. Section 14638 of said code is amended to read:

Election
Effect of death

14638. If any retired person dies after the effective date of his retirement, and within 30 days from the date upon which the election or changed election is received in the office of the Retirement System at Sacramento, then the election shall be void and of no effect, and he shall be considered as an active member at the time of death.

SEC. 6. Section 14641 of said code is amended to read:

Re-entrance into system

14641. When a member who has been retired and has thereafter re-entered membership in the Retirement System, subsequently retires, he shall not receive the full retirement annuities specified in subdivisions (b) and (c) of Section 14632, or 14639, according to whether retirement is for service or disability, but shall receive (1) an annuity, based upon his salary earned in service from the date of re-entry into the Retirement System to the date of his subsequent retirement, and calculated under Section 14632 or 14639, as the case may be, plus (2) annuities equal to the annuities he received next preceding his re-entry into membership, adjusted according to any change in the provisions governing the calculation of retirement allowances made after said re-entry and applicable to allowances being paid at the date of the change, provided that such subsequent retirement occurs before he renders after his re-entry, at least one year of service credited under the Retirement System; otherwise, plus (3) annuities based on the same salary and service as that upon which the annuities he received next preceding said re-entry were based, but calculated under Section 14632 or 14639, as the case may be, on the basis of an age, taken to the preceding completed quarter year, and determined by

deducting from his age at his subsequent retirement, the aggregate time during which he was under retirement.

Such a member who was retired for service with credit for less than 30 years of service and at an age which resulted in a discount of his retirement salary, likewise shall not receive the full retirement salary specified in subdivision (a) of Section 14632 but shall receive (1) a retirement salary, based upon his credited service from the date of re-entry into the Retirement System to the date of his subsequent retirement, and calculated under Section 14632, plus (2) a retirement salary equal to the retirement salary he received next preceding his re-entry into membership, adjusted according to any change in the provisions governing the calculation of retirement allowances made after said re-entry and applicable to allowances being paid at the date of the change; provided, that such subsequent retirement occurs before he renders after his re-entry, at least one year of service credited under the Retirement System; otherwise, plus (3) a retirement salary based on the same service as that upon which the retirement salary he received next preceding said re-entry was based, but calculated under Section 14632 on the basis of an age, taken to the preceding completed quarter year, and determined by deducting from his age at his subsequent retirement, the aggregate time during which he was under retirement.

SEC. 7. Section 14680 of said code is amended to read:

Ceasing to be member of local system

14680. If a member of this Retirement System who is or has been a member of another retirement system ceases to be entitled to retirement benefits from the other retirement system for any service rendered after July 1, 1944, which qualifies for credit under this Retirement System and for which he has not contributed to the Retirement Annuity Fund under Section 14478, but continues to be a member of this Retirement System, upon receipt of refund of his contributions to the other retirement system he shall deposit in the Retirement Annuity Fund an amount equal to the contributions which he would have been required to make during such service if he had not then been a member of the other retirement system, with interest from the first of the year next following the date on which such contributions would have been payable to the date the deposit is made at the current rate of interest credited to Retirement Annuity Fund contributions.

Unless such deposit is made within two years after receipt of refund of his contributions to the other retirement system and prior to retirement, the member shall not be entitled to benefits from the Retirement Annuity Fund based upon salary earned in any service after July 1, 1944, for which he has not contributed to the Retirement Annuity Fund pursuant to Section 14478, and the guarantee of a minimum annuity shall not apply. If the deposit is made, the member's rate of annuity contribution shall be based on his age at the beginning of such service after July 1, 1944, or on a lower age, as determined under this chapter, because of other credited service.

SEC. 8. Section 14681 of said code is amended to read:

Entering system with credit for prior service

14681. Any person who enters or changes his status under this Retirement System after July 1, 1944, and who thus becomes subject to the Retirement Annuity Fund and receives credit for service rendered after July 1, 1944, but prior to his entry into or change in status under this Retirement System, shall deposit in the Retirement Annuity Fund an amount equal to the contributions he would have been required to make to the Retirement Annuity Fund during such service if he had then been a member of this Retirement System and subject to said fund, with interest from the first of the year next following the date on which such contributions would have been payable to the date the deposit is made at the current rate of interest credited to Retirement Annuity Fund contributions.

Unless such deposit is made within two years after his entry into this retirement system or change in status and prior to retirement, the member shall not be entitled to benefits from the Retirement Annuity Fund based upon salary earned in any service after July 1, 1944, for which he has not contributed to the Retirement Annuity Fund pursuant to Section 14478, and the guarantee of a minimum annuity shall not apply. If the deposit is made, the member's rate of annuity contribution shall be based on his age at the beginning of such service after July 1, 1944 or on a lower age, as determined under this chapter, because of other credited service.

SEC. 9. Section 14683 of said code is amended to read:

Cessation of benefits from local system

14683. If a person who has been retired ceases to be entitled to benefits from a local retirement system, on account of which service was excluded in the calculation of such person's annuity, but who continues to be retired under this system, he shall be entitled to an annuity on account of such service, effective on the first day of the month in which he notifies the Retirement Board at its office in Sacramento. If within 90 days after said effective date, said person deposits in the Retirement Annuity Fund, an amount equal to the contributions which he would have been required to make to that fund during service rendered after June 30, 1944, if he had not then been a member of the local retirement system, less the portion of the annuity which would have been payable prior to said date, and an amount equal to which was not paid to the local district under Section 14565, with interest on the balance of the contributions remaining after deducting said portion as it would have been paid from month to month, from the first of the year next following the date on which such contribution would have been payable to the date the deposit is made at the current rate of interest credited to Retirement Fund contributions, the annuity shall be calculated with respect to all such service, in the same manner as if the person were retiring on said effective date. If deposit of such contributions and interest is not made, the annuity shall be calculated in said manner, but including only such service

rendered prior to July 1, 1944, and the guarantee of a minimum annuity shall not apply.

If a person after retirement becomes entitled to a benefit from a local retirement system, based on service which was included in the calculation of his annuity, the annuity shall be recalculated as the effective date of the person's retirement, excluding said service, and the reduced retirement allowance shall be effective on the day the benefit under the local system began to accrue. Annuity contributions made on account of such service, plus interest and less the annuity paid to him on account of the contributions, shall be paid to him.

SEC. 10. Section 14575.1 is added to said code, to read:

Payment of benefit

14575.1. Notwithstanding any provisions in this article to the contrary but subject to Section 14638, the benefit provided in Section 14575 shall be paid with respect to a member who elects to receive a reduced retirement allowance under options 2 or 3 in Section 14637, only upon receipt of proof of a member's death which occurred before the effective date of his retirement, and within four months after the termination of the member's employment in a status requisite for membership in this retirement system, or while the member was physically or mentally incapacitated for performance of duty if such incapacity had been continuous from such termination.

CHAPTER 811

An act to amend Section 14634 of the Education Code, relating to the computations of service of members of the State Teachers' Retirement System, declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 14634 of the Education Code is amended to read:

Computation of benefits

14634. For the purpose of computing benefits from the Retirement Annuity Fund, there shall be excluded from the service with which a member is credited under Article 7 of this chapter any service for which the member is entitled to receive retirement benefits from a local retirement system. In the computation of service for which the member is entitled to receive retirement benefits from a local retirement system, there shall be excluded any service rendered prior to the date upon which members' contributions first were required under the local retirement system, which is in excess of the service required when applied according to the formula used under such system in calculating retirement allowances on the basis of

service rendered prior to such date, to produce the maximum retirement allowance provided under the system on account of such prior service. In such computation of service for which the member is entitled to receive retirement benefits from a local retirement system, there also shall be excluded any service rendered on and after the date upon which member's contributions first were required under the local retirement system, for which the member receives the refund of only his own contributions plus credited interest, and the exclusion of such service heretofore made in the administration of the retirement system is hereby ratified, validated, and confirmed. Retirement allowances, excluding annuities under the Annuity Deposit Fund, being paid on the day next preceding the effective date hereof, to persons whose retirement is effective prior thereto, shall be changed as of said date and on the basis of the ages of, and service credited to the respective persons at the effective dates of their retirement, to retirement allowances which are the sum of amounts calculated under the Permanent and Retirement Annuity Funds respectively, on the basis of current interest rate and mortality tables, and in the manner prescribed herein for the calculation of retirement allowances of members whose retirement is effective after said date.

Urgency

SEC. 2. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

Those provisions of the State Teachers' Retirement Law which have to do with the computation of benefits payable to members of the State Teachers' Retirement System who are also members of a local retirement system, have always been construed by those administering the State Teachers' Retirement System that service in a local retirement system for which a member of such a system was entitled to receive only the return of his contributions to the local retirement system plus interest did not constitute service for which the member was entitled to receive a benefit from the local retirement system. Recently some doubt has been cast upon the validity of such construction of the State Teachers' Retirement Law by the assertion of a contrary view by the legal advisor of the largest local retirement in the State which view, if correct, would result in the reduction of benefits payable from the State Teachers' Retirement System to members of local retirement systems leaving such systems before retirement thereunder. The enactment of this measure will not result in any increase in benefits to such persons over what they receive under the law as it has always been construed by those administering the State Teachers' Retirement System but will remove any ambiguity in the law which may make such construction questionable.

CHAPTER 812

An act to amend Sections 18632, 18633, and 18634 of the Business and Professions Code, continuing in existence the Athletic Commission Fund in the State Treasury, and making an appropriation.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18632 of the Business and Professions Code is amended to read:

Disposition of funds

18632. All moneys received by the commission under the provisions of this chapter shall be accounted for and reported by detailed statements furnished by the commission to the State Controller at least once a month, and at the same time such moneys shall be remitted to the State Treasurer and, upon order of the State Controller, shall be deposited in the Athletic Commission Fund in the State Treasury, which fund is hereby continued in existence.

SEC. 2. Section 18633 of the Business and Professions Code is amended to read:

Appropriation

18633. All moneys in the Athletic Commission Fund are hereby appropriated for expenses incurred by the commission in carrying out its duties under the provisions of this chapter.

SEC. 3. Section 18634 of the Business and Professions Code is amended to read:

Same

18634. All moneys remaining in the Athletic Commission Fund after providing for the expenses authorized by Section 18633 of this code are hereby appropriated for the purpose of maintaining homes established by the laws of this State for the care of veterans of any war of the United States

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CHAPTER 813

An act to add Section 13077 to the Government Code, relating to contracts between a nonprofit corporation or foundation and an educational institution maintained in whole or part by state appropriation.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 13077 is added to the Government Code, to read:

Audit of revenues expenditures

13077. Whenever a nonprofit corporation or foundation enters into a contract with a state educational institution, maintained in whole or in part by state appropriation, under the terms of which services are to be performed for the state educational institution, the books and records of such nonprofit cor-

poration or foundation, insofar as they relate to revenues and expenditures applicable to the contract, may be audited by the Department of Finance.

CHAPTER 814

An act to repeal Section 28483 of, and to add a new Section 28483 to the Health and Safety Code, relating to packing of olive oil and distribution records of olive oil processors

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 28483 of the Health and Safety Code is hereby repealed.

SEC. 2. A new Section 28483 is added to said code, to read:

Inspection of records

28483. All records of those licensed under the provisions of this act which concern the amounts of olive oil produced and/or purchased, or the sale and/or distribution of any olive oil, shall be open to inspection upon demand of any agent of this board.

CHAPTER 815

An act to amend Sections 7619, 7641, and 7665 of, and to add Sections 7610 and 7708 to, the Business and Professions Code, relating to the regulation of funeral directors and embalmers.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 7619 of the Business and Professions Code is amended to read:

Age, etc., of applicant

7619. The applicant, or in case the applicant is an association, partnership or corporation, the officer or partner appearing therefor, shall be at least 21 years of age and of good character.

SEC. 2. Section 7641 of said code is amended to read:

Unlawful acts

7641. It is unlawful for any person to embalm a body, or engage in, or hold himself out as engaged in practice as an embalmer, unless he is licensed by the board; provided, however, that this section shall have no effect on students and instructors of embalming in embalming colleges approved by the board.

SEC. 3. Section 7665 of said code is amended to read:

Apprentice embalmers Requirements

7665. All registered apprentice embalmers shall be under the supervision and control of the board and shall comply with the following requirements during their period of apprenticeship:

(a) Shall file a report of apprenticeship as follows:

(1) On or before January 15th of each year covering the period of apprenticeship ending as of December 31st preceding.

(2) Upon change of supervising embalmer or employer, or both.

(3) Upon completion of apprenticeship.

(4) Upon application for leave of absence for a period in excess of 15 days.

(5) Upon suspending apprenticeship to attend embalming college.

(6) Upon application for reregistration after suspension or revocation of registration where complete report of previous registration has not been filed.

(b) The information contained in the report shall consist of a concise summary of the work done by the apprentice during the period covered thereby, shall be verified by the apprentice and certified to as correct by his supervising embalmer and employer. Upon request of the board, each funeral director in whose establishment an apprenticeship is being, or has been, served, and each embalmer under whose instruction or supervision an apprenticeship is being, or has been served, shall promptly file with the board a report or such other information as may be requested relating to the apprenticeship. Failure to comply with the request is ground for revocation by the board of the approval granted to such funeral director or embalmer for the training of apprentices and is also a ground for disciplinary action against such funeral director or embalmer.

SEC. 4. Section 7610 is added to said code, to read:

Actions against board

7610. All suits or actions commenced in the superior court against the board shall be filed and tried either in the County of Sacramento, or in the county of the residence of the plaintiff or petitioner, or in the county where the act occurred, which is the basis of the suit or action.

SEC. 5. Section 7708 is added to said code, to read:

Denial of application authorized

7708. The board, after a hearing, may deny the application of a funeral director, embalmer, or apprentice embalmer on proof that the applicant has been convicted of a crime involving moral turpitude, fraud or dishonesty.

CHAPTER 816

An act to add Article 11, comprising Sections 20621 and 20622, to Chapter 2 of Division 10 of the Education Code, relating to state college police.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Article 11 is added to Chapter 2 of Division 10 of the Education Code, to read:

Article 11. State College Police

College police

20621. The Department of Education may appoint one or more persons to constitute a police department for each state college which maintains a course in penology or criminology and the campus of which state college is situated in unincorporated territory. Persons employed and compensated as members of a police department, when so appointed and duly sworn, are peace officers only upon the campus of the state college and other grounds or properties of the state college.

Badges

20622. Every member of a state college police department shall be supplied with, and authorized to wear, a badge bearing the words "State College Police."

CHAPTER 817

An act to amend Sections 6231 and 6264 of the Public Utilities Code, relating to local franchises for public utilities.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

NOTE: The sections of the Public Utilities Code affected by this chapter appear in their proper place in that code. Chapter 764 of Statutes of 1951, as required by Section 9762 of the Government Code.

CHAPTER 818

An act to add Section 6103.1 to the Government Code and to repeal Section 4295a of the Political Code, relating to fees for official services.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6103.1 is added to the Government Code, to read:

Application of section

6103.1. Section 6103 does not apply to any fee or charge for official services required by Parts 3 and 4 of Division 2 of the Water Code.

Repeal

SEC. 2. Section 4295a of the Political Code is repealed.

CHAPTER 819

An act to add Article 10 to Chapter 3, Part 3, Division 5 of the Health and Safety Code, relating to county sanitation districts.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Article 10 is added to Chapter 3, Part 3, Division 5 of the Health and Safety Code, to read:

Article 10. Reorganization

Reorganization election

4857. Whenever (a) 25 percent or more of the residents and taxpayers residing within a district so petition the board of supervisors; or (b) the board of supervisors, by resolution, determines it to be in the best interests of the district, the board of supervisors may call an election to determine whether or not the district should be reorganized as a sanitary district under Part 1, Division 6 of this code. The proposed name of the reorganized district shall be designated in the petition or resolution.

Same

4858. The election shall be held as provided in Sections 6460 to 6466, inclusive, of this code.

Same. Result

4859. If the majority of the votes cast at the election are in favor of the proposed reorganization, the board of supervisors, by order entered in its minutes, shall declare the district reorganized as a sanitary district. Upon the adoption of the order, the district shall be deemed to be a sanitary district with all of the rights, powers, duties, and obligations of a sanitary district.

Said sanitary district shall cause assessments to be made and taxes to be levied to retire any and all outstanding bonded indebtedness so that the same shall be retired in the same manner and to the same extent as though said district had continued as a county sanitation district.

CHAPTER 820

An act to amend Section 1881.3 of the Civil Code, relating to private bulk storage of grain, and extending the effective period of the chapter of said code relating to such storage.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1881.3 of the Civil Code is amended to read:

Duration

1881.3. The provisions of this chapter shall have no force and effect after December 31, 1953.

CHAPTER 821

An act to add Section 25508 to the Government Code, relating to county purchasing agents.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 25508 is hereby added to the Government Code, to read:

Rules and regulations

25508. The board of supervisors may by ordinance establish rules and regulations requiring the purchasing agent to obtain quotations by the use of formal or informal bids, in connection with the purchase of materials, supplies, furnishings, equipment, livestock and other personal property which such purchasing agent is authorized to purchase for the county and its offices. The purchasing agent shall comply with such rules and regulations.

CHAPTER 822

An act to add Section 35561.1 to the Government Code, relating to withdrawal of territory from cities.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 35561.1 is added to the Government Code, to read:

Exclusion of territory from city

35561.1. In the case of territory which has been annexed by the city without the filing of a petition or request therefor signed by the owners of property within the territory annexed, but under proceedings initiated by the legislative body of the city on its own motion, and in which no notice of such proceedings was given to said property owners except constructive notice by publication or by posting, all of the territory so annexed shall be excluded from said city if, within two years after such annexation shall have been completed, a petition for such exclusion shall be filed with the city clerk, addressed to the legislative body of said city, signed by the owners of property within said territory owning not less than 75 percent of the land in the territory by area and by assessed value, as shown on the last equalized assessment roll of the county in which the territory is situated.

Upon the filing of such petition with the city clerk, the legislative body of said city shall, at its next regular meeting or at any earlier meeting duly called for that purpose, examine said petition and, if it finds the same to be in compliance with this section, shall by ordinance exclude from said city all of the

territory therein described which had been so annexed. In such case no election need or shall be called or held for the purpose of the exclusion of such territory. The clerk of the legislative body shall within 10 days after the passage of said ordinance, file with the Secretary of State and the board of supervisors a certified copy of said ordinance in the same manner as herein provided for the filing of a copy of a report and statement of election held under other provisions of this article, and upon such filing such exclusion shall be complete and the territory affected no longer a part of said city. If the city, prior to such exclusion, has incurred any expense for the construction or installation of any facilities or improvements on the property so excluded or for the furnishing of any service thereto, each owner of said property shall reimburse the city the full amount of such expense fairly attributable to his property, together with interest thereon at the rate of six (6) percent per annum from the date of the payment of such expense by the city. All amounts due on account of such reimbursement shall be a lien on the property affected, enforceable in the same manner as liens for city taxes. Said property shall also remain liable for its proportion of debts contracted by the city prior to such exclusion as provided by Section 35564 of this code.

The provisions of this section shall not apply to annexation proceedings heretofore approved by a final decision of a court of record in this State.

CHAPTER 823

An act to amend Section 1462.2 of the Penal Code, relating to procedure after arrests for misdemeanors.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1462.2 of the Penal Code is amended to read:

Trial of misdemeanor cases

1462.2. Except as otherwise provided in the Vehicle Code, the proper court for the trial of criminal cases amounting to misdemeanor shall be determined as follows: If there is a municipal or justice court, having jurisdiction of the subject matter of the case, established in the district within which the offense charged was committed, such court is the proper court for the trial of the case; otherwise, the court, having jurisdiction of the subject matter, nearest to the place where the offense was committed is the proper court for the trial of the case.

If an action or proceeding is commenced in a court having jurisdiction of the subject matter thereof other than the court herein designated as the proper court for the trial, the action may, notwithstanding, be tried in the court where commenced unless the defendant, at the time he pleads, requests an order transferring the action or proceeding to the proper court. If

after such request it appears that the action or proceeding was not commenced in the proper court, the court shall order the action or proceeding transferred to the proper court.

CHAPTER 824

An act to add Section 707 5 to the Streets and Highways Code, relating to removals and relocations of utility facilities to accommodate state freeways

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 707 5 is added to the Streets and Highways Code, to read:

Contracts with utilities

707 5. (A) The department and any utility as defined in Section 700 of this code may enter into a contract providing for or apportioning the obligations and costs to be borne by each party as to either or both of the following subject matters:

(1) Any or all removals or relocations of any utility facilities completed by the utility prior to the effective date of such contract as required by notice given by the department wherever necessary to accommodate any or all state freeways, where: (a) the obligations or costs in respect thereto to be borne by each party is in dispute; and (b) the claim of the utility is: (i) founded upon a removal or relocation completed by the utility not longer than three years immediately preceding the effective date of such contract; or (ii) involved in an action pending in a court of competent jurisdiction if such action was commenced within three years after completion by the utility of the removal or relocation in question; and

(2) Any or all removals or relocations of any utility facilities to be undertaken or completed by the utility after the effective date of such contract as required by notice given by the department wherever necessary to accommodate any or all state freeways.

Irrevocability of provisions

(B) Those provisions of any such contract settling the claims of the parties in respect to any or all removals or relocations of any utility facilities completed by the utility prior to the effective date of such contract, as authorized in subdivision (A) (1) of this section, shall be irrevocable after the execution of such contract, except as the same may be changed or modified by mutual consent of the parties in writing; and either party may maintain an action in a court of competent jurisdiction upon such provisions of said contract at any time within two years after the effective date of such contract, and the utility need file no claim with any state agency as a condition precedent to the maintenance of any such action.

Limitations

(C) Those provisions of any such contract dealing with any or all removals or relocations of any utility facilities to be undertaken or completed by the utility after the effective date of such

contract, as authorized in subdivision (A) (2) of this section, shall be under and subject to the following limitations and requirements: Same

(1) While such provisions of said contract remain in effect, such provisions shall govern exclusively the determination of the obligations and costs to be borne by each party in regard to every removal or relocation covered thereby undertaken or completed by the utility after the effective date of such contract, whether notice in respect thereto was given by the department to the utility before or after the effective date of such contract, in lieu of the determination thereof under the foregoing provisions of this article as now or hereafter existing and any and all other laws which would be applicable to said subject matter but for said contract, save to the extent that any such laws may be referred to, retained, and made applicable by, such provisions of said contracts; provided: (a) where before the effective date of a contract entered into under this section the parties executed an agreement in respect to the obligations and costs to be borne by each party as to a particular removal or relocation under a notice given by the department, the provisions of such last mentioned agreement shall govern as to the obligations and costs to be borne by each party in respect thereto; and (b) where a particular notice given by the department before the effective date of a contract entered into under this section specifies a removal or relocation to be made at the expense of the utility, the utility shall be and remain bound thereby unless the utility advised the department in writing of its disagreement with such determination within the time specified in any agreement then in effect between the department and the utility in respect to the procedure to be followed in such cases, or, if none, within a reasonable time after receipt by the utility of said notice.

(2) Either party may maintain an action in a court of competent jurisdiction for an adjudication as to the obligations and costs to be borne by each party under such provisions of said contract at any time within four years after the cause of action first arose thereunder. Such a cause of action shall be deemed to arise upon and at the time of the completion by the utility of the removal or relocation in question. The filing of a claim with any state agency shall not be deemed a condition precedent to the maintenance by the utility of any such action.

(3) Such provisions of said contract shall terminate: (i) automatically upon the repeal of this section or of subdivisions (A) (2) and (C) hereof; and (ii) also, unless sooner so automatically terminated, at such time or in such manner as may be provided in said contract; and in the event of either such termination, the laws applicable to the subject matter of such provisions of said contract as existing at the time of such termination shall thereafter govern, save as to removals or relocations theretofore required of the utility by the department under notice mailed or delivered to the utility prior to such termination, whether work upon such removal or relocation has theretofore commenced, is in progress, or has been completed.

CHAPTER 825

An act to amend Sections 25008 and 25102 of the Corporations Code, relating to securities.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 25008 of the Corporations Code is amended to read:

"Security"

25008. "Security" includes all of the following:

(a) Any stock, including treasury stock; any certificate of interest or participation; any certificate of interest in a profit-sharing agreement; any certificate of interest in an oil, gas, or mining title or lease; any transferable share, investment contract, or beneficial interest in title to property, profits, or earnings.

(b) Any bond; any debenture; any collateral trust certificate; any note; any evidence of indebtedness, whether interest-bearing or not.

(c) Any guarantee of a security.

(d) Any certificate of deposit for a security.

SEC. 2. Section 25102 of said code is amended to read:

Application Corp. C., §25000, ff.

25102. Except as otherwise expressly provided in this division, the Corporate Securities Law does not apply to any of the following classes of securities:

(a) Any security (except notes, bonds, debentures, or other evidences of indebtedness, whether interest-bearing or not) issued by a company organized under the laws of this State exclusively for educational, benevolent, fraternal, charitable, or reformatory purposes and not for pecuniary profit, no part of the earnings of which inures to the benefit of any private shareholder or individual.

(b) Bills of exchange, trade acceptances, promissory notes and any guarantee thereof, and other commercial paper issued, given, or acquired in a bona fide way in the ordinary course of legitimate business, trade, or commerce.

(c) Promissory notes, whether secured or unsecured, where the notes are not offered to the public, or are not sold to an underwriter for the purpose of resale.

CHAPTER 826

An act to add Section 6304.5 to the Public Resources Code, relating to cooperation by the State Lands Commission with the Federal Government in the development and maintenance of small boat harbors.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6304.5 is added to the Public Resources Code, to read:

6304.5. The commission may cooperate with the Corps of Engineers of the Department of the Army of the United States Government in the development and maintenance of small boat harbors. Cooperation in development of small boat harbors

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CHAPTER 827

An act to amend Section 924 of the Fish and Game Code, relating to nets, declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 924 of the Fish and Game Code is amended to read:

924. In that part of District 16 lying north and west of a line drawn from the light on the end of the Monterey Breakwater magnetic east to the shore line, purse and round haul nets may be used. Use of nets

In that portion of District 16 lying southerly of the Monterey Breakwater and south of a line drawn from the light on the end of said breakwater magnetic east to the shore line, purse and round haul nets may be used from June 1st to August 31st for the purpose of taking squid.

SEC. 2. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows: Urgency

Squid is an important source of food supply to the Philippines and to Greece. It is a basic food of thousands of workers. The market is now depleted of squid. Packers' warehouses are empty. The optimum fishing period for this important fish supply is the summer months of June, July and August. In order to replenish the present shortage of squid, it is necessary that fishermen be immediately allowed to operate in the waters of District 16, as in this act provided, during the months of June, July and August, 1951. Unless this act takes effect immediately fishing in said waters will be delayed until the summer of 1952, which will further increase the shortage of this important food supply.

CHAPTER 828

Stats 1921 p 245, amended

An act to add Section 545 to the Municipal Utility District Act and Section 12106 to the Public Utilities Code, relating to municipal utility districts, declaring the urgency hereof to take effect immediately.

In effect immediately

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 545 is added to the Municipal Utility District Act, to read:

Emergency appointments

Sec. 545. Anything in this act to the contrary notwithstanding, the board may by resolution passed by a four-fifths vote of all its members authorize the general manager to make appointments without examination, which are termed emergency appointments. Emergency appointments may be made whenever the United States is engaged in war or whenever the President finds and proclaims that an emergency exists in preparing for the national defense. Positions may be filled by emergency appointments for such period as may be necessary for the operation of the district, but not beyond 90 days after the termination of war or 90 days after the President finds and proclaims that the emergency no longer exists. No emergency appointee shall acquire any civil service status because of any such emergency appointment.

NOTE: The section of the Public Utilities Code affected by this chapter appears in its proper place in that code, Chapter 764 of Statutes of 1951, as required by Section 9762 of the Government Code.

Effect Stats 1951, Ch 764

SEC. 3. Section 2 of this act becomes operative only if Division 6 of the Public Utilities Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 6 takes effect; at which time Section 545 of the Municipal Utility District Act is repealed.

Urgency

SEC. 4. This act is an emergency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

The increasing shortage of trained personnel and the necessity for filling positions on a temporary basis pending the return of permanent employees from military service make it imperative that agencies having public service responsibilities be able to obtain adequate manpower without delay.

Duration

SEC. 5. The section of the Municipal Utilities District Act and the section of the Public Utilities Code added by this act, shall remain in effect only until the ninety-first day after the final adjournment of the 1953 Regular Session of the Legislature.

CHAPTER 829

An act to amend Section 320 of the Vehicle Code, relating to records.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 320 of the Vehicle Code is amended to read:

320. Records to Be Kept by Department. The department shall file every application for a license received by it and maintain:

Records kept by department

(a) A suitable index containing, in alphabetical order, all applications denied and on each thereof note the reasons for such denial.

(b) A suitable index containing, in alphabetical order, all applications granted.

(c) A suitable index containing, in alphabetical order, the name of every licensee whose license has been suspended or revoked by the department or by a court and after each such name note the reasons for such action and the period of revocation or suspension.

(d) The department shall also file all accident reports and abstracts of court records of convictions received hereunder and in connection therewith maintain convenient records or make suitable notations in order that an individual record of each licensee showing the convictions of such licensee and the traffic accidents in which he was involved shall be readily ascertainable.

(e) The department is not required to maintain records relating to drivers of motor vehicles after such records are, in the opinion of the director, no longer necessary, except that records of convictions shall be maintained so long as they may form the basis of license suspensions or revocations as prior convictions or with other records of conviction constitute a person a "negligent operator of a motor vehicle."

Records which are not required to be maintained may be destroyed with the approval of the Department of Finance.

CHAPTER 830

An act to amend Section 220 of the Public Utilities Code, relating to common carriers.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

NOTE: The section of the Public Utilities Code affected by this chapter appears in its proper place in that code, Chapter 764 of Statutes of 1951, as required by Section 9762 of the Government Code.

CHAPTER 831

An act adopting and authorizing a plan for construction of the San Lucas Dam and Reservoir, Salinas River Basin, by the Monterey County Flood Control and Water Conservation District in cooperation with the State of California and the United States, for flood control and water conservation, at an estimated cost to the State of two million five hundred thousand dollars ($2,500,000).

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

San Lucas Project authorized

SECTION 1. The plan of improvement for flood control and water conservation in the Salinas River Basin known as the San Lucas Project, consisting of the San Lucas Dam and Reservoir, proposed to be constructed by the Monterey County Flood Control and Water Conservation District under a cooperative plan whereby the district, the State of California and the United States shall each bear a portion of the cost, is hereby adopted and authorized substantially in accordance with the plan and recommendations relating thereto contained in Report on San Lucas Project in Salinas River Basin, Monterey County, October, 1950 (Reports of State Water Resources Board), at an estimated cost to the State of two million five hundred thousand dollars ($2,500,000) for lands, easements and rights of way and all utility, highway and railway relocations, necessary for the construction of said dam and reservoir.

Assurances

SEC. 2. The Monterey County Flood Control and Water Conservation District shall give assurances satisfactory to the United States and to the State that it will construct the San Lucas Dam and Reservoir in accordance with said project plans, or any modification thereof approved by the Chief of Engineers and the State Engineer, and that it will pay for the cost of such construction less funds contributed by the United States and the costs assumed by the State for lands, easements and rights of way and for all utility, highway, and railway relocation, and that the district will construct, operate and maintain the flood control features of said project in accordance with rules and regulations prescribed by the Secretary of the Army, and will maintain and operate all project works after completion and hold and save the United States and the State free from damages due to the construction of the proposed works.

Agreements authorized

SEC. 3. The Monterey County Flood Control and Water Conservation District is authorized to enter into agreements with the United States and with the State of California obligating the district to do or perform those things which are required of the district by this act and by any act or acts of Congress, subsequently enacted providing for federal cooperation for flood control purposes on said project, and it shall be the duty

of said district in conjunction with the United States and the State of California, to execute the proposed plans referred to in this act and enter into any and all required agreements with the United States and the State of California in relation thereto, and exercise all powers granted to it in the Monterey County Flood Control and Water Conservation District Act, and said district may make modifications and amendments to said plans as may be necessary to execute the same for the purposes of this act, subject to approval by the United States Corps of Engineers and the State Engineer.

CHAPTER 832

An act to add Chapter 4, comprising Sections 4400 to 4405, inclusive, to Part 8 of Division 1 of Title 1 of the Corporations Code, relating to corporations, and providing for the effectuation of plans of reorganization under any applicable statute of the United States.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Chapter 4 is added to Part 8 of Division 1 of Title 1 of the Corporations Code, to read:

CHAPTER 4. REORGANIZATION UNDER FEDERAL LAWS

Reorganization plan

4400. Any corporation organized or existing under the laws of this State, a plan of reorganization of which, pursuant to any of the provisions of any applicable statute of the United States, as now existing or hereafter enacted, relating to reorganizations of corporations, has been or shall be confirmed by the decree or order of a court of competent jurisdiction, has full power and authority to put into effect and carry out the plan and the decrees and orders of the court or judge relative thereto, and may take any proceeding and do any act provided in the plan or directed by such decrees and orders, without further action by its directors or shareholders. Such power and authority may be exercised, and such proceedings and acts may be taken, as may be directed by such decrees or orders, by the trustee or trustees of such corporation appointed in the reorganization proceedings (or a majority thereof), or if none is appointed and acting, by officers of the corporation designated by such court or judge in said proceedings, or by a master or other representative appointed by the court or judge, with like effect as if exercised and taken by unanimous action of the directors and shareholders of the corporation.

Acts of reorganization

4401. Such corporation may, in the manner provided in Section 4400, but without limiting the generality or effect of Section 4400, alter, amend, or repeal its by-laws; constitute or reconstitute its board of directors, and name, constitute, or appoint directors and officers in place of or in addition to all or some of the directors or officers then in office; amend its articles of incorporation, and make any change in its capital or shares, or any other amendment, change, alteration, or provision, authorized by this division; be dissolved, transfer all or part of its assets, merge or consolidate as permitted by this division, in which case, however, no shareholder shall have any statutory right of appraisal of his shares; change the location of its principal office and remove or appoint an agent to receive service of process; authorize and fix the terms, manner and conditions of, the issuance of bonds, debentures or other obligations, whether or not convertible into shares of any class, or bearing warrants or other evidences of optional rights to purchase or subscribe for shares of any class; or lease its property and franchises to any corporation, if permitted by law.

Filing, etc., of certificate

4402. A certificate, executed as provided in Section 4403, of any amendment, change, or alteration or of dissolution, or any agreement of merger or consolidation, made by such corporation pursuant to Sections 4400 and 4401, shall be filed in the office of the Secretary of State, and shall thereupon become effective in accordance with its terms and the provisions of this chapter. A copy of said certificate, certified by the Secretary of State, shall be filed with the county clerk of the county in which the principal office of the corporation is located and of every county in which the corporation holds real property.

Certificate, agreement of merger, etc.

4403. Such certificate, agreement of merger, or other instrument shall be made, executed, and acknowledged, as may be directed by such decrees or orders, by the trustee or trustees appointed in the reorganization proceedings (or a majority thereof), or if none is appointed and acting, by officers of the corporation, or by a master or other representative appointed by the court or judge, and shall certify that provision for the making of such certificate, agreement, or instrument is contained in a decree or order, identifying the same, of a court or judge having jurisdiction of a proceeding under the statute of the United States specified in Section 4400 for the reorganization of such corporation.

Duration

4404. The provisions of this chapter shall cease to apply to such corporation upon the entry of a final decree in the reorganization proceedings closing the case and discharging the trustee or trustees, if any.

Fees

4405. For filing any certificate, agreement, report, or other paper made or executed pursuant to this chapter, there shall be paid to the Secretary of State the same fees as are payable by corporations not in reorganization upon the filing of like certificates, agreements, reports, or other papers.

CHAPTER 833

An act to repeal Sections 25663, as added by Chapter 557 of the Statutes of 1949, and as added by Chapter 72 of the Statutes of 1951, and 26421, and to add Sections 25663 and 25663c to the Revenue and Taxation Code, relating to the taxation of banks, corporations, Massachusetts trusts and associations, and providing that this act shall take effect immediately.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 25663, as added by Chapter 557 of the Statutes of 1949, and as added by Chapter 72 of the Statutes of 1951, of the Revenue and Taxation Code are hereby repealed. Repeal

SEC. 2. Section 25663 is hereby added to the Revenue and Taxation Code, to read:

25663. Except in the case of a fraudulent return, and except as otherwise provided in Sections 25663a and 25663b, every notice of additional tax proposed to be assessed shall be mailed to the taxpayer within four years after the return was filed. No deficiency shall be assessed or collected with respect to the year for which such return was filed unless the notice is mailed within the four-year period or as otherwise provided For the purposes of this section a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on that day. Notice of additional tax

SEC 3 Section 25663c is hereby added to the Revenue and Taxation Code, to read:

25663c If the taxpayer omits from gross income an amount properly includible therein which is in excess of 25 percent of the amount of gross income stated in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time within six years after the return was filed. Omission

SEC. 4. Section 26421 of the Revenue and Taxation Code is hereby repealed. Repeal

SEC 5 This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. Tax levy

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CHAPTER 834

An act to amend Section 139.31 of the Vehicle Code, relating to shooting practice and instruction in the use of firearms

[Approved by Governor June 2, 1951 Filed with Secretary of State June 2, 1951]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 139 31 of the Vehicle Code is amended to read:

Establishment of training school

139.31. Training School to Be Established. The commissioner shall establish a school for the training and education of the members of the California Highway Patrol, and for such other employees of the department deemed necessary, in traffic regulation, their duties, and the proper enforcement of this code and the laws respecting use of the highways. He may contract with any county, city, district, or other subdivision of the State recognized by law for the use of school facilities in the training of enforcement officers.

Shooting practice and instruction in the use of firearms shall constitute part of the training to be given to members of the California Highway Patrol. Firearm training may be given in connection with said school or otherwise and may include participation by members of the California Highway Patrol in shooting competition

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CHAPTER 835

An act to amend Section 16482 of the Education Code, relating to the testing of the sight and hearing of public school pupils.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 16482 of the Education Code is amended to read:

Sight and hearing tests

16482. The governing board of any school district shall, subject to Section 16483, provide for the testing of the sight and hearing of each pupil enrolled in the schools of the district. The test shall be adequate in nature and shall be given only by duly qualified supervisors of health employed by the district, or by certificated employees of the district or of the county superintendent of schools who possess the qualifications prescribed by the State Board of Education, or by contract with a duly authorized agency. The records of the tests shall serve as evidence of the need of the pupils for the educational facilities provided physically handicapped individuals. The equipment necessary to conduct the tests may be purchased or rented by governing boards of school districts The State, any agency, or political subdivision thereof may sell or rent any such equipment owned by it to the governing board of any school district upon such terms as may be mutually agreeable.

CHAPTER 836

An act to amend Section 5243 of the Streets and Highways Code, relating to local improvement proceedings.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5243 of the Streets and Highways Code is amended to read:

5243. The proposals or bids shall be delivered to the clerk and the legislative body shall, in open session publicly open, examine and declare the same. If the legislative body by resolution so provides the proposals or bids may be opened, examined and declared by an officer designated in the resolution. Any such resolution shall require that the proposals or bids be opened at a public meeting called by the officer designated who shall report the results of the bidding to the legislative body at the next regular meeting after the opening of the bids. In the event of such resolution the notice inviting bids shall state the time and place of said public meeting and the officer so designated. No proposal or bid shall be considered unless accompanied by the check or bond satisfactory to the legislative body. Examination, etc., of bids

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CHAPTER 837

An act to amend Sections 125 and 126 of the Streets and Highways Code, relating to the closing and restricting of the use of state highways.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 23, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 125 of the Streets and Highways Code is amended to read:

125. To notify the public that a state highway is closed or its use restricted, the department may: Notification of closed highway

(a) Erect suitable barriers or obstructions upon such highway.

(b) Post warnings and notices of the condition of any such highway.

(c) Post signs for the direction of traffic upon it, or to or upon any other highway or detour open to public travel.

(d) Place warning devices on such highway.

(e) Assign a flagman to warn, detour or direct traffic on such highway.

SEC. 2. Section 126 of said code is amended to read:

126. Any person who wilfully fails to observe any sign, marker, warning, notice, or direction, placed or given under Section 125 of this code, is guilty of a misdemeanor. Penalty

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CHAPTER 838

An act to amend Sections 7302, 7303, 7342, 7343, 7376, 7397, 7442 of, and to repeal Section 7344 of, and to add Sections 7339, 7344, 7345, 7346, 7347, 7393.1, and 7394.1 to, the Business and Professions Code, relating to the practice,

regulation, and licensing of cosmetologists, hairdressers, and electrologists.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 7302 of the Business and Professions Code is amended to read:

Eligibility for appointment

7302. No person is eligible for appointment as a member of the board:

(a) Who is not registered as a hairdresser and cosmetician or cosmetologist manager-operator under this chapter.

(b) Who is connected, directly or indirectly, with any school of cosmetology.

(c) Who is not, at the time of appointment, either actually engaged in conducting a cosmetological establishment, or actually engaged in the practice of cosmetology or electrology.

(d) Who is not of good moral character.

(e) Who is connected, directly or indirectly, in the wholesale business of the manufacture, rental, sale or distribution of cosmetological appliances or supplies.

(f) Who has not had at least five years experience in the actual practice of all branches of cosmetology, or electrology, in this State immediately prior to the appointment.

(g) Who is not at least 25 years of age

At all times the personnel of the board shall be so constituted that two graduates of the same school of cosmetology shall not be members at the same time.

SEC. 2. Section 7303 of said code is amended to read:

Term

7303. Members of the board shall be appointed for a term of four years and they shall hold office until the appointment and qualifications of their successors. No member shall serve as a member of the board for more than two consecutive terms.

The terms of the members of the board in office when this chapter takes effect shall expire as follows: one member, January 15, 1940; two members, January 15, 1941; one member, January 15, 1942; one member, January 15, 1943. The terms shall expire in the same relative order as to each member as the term for which he holds office before this chapter takes effect.

Vacancies occurring shall be filled by appointment within 60 days, and vacancies occurring during a term shall be filled for the unexpired term.

SEC. 3. Section 7339 is added to said code, to read:

"Electrology"

7339. "Electrology" as used in this chapter includes electrolysis and/or thermolysis.

SEC. 4. Section 7342 of said code is amended to read:

Qualifications of applicants Electrologist

7342. The board shall admit to examination for a certificate of registration and license as an electrologist, any person who has made application to the board in proper form, paid the fee required by this chapter, and who is qualified as follows:

(a) Who is not less than 18 years of age.

(b) Who is of good moral character and temperate habits.

(c) Who has completed the twelfth grade, or an accredited senior high school, in public schools of this State or its equivalent.

(d) Who has had any one of the following:

(1) Practical training of 1,000 hours extending over a period of not less than eight months, not more than 12 months, under the immediate supervision of a licensed electrologist, in a licensed school in which the practice is taught.

(2) Instruction, training and practice as a junior electrologist for a period of not less than 12 months, in a licensed cosmetological establishment, under a licensed electrologist.

(3) Holds a valid electrology license issued by a state whose licensing requirements are equal to or greater than California.

(4) Training and practice in electrology for such period as shall be specified by rules of the board.

SEC. 5. Section 7343 of said code is amended to read:

Junior electrologist

7343. Every person applying to the board for a license as a junior electrologist upon the proper application form accompanied by two photographs, size three by three inches, and paying the fee required by this chapter, shall be issued a license as a junior electrologist, if he is qualified as follows:

(a) Is of good moral character and temperate habits.

(b) Is not less than 17 years and six months of age.

(c) Who has completed the twelfth grade of this State, or an accredited senior high school, or its equivalent.

SEC. 6. Section 7344 of said code is hereby repealed. Repeal

SEC. 7. Section 7344 is added to said code, to read:

Supervision of junior electrologist

7344. For each licensed electrologist one licensed junior electrologist may engage in the occupation of an electrologist when under the supervision of such licensed electrologist. A junior electrologist may work upon a patron paying for services only after he has had 150 hours of instruction and training.

SEC. 8. Section 7345 is added to said code, to read:

Limitation

7345 Every junior electrologist shall apply for his license as registered electrologist within 24 months after receiving his license as a junior electrologist.

SEC. 9. Section 7346 is added to said code, to read:

Qualifications Instructor

7346. The board shall admit to examination for certificate of registration and license as an electrology instructor any person who has made application to the board in proper form, paid the fee required by this chapter and who is qualified as follows:

(a) Who is not less than 21 years of age.

(b) Who is of good moral character and temperate habits.

(c) Who hold valid California license as an electrologist

(d) Who has had three years of practical experience as an electrologist in the State of California within the past five years.

SEC. 10 Section 7347 is added to said code, to read:

Instructor's permit

7347. Every person who, on the effective date of Section 7347, was a licensed electrologist and who has had one year of teaching experience in electrology in this State within the past

three years preceding such effective date and who has applied to the board within six months after such effective date by application on a form prescribed by the board, shall receive an electrology instructor's permit. No fee shall be charged. Thereafter an electrology instructor's permit shall be issued in accordance with Section 7346.

SEC. 11. Section 7376 of said code is amended to read:

Failure to pass examination

7376. If an applicant for a certificate of registration and license as a hairdresser and cosmetician or cosmetologist or for a certificate of registration and license as a manicurist or for a certificate of registration and license as an electrologist fails to pass two examinations, he shall complete a further course of study in a school of cosmetology approved by the board before he is eligible to file another application for an examination to determine his fitness to receive a certificate.

The further course for hairdresser and cosmetician or cosmetologist applicants shall be not less than 500 hours extending over a period of not less than three months. The further course for manicurist applicants shall be not less than 50 hours extending over a period of not less than one month. The further course for electrologist shall be not less than 150 hours extending over a period of not less than two months.

SEC. 12. Section 7393.1 is added to said code, to read:

Instructor's license required

7393.1. Every person employed in a school, prior to this date, to instruct students in the subject of electrology shall be licensed as an electrology instructor.

Operative date

This section shall take effect 120 days after the effective date of this statute.

SEC. 13. Section 7394.1 is added to said code, to read:

Electrology course

7394.1. An electrology course established by a school of cosmetology shall consist of 1,000 hours of practical training and technical instruction which shall extend over a period of not less than eight months. In no event shall the training extend over a period of more than 12 months from the date of initial enrollment.

The course shall be in accordance with a curriculum established by the board.

SEC. 14. Section 7397 of said code is amended to read:

Attendance record

7397. Every school shall keep a daily record of the attendance of each student and the time devoted by each student to the various practices or branches of cosmetology and electrology. It shall establish grades, and hold examinations before issuing diplomas.

SEC. 15. Section 7442 of said code is amended to read:

Fees

7442. The amount of the fees required by this chapter is that fixed by the following schedule:

(a) The fee for examination as a hairdresser and cosmetician or cosmetologist is ten dollars ($10).

(b) The fee for examination as an electrologist is ten dollars ($10).

(e) The fee for examination as a manicurist is five dollars ($5).

(d) The fee for registration and licensing a hairdresser and cosmetician or cosmetologist registered in another state is ten dollars ($10).

(e) The fee for registration and licensing an electrologist registered in another state is ten dollars ($10).

(f) The fee for registration and licensing a manicurist registered in another state is five dollars ($5).

(g) The application fee for a junior operator is two dollars ($2).

(h) The application fee for junior electrologist is two dollars ($2).

(i) The issuance fee for a duplicate license is one dollar ($1).

(j) The annual renewal fee for an individual license is two dollars ($2).

(k) The delinquency fee is one dollar ($1).

(*l*) The annual registration fee for a cosmetological establishment is three dollars ($3).

(m) The annual registration fee for a school of cosmetology is one hundred twenty-five dollars ($125).

(n) The fee for the instructors' examination is fifteen dollars ($15).

(o) The fee for an electrology instructor's examination is fifteen dollars ($15).

SEC. 16. Subdivisions (g), (h), (j), and (*l*) of Section 7442 of the Business and Professions Code as amended by Section 15 of this act shall become effective January 1, 1952. Operative date

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CHAPTER 839

An act to amend Sections 4, 6, and 11 of, and to add Section 4.5 to, the Defense Production Act, relating to employment and working conditions of female employees, declaring the urgency thereof, to take effect immediately.

Stats 1950, (3d Ex Sess), Ch 33

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 4 of the Defense Production Act is amended to read:

Sec. 4. An application for such a permit shall be filed by an employer before he employs females at or for such hours of work not permitted by law without a permit under this act, with the state department in which is vested the enforcement of the law from which it is proposed to create an exemption as herein provided. Such state department shall within 15 days after filing of the employer's application recommend the Application for permit

issuance or denial of such a permit. If it recommends the issuance of such a permit, it shall incorporate the terms and conditions upon which it is recommended that the permit be issued. After receipt of the recommendation from the state department concerned, the Governor, within five days after he receives such recommendation from the state department, at his discretion shall either issue or deny the permit requested. If a permit is issued, the Governor shall include the terms and conditions within the permit.

SEC. 2. Section 4.5 is added to said act, to read:

Temporary permit

Sec. 4.5. Notwithstanding any other provision of law the Governor may, in case of extreme emergency in connection with defense production, issue a temporary permit pending the processing of an application for a permit filed pursuant to Section 4 of this act.

SEC. 2. Section 6 of said act is amended to read:

Revocation, etc., of permit

Sec. 6. The Governor may at any time revoke, suspend or modify any permit. Upon proof being made that the terms and conditions of any such permit have been violated, or that the department which recommended the issuance of said permit finds that the same is no longer necessary in increasing production and furthering the defense program, it may recommend to the Governor that the permit be suspended, modified or revoked; provided, however, that no such recommendation shall be made until the employer has been given 15 days notice of the intention to make such recommendation.

SEC. 3. Section 11 of said act is amended to read:

Duration

Sec. 11. This act shall remain in effect until the ninety-first day after the final adjournment of the 1953 Regular Session of the Legislature or until the termination of the existing national defense emergency as evidenced by cessation of compulsory military service in the armed forces of the United States by citizens of this State, and as found and declared by proclamation issued by the Governor, whichever first occurs. While this act is in effect it shall supersede any existing provisions of law which are in conflict with this act; but such provisions are not repealed by this act and after this act is no longer effective shall have the same force as though this act had not been enacted.

Urgency

SEC. 4. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

That it is necessary that the law in the Defense Production Act relating to employment of women, and to the powers of the Governor in that regard in time of extreme emergency be immediately clarified. It is necessary to the general welfare that during periods of accelerated defense production the interests of women employees under the laws regulating their hours of employment not be unduly jeopardized.

CHAPTER 840

An act to amend Section 6410 of the Labor Code, relating to the failure to report injuries and the penalty therefor.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6410 of the Labor Code is amended to read:

6410. Any person who fails to comply with any provision of Sections 6407 to 6409 inclusive is guilty of a misdemeanor punishable by a fine of not less than twenty-five dollars ($25) nor more than one hundred dollars ($100). This section may be enforced by the Division of Labor Statistics and Research through the Director of Industrial Relations in the same manner as provided in Section 3710 of this code. Penalty

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CHAPTER 841

An act to amend Section 419 of the Vehicle Code, relating to financial responsibility.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 419 of the Vehicle Code is amended to read:

419 Report of Accident Required. Reports and Records Not to Be Evidence in Civil Suits. (a) The driver of every motor vehicle which is in any manner involved in an accident on any street or highway within this State which accident has resulted in damage to the property of any one person in excess of one hundred dollars ($100) or in bodily injury or in the death of any person shall within 15 days after such accident report the accident on a form approved by the department to the office of the department at Sacramento, subject to the following provisions. In the event the driver at the time of an accident was driving a motor vehicle owned, operated or leased by the employer of such driver and with the permission of the employer, then such driver shall within five days after the accident report the accident to his employer on a form approved by the employer and said employer shall within 10 days after receipt of said report transmit a report on a form approved by the department to the office of the department at Sacramento, except that an employer need not transmit such report to the department when the vehicle involved in the accident is owned or operated as described in Section 422.1 or 422.4 or is owned or operated by Report of accident

any person or corporation who has filed with the department a certificate of an insurance carrier or bonding company that there is in effect a policy or bond meeting the requirements of Section 422.6 and when such insurance policy or bond was in full force and effect in respect to such vehicle at the time of the accident.

Report of owner

(b) If any driver be physically incapable of making such report, and is not the owner of the motor vehicle involved in such accident then the owner shall, as soon as he learns of the accident, report the matter in writing to the department. The driver or the owner shall make such other and additional reports relating to such accidents as the department shall require.

Suspension of license

(c) The department may suspend the driving privilege and any licenses evidencing such privilege of any person who wilfully fails, refuses, or neglects to make report of an accident as herein required.

Report as evidence

(d) Neither the report required by this section, the action taken by the department pursuant to this chapter, the findings if any of the department upon which action is based, nor the security filed as provided in this chapter shall be referred to in any way, or be any evidence of the negligence or due care of any party, at the trial of any action at law to recover damages.

Contents of reports

(e) All reports and supplemental reports required by this chapter including insurance information forms and the total amounts of security required for deposit as determined by the department from such reports shall be without prejudice to the individual so reporting and shall be for the confidential use of the Department of Motor Vehicles and any other state department needing the same, except that the Department of Motor Vehicles shall disclose from such reports and security deposit records:

1. The names and addresses of persons involved in the accident.

2. The registration numbers and descriptions of vehicles involved in the accident.

3. The date, time and location of the accident.

4. The exemption from security requirement which has been established under Section 422.

5 That security has been deposited or that suspension action has been taken by the department

This information may be given to any person having a proper interest therein including:

1. The driver or drivers involved, or the employer, parent or legal guardian thereof.

2. The authorized representative of any person involved in the accident.

3. Any person injured in the accident.

4. The owners of vehicles or property damaged in the accident.

CHAPTER 842

An act to amend Section 1 of an act entitled "An act to add Sections 48, 49, 50, 51, 132 6, 293 5, 296.5, 5901.5, 5904.5, 5931 6, 5932.5, 5935 5, 5936 5, 7801.5, and 7842 5 to the Elections Code, relating to elections, declaring the urgency thereof, to take effect immediately," approved October 4, 1950, and to add Sections 7964 1, 7970.5, 7971.5, and 7972.5 to the Elections Code, relating to elections.

Stats 1950 (3d Ex Sess) Ch 12

[Approved by Governor June 2, 1951 Filed with Secretary of State June 2, 1951]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1 of the act cited in the title hereof is amended to read:

Section 1. The sections to the Elections Code added by this act shall remain in effect until the ninety-first day after the final adjournment of the 1953 Regular Session of the Legislature. While these sections are in effect they shall supersede any existing provisions of law which are in conflict with them, but such provisions are not repealed by them, and after these sections are no longer effective shall have the same force as though these sections had not been enacted.

Duration

SEC. 2. Section 7964.1 is added to the Elections Code, to read:

7964.1. The date for the completion of the canvass referred to in Section 7964 shall not be later than 6 o'clock in the afternoon of the twenty-fifth day following the primary election.

Completion of canvass

SEC. 3. Section 7970.5 is added to said code, to read:

7970 5 The returns to the Secretary of State referred to in Section 7970, subdivision (c) shall be sent separately within 19 days after the date of the election.

Returns to Secretary of State

SEC. 4. Section 7971.5 is added to said code, to read:

7971.5. The compilation of the returns referred to in Section 7971 shall be made by the Secretary of State not later than the thirty-fourth day after any primary election.

Compilation of returns

SEC 5. Section 7972.5 is added to said code, to read:

7972.5. The compilation of the returns for the presidential primary shall be made not less than the twenty-first day after the election.

Same

CHAPTER 843

An act to add Section 9003 to the Elections Code, relating to special elections.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 9003 is added to the Elections Code, to read:

Special elections

9003. Except as otherwise specifically provided by law, all state-wide special elections shall be called, conducted, and canvassed as provided by this code for the calling, conducting, and canvassing of general elections.

Operative date

SEC. 2. This act shall become effective on July 1, 1952.

CHAPTER 844

An act to add Section 269b to, and to amend Section 261g of, the Code of Civil Procedure, relating to official reporters of the superior court in and for the State of California.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 269b is added to the Code of Civil Procedure, to read:

Phonographic reporters

269b. In each county and city and county having a population of 730,000 inhabitants or over, as determined by the federal census taken in 1950, in which the judges of the superior court in and for such county have not appointed regular official phonographic reporters pursuant to the provisions of Chapter 1031 of the Statutes of 1943, as amended, if a majority of the judges of such court concur in an order that appointments may be made pursuant to this section, the judges thereof may each appoint a competent phonographic reporter, specifying that the appointment is pursuant to Section 269b of this code. In such event all of the provisions of Chapter 1031 of the Statutes of 1943, as amended, other than those in conflict herewith, shall be in full force and effect and fully operative in such county except that the official reporters appointed pursuant to the provisions hereof shall not receive the annual salary therein provided but in lieu thereof each shall be paid twenty-seven dollars and fifty cents ($27.50) per day for the days he is actually on duty under order of the court. Each reporter appointed pursuant to this section shall, in addition to his other duties, perform such secretarial services for the judge by whom he is appointed as such judge may require in the performance of his official duties; provided, however, that in cases in which a phonographic reporter is requested, and the fees provided for by Chapter 1031, Statutes of 1943, as amended, have not been paid, the parties litigant shall pay to the clerk of the court, prior to the hearing of said cases, the phonographic reporter's fees provided for in Section 274 of this code, which fees shall be deposited by said clerk in the county treasury to the credit of the salary fund of the county.

SEC. 2. Section 261g of the Code of Civil Procedure is amended to read:

Same

261g. In each county, or city and county, having a population of more than 74,000 and less than 100,000 inhabitants,

as determined by the federal census taken in 1940, the judges of the superior court in and for such county, or city and county, a majority thereof concurring therein, to assist the court in the transaction of the judicial business of said court, may appoint the following employees:

Phonographic Reporters. The judges of the superior court, a majority concurring, may appoint as many regular official phonographic reporters as necessary to report the proceedings in said court, except that the number of reporters so appointed shall not exceed at any one time the number of offices of judge provided by law for said court, said reporters to hold office during the pleasure of the judges of said court, a majority concurring The duties of such official reporters shall be performed as elsewhere defined in this code. Each of said reporters shall receive as full compensation for taking notes in criminal cases in the superior court a monthly salary of five hundred dollars ($500). All other fees of such reporters shall be as elsewhere defined or prescribed in this code. In cases where it is necessary that a pro tem reporter be appointed, such reporter shall be allowed the fees as prescribed elsewhere in this code.

CHAPTER 845

An act to amend Sections 14345 and 14347 of the Revenue and Taxation Code, relating to the withholding of moneys and property belonging to a decedent.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 14345 of the Revenue and Taxation Code is amended to read:

Withholding decedent's money, etc

14345. No safe deposit company, trust company, corporation, bank, other institution, or person in possession, control, custody, partial control, or partial custody of any securities, deposits, or other property, including shares of the capital stock of or other interest in any such organization or institution, belonging to or standing in the name of a decedent, whether resident or nonresident, shall deliver or transfer any such property to or upon the order or request of any executor of the will, administrator of the estate, legatee or heir of the decedent; nor deliver or transfer any such property to or upon the order of any agent, deputy, attorney, trustee or successor in interest of the decedent after receipt of actual notice of the death of the decedent; nor deliver or transfer any securities or other property, including any shares of the capital stock or other interest in any such organization or institution, standing in the joint names of the decedent and one or more other persons, to or upon the order or request of such other person or persons after receipt of actual notice of the death of the decedent; and no bank or other institution having custody of any deposit standing in

the joint names of a decedent and any other person or persons or standing in the name of the decedent subject to the right of any other person or persons to draw upon or withdraw the same shall pay or deliver such deposit to or upon the order of such other person or persons after receipt of actual notice of the death of the decedent by the officer or manager in charge of the office or branch of such bank or other institution at which such deposit is carried or by the employee thereof who pays or delivers said deposit:

(a) Without retaining a sufficient portion or amount of the property to pay any tax and interest which may thereafter be assessed pursuant to this part; and

(b) Without first giving notice of the time and place of the delivery or transfer to the Controller and county treasurer at least 10 days prior to the delivery or transfer.

The Controller, or any person authorized in writing by the Controller, may consent in writing to the delivery or transfer, in which event compliance with this section is not required.

The Controller or county treasurer may examine any property specified in this section at the time of its delivery or at any other time.

SEC. 2. Section 14347 of the Revenue and Taxation Code is amended to read:

Liability upon failure to comply

14347. Any safe deposit company, trust company, corporation, bank, other institution, or person required to comply with the provisions of this article but failing to do so is liable to the State for the amount of any tax, interest or penalty due and payable under this part on the transfer of the property involved, if solely by reason of such transfer or payment the State is unable to recover the same.

The liabilities imposed by this section may be enforced by the Controller in an action brought in any court of competent jurisdiction.

CHAPTER 846

An act to amend Section 31676.9 of the Government Code, relating to the retirement of public employees.

In effect September 22, 1951

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 31676.9 of the Government Code is amended to read:

Prior service pension

31676.9. In every county in which a retirement system was established prior to January 1, 1952, the prior service pension is an additional pension for members purchased by the county or district, equal to one-sixtieth of the average annual compensation earnable by him during the last three years of service, multiplied by the number of years of prior service credited to him.

CHAPTER 847

An act to add Section 24205.3 to the Education Code, relating to the conferring of degrees by schools and colleges.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 24205.3 is added to the Education Code, to read:

24205.3. The provisions of Section 24205 to the contrary notwithstanding, any institution established prior to January 1, 1900, under and in accordance with the provisions of Chapter 47 of the Statutes of 1885, is authorized to confer a degree of associate in arts, sciences, engineering, electricity or mechanics upon those persons who have completed a two-year course of study prescribed by the institution.

Associate degrees

CHAPTER 848

An act to amend Sections 516 and 715 of the Vehicle Code, relating to speed and weight limitations on bridges and other elevated structures and tubes and tunnels constituting a part of a highway.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 516 of the Vehicle Code is amended to read:

516. Speed on Bridges and Structures. (a) No person shall drive a vehicle over any bridge or other elevated structure constituting a part of a highway at a speed which is greater than the maximum speed which can be maintained with safety to such bridge or other elevated structure.

Speed on bridges, etc.

(b) The State Department of Public Works may, in the manner hereinafter provided, determine the maximum speed, not less than five miles per hour, which can be maintained with safety to such bridge or other elevated structure. The department shall make an engineering investigation and hold a public hearing whenever such determination appears necessary; provided, that if the bridge or other elevated structure is not under the jurisdiction of said department, the department has first received a request therefor from the board of supervisors or road commissioner of the county, the governing body of the city, or other agency or person, having jurisdiction over such bridge or other elevated structure.

Notice of the time and place of said public hearing shall be posted upon such bridge or other elevated structure at least five

days before the date fixed for such hearing. Upon the basis of said investigation and all evidence presented at said hearing, said department shall determine by order in writing the maximum speed which can be maintained with safety to such bridge or other elevated structure. Thereupon, the authority having jurisdiction over such bridge or other structure shall erect and maintain suitable signs specifying the maximum speed so determined at a distance of not more than 500 feet from each end of such bridge or other elevated structure or any approach thereto.

(c) Upon the trial of any person charged with a violation of this section, proof of said determination of the maximum speed by said department and the existence of said signs shall constitute prima facie evidence of the maximum speed which can be maintained with safety to such bridge or other elevated structure.

(d) All of the provisions of this section shall likewise apply with respect to the maximum speed within any tube or tunnel constituting a part of a highway.

SEC. 2. Section 715 of said code is amended to read:

Weight limitations on bridges, etc

715. Weight Limitation on Bridges and Other Structures. (a) No person shall drive a vehicle over any bridge, causeway, viaduct, trestle or dam constituting a part of a highway when the weight of such vehicle and load thereon is greater than the maximum weight which such bridge or other structure with safety to itself will sustain.

(b) The State Department of Public Works may, in the manner hereinafter provided, determine the maximum weight of vehicle and load, lower than the maximum weight otherwise permitted under this code which such bridge or other structure with safety to itself will sustain.

The department shall make an engineering investigation and hold a public hearing whenever such a determination appears necessary; provided, that if the bridge or other structure is not under the jurisdiction of said department, the department has first received a request therefor from the board of supervisors or road commissioner of the county, the governing body of the city, or other agency or person, having jurisdiction over such bridge or other structure.

Notice of the time and place of said hearing shall be posted upon such bridge or other structure at least five days before the date fixed for such hearing. Upon the basis of said investigation and all evidence presented at said hearing, said department shall determine by order in writing the maximum weight of vehicle and load which such bridge or other structure with safety to itself will sustain. Thereupon, the authority having jurisdiction over such bridge or other structure shall erect and maintain suitable signs specifying the maximum weight so determined, at a distance of not more than 500 feet from each end of such bridge or other structure or any approach thereto

Any such sign may contain the words "Load Limit _____ Tons per Vehicle" with the maximum gross weight inserted in figures preceding the word "tons," the words "load

limit" and the figures and the word "tons" set forth in letters not less than three inches in height, and the words "per vehicle" in letters not less than one and one-half inches in height. Any such sign may also contain additional provisions stating maximum gross weight in tons for a tractor and semitrailer and any other combination or combinations of vehicles in figures and words not less than one and one-half inches in height. The stroke for letters and figures three inches or more in height shall be not less than one-half inch and for letters and figures one and one-half inches and not more than three inches in height shall be not less than one-fourth inch. It shall only be necessary to state the words "load limit" once upon any such sign.

Any sign meeting the above requirements shall be deemed a suitable sign.

(c) Upon the trial of any person charged with violating this section, proof of said determination of the maximum weight by said department and the existence of said signs shall constitute prima facie evidence of the maximum weight which such bridge or other structure with safety to itself will sustain.

CHAPTER 849

An act to add Section 1161 to the Fish and Game Code, relating to hunting while intoxicated.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1161 is added to the Fish and Game Code, to read:

1161. It is unlawful to hunt with firearms or with bow and arrow when intoxicated. Hunting while intoxicated

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CHAPTER 850

An act to amend Section 737.11 of the Agricultural Code, relating to the purchase of fluid milk and fluid cream.

[Approved by Governor June 2, 1951. Filed with Secretary of State June 2, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 737.11 of the Agricultural Code is amended to read:

737.11. (a) The director may refuse to grant any license herein provided and may revoke or suspend any such license as the case may require when he is satisfied that any applicant or licensee has violated any provision of this chapter, or any provision of any stabilization and marketing plan formulated under Revocation, etc., of license

the provisions of this chapter, or of any order of the director establishing minimum wholesale and minimum retail prices for fluid milk or fluid cream formulated under the provisions of this chapter. The proceedings shall be conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the director shall have all the powers granted therein.

The decision may include an order refusing, revoking or suspending the license applied for or held by the respondent, or affixing such other conditional and probationary orders as may be proper for the enforcement of this chapter or any provision of any stabilization and marketing plan formulated under the provisions of this chapter, or of any order of the director establishing minimum wholesale and minimum retail prices for fluid milk or fluid cream formulated under the provisions of this chapter.

After any decision including any conditional or probationary orders, should respondent fail, refuse or neglect to comply with any such orders, the director may suspend or revoke the license in accordance with the procedure provided in this section.

Previous violation by any applicant, or by any person connected with said applicant, of any provision of this chapter, or of any provision of any stabilization and marketing plan formulated under the provisions of this chapter, or of any order of the director establishing minimum wholesale and minimum retail prices for fluid milk or fluid cream, formulated under the provisions of this chapter, shall be good and sufficient ground for denial, revocation or suspension of a license.

Shortening hearing time

(b) Whenever the director is satisfied, either by investigation or after hearing, that a distributor is unable to pay for fluid milk and/or fluid cream purchased from producers, and is further satisfied that to permit the distributor to continue to purchase and receive fluid milk and/or fluid cream from producers would be likely to cause serious and irreparable loss to producer-creditors and other producers, then the director within his discretion may thereupon and forthwith shorten the time for hearing that is provided for in Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and thereupon may issue an order to show cause why the license of said distributor should not be forthwith suspended or revoked; provided, however, that the time of notice of said hearing shall in no event be less than five days. At such hearing the distributor proceeded against shall be ordered to show cause why his or its license should not be suspended or revoked or continued under such conditions and provisions, if any, as the director may consider just and proper and for the protection of the best interests of the producer-creditors and producers from whom the distributor has been and is receiving fluid milk and/or fluid cream. Following such hearing, the decision of the director shall become effective at his discretion.

Said hearing, in the case of such emergency, may be called upon written notice, said notice to be served personally or by mail on the distributor involved and may be held at the nearest office of the director or at such place as may be most convenient in the discretion of the director for the attendance of all parties involved.

CHAPTER 851

An act to amend Section 10783 of the Revenue and Taxation Code, relating to exempting vehicles owned by disabled veterans from the motor vehicle license fee.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 10783 of the Revenue and Taxation Code is amended to read:

Exemption for disabled veterans

10783. The license fee imposed by this part does not apply to any vehicle, other than a commercial vehicle, owned by a veteran who has lost, or has lost the use of, both legs as a result of injury or disease suffered while on active service with the military, naval, or air forces of the United States.

The exemption granted by this section shall extend to not more than one vehicle owned by any such veteran.

CHAPTER 852

An act to add Section 1130 to the Probate Code, relating to vouchers filed by trustees.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1130 is added to the Probate Code, to read:

Voucher filed by trustees

1130. Any voucher which may have been filed in support of the account of a trustee may be withdrawn on leaving a certified copy on file, but must be produced on demand, unless permanently withdrawn with the permission of the court. Five years from the date of settlement of the account in support of which a voucher was filed the clerk of the court may destroy the voucher or deliver it to the trustee or to his attorney.

CHAPTER 853

An act to amend Section 14658 of, and to add Section 14661 to, the Health and Safety Code, relating to fire protection districts in one or more counties.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 14658 of the Health and Safety Code is amended to read:

Conduct of elections

14658. The elections shall be conducted in accordance with the provisions of the general election laws except as in this chapter provided to the contrary. The board of directors shall by by-law provide the manner of nomination of candidates which shall conform as nearly as practicable to general election laws. The signatures of 10 electors qualified to participate in district elections are required to nominate a candidate for any district office. Names of nominees and candidates shall have been filed with the secretary of the board at least five days prior to the publication of the notice provided for in Section 14655 and such names shall be stated in such notice of holding of election.

SEC. 2. Section 14661 is added to said code, to read:

Vacancies

14661. If the office of director is vacated by forfeiture, death, resignation, or from any cause other than expiration of the term, the vacancy shall be filled by appointment by the board of supervisors.

CHAPTER 854

An act to amend Sections 35147, 35148, 35149, and 35150 of the Government Code, relating to annexation.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 35147 of the Government Code is amended to read:

Payment for municipal improvements

35147. When any city to which it is proposed to annex territory pursuant to this article has incurred, or authorized the incurring of, any bonded indebtedness for the acquisition, construction, or completion of any municipal improvements, or has fixed an amount of money to represent the value to the territory to be annexed of municipal improvements already paid for by city taxpayers, the petition presented to the city legislative body may contain a request that the question submitted to the electors residing in the territory shall be, whether the territory shall be annexed, and the property in the territory subjected to taxation after annexation, equally with the property

within the city, to pay any specified portion of such bonded indebtedness outstanding or authorized at the date of filing the petition, or the petition presented to the city legislative body may, either additionally or alternatively contain a request that the question submitted to the electors residing in the territory shall be, whether the territory shall be annexed, and the property in the territory subjected to taxation after annexation to pay the amount of money fixed to represent the value to the territory of municipal improvements already paid for by city taxpayers.

SEC. 2. Section 35148 of said code is amended to read:

35148. If such a request, or requests, is made in the petition, in addition to the matters required by Section 35124 the notice of election shall: Notice of election

(a) With respect to a request for assumption of bonded indebtedness:

(1) State distinctly the proposition to be submitted.

(2) Specify the improvement or improvements for which the indebtedness was incurred or authorized.

(3) State the amount or amounts of such indebtedness outstanding at the date of the first publication of the notice.

(4) State the amount authorized and to be represented by bonds to be issued

(5) State the maximum rate of interest payable, or to be payable on the indebtedness.

(b) With respect to a request for assumption of an amount of money fixed by the city legislative body:

(1) State distinctly the proposition to be submitted.

(2) State the amount of money fixed to represent the value to the territory of municipal improvements already paid for by city taxpayers.

(3) State the improvements already paid for by city taxpayers.

(4) State the total assessed value of all taxable property in the territory to be annexed as shown on the last equalized county assessment roll and the tax rate per one hundred dollars ($100) of assessed value required to raise the amount of money fixed by the city legislative body.

(5) State the number of annual installments proposed by the city legislative body for collection of the amount fixed by taxation of property in the territory.

SEC. 3 Section 35149 of said code is amended to read:

35149. In all other particulars, the annexation shall be conducted as if there were no question of assuming an indebtedness, or tax liability for municipal improvements already paid for by city taxpayers. Conduct of annexation

SEC. 4 Section 35150 of said code is amended to read:

35150. When the annexation of territory voting to assume such city indebtedness or fixed amount, or both, has been completed, the property within the annexed territory shall be taxed to pay the bonded indebtedness, or fixed amount, or both as specified in the notice. Taxation

CHAPTER 855

Ag C, §1300 10, ff

An act to amend Sections 1300.12, 1300.13, 1300.15, 1300.16, 1300.17, and 1300.19 of the Agricultural Code, relating to administration of The California Marketing Act of 1937 and the enforcement of marketing orders thereunder, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1300.12 of the Agricultural Code is amended to read:

Definitions

1300.12. (a) "Cartwright Act" means the act passed by the Legislature of this State entitled "An act to define trust and to provide for criminal penalties and civil damages and punishment of corporations, persons, firms and associations, or persons connected with them, and to promote free competition in commerce and all classes of business in this State," approved March 23, 1907, as amended.

Stats 1907, p. 984

Stats 1913, p 508

(b) "Unfair Practices Act" means an act passed by the Legislature of this State entitled "An act relating to unfair competition and discrimination, making certain unfair and discriminatory practices unlawful, defining the duties of the Attorney General in regard thereto, declaring certain contracts illegal and forbidding recovery thereon, providing for actions to enjoin unfair competition and discrimination and to recover damages therefor, making the violation of the provisions of this act a misdemeanor and providing penalties," approved June 10, 1913, as amended.

(c) "Agricultural commodity" means any and all agricultural, horticultural, viticultural (including wine) and vegetable products produced in this State, either in their natural state or as processed by a producer for the purpose of marketing such product or by a processor as herein defined, and including bees and honey but not including timber or timber products.

(d) "Producer" means any person engaged within this State in the business of producing, or causing to be produced for market, any agricultural commodity as herein defined.

(e) "Handler" means any person engaged within this State as a distributor in the business of distributing an agricultural commodity in intrastate commerce, or any person engaged as a processor in the business of processing an agricultural commodity.

(f) "Processor" means any person engaged within this State, in the operation of receiving, grading, packing, canning, fermenting, distilling, extracting, preserving, grinding, crushing or changing the form of an agricultural commodity for the purpose of preparing such agricultural commodity for market or of marketing such commodity, or any other activities performed for the purpose of preparing such commodity for

market or of marketing such commodity, but shall not include a person engaged in manufacturing from an agricultural commodity, so changed in form, another and different product. Same

(g) "Distributor" means any person who engages in the operation of selling, marketing or distributing, in intrastate commerce, an agricultural commodity which he has produced, or purchased or acquired from a producer or which he is marketing on behalf of a producer, whether as owner, agent, employee, broker or otherwise, but shall not include a retailer as herein defined except such retailer who purchases or acquires from, or handles on behalf of any producer, an agricultural commodity not theretofore subjected to regulation by the marketing order covering such commodity.

(h) "Retailer" means any person who purchases or acquires any agricultural commodity for resale at retail to the general public for consumption off the premises but such person shall also be included within the definition of distributor, as herein set forth, to the extent that he engages in the business of a distributor as herein defined.

(i) "Person" means an individual, firm, corporation, association or any other business unit, and shall, for the purposes of this chapter, include any state agency which engages in any of the commercial activities regulated pursuant to the provisions of this chapter.

(j) "Director" means the Director of Agriculture.

(k) "Marketing order" means an order issued by the Director of Agriculture, pursuant to this act, prescribing rules and regulations governing the processing, distributing or handling in any manner of any agricultural commodity within this State during any specified period or periods.

(*l*) "To handle" means to engage in the business of a handler as herein defined.

(m) "To process" means to engage in the business of a processor as herein defined.

(n) "To distribute" means to engage in the business of a distributor as herein defined.

(o) "Producer marketing" or "marketed by producers" means any or all operations performed by any producer in preparing for market, and shall include selling, delivering or disposing of for commercial purposes, to any handler as herein defined any agricultural commodity which he has produced.

(p) "Advertising and sales promotion" means, in addition to the ordinarily accepted meaning thereof, trade promotion and activities for the prevention, modification or removal of trade barriers which restrict the free flow of agricultural commodities to market and may include the presentation of facts to and negotiations with state, federal or foreign governmental agencies on matters which affect the marketing of any commodity or commodities included in any marketing order or marketing agreement made effective pursuant to the provisions of this chapter.

(q) As used in this chapter the terms "directly affecting" or "directly regulated or affected" shall include, in addition to any other method of regulation authorized in this chapter, the levying or collecting of any assessment under any marketing order or agreement or deducting producer assessments from any moneys owed by handlers to producers.

SEC. 2. Section 1300.13 of said code is amended to read:

Authority of director

1300.13. (a) The Director of Agriculture shall administer and enforce the provisions of this act and shall have and may exercise any or all of the administrative powers conferred by Sections 11180 to 11191, inclusive, of the Government Code upon the head of a department of the State. In order to effectuate the declared purposes of this act, the Director of Agriculture is hereby authorized to issue, administer and enforce the provisions of marketing orders hereunder regulating producer marketing or the handling of agricultural commodities within this State

Marketing orders

(b) Whenever the director has reason to believe that the issuance of a marketing order, or amendments to an existing marketing order, will tend to effectuate the declared policy of this act with respect to any agricultural commodity, he shall, either upon his own motion or upon application of any producer or handler of such commodity, or any organization of such persons, give due notice of, and an opportunity for, a public hearing upon a proposed marketing order or such amendments to such existing marketing order.

Public hearing

(c) (1) Notice of any hearing called for such purpose shall be given by the director by publishing a notice of such hearing for a period of not less than five (5) days in a newspaper of general circulation published in the capital of the State and in such other newspaper or newspapers as the director may prescribe. No such public hearing shall be held prior to five (5) days after the last day of such period of publication.

(2) The director shall also mail a copy of such notice of hearing and a copy of such proposed marketing order, or proposed amendments, to all producers or handlers of such agricultural commodity whose names and addresses appear upon lists of such persons, on file in the Department of Agriculture, who may be directly affected by the provisions of such proposed marketing order or such proposed amendments.

(3) Such notice of hearing shall set forth the date and place of said hearing, the agricultural commodity, and the area, covered by such proposed marketing order or such proposed amendments and a statement that the director will receive, at such hearing, in addition to testimony and evidence as to other necessary and relevant matters set forth in Section 1300.14 hereof, testimony and evidence with respect to the accuracy and sufficiency of lists on file with the director which show the names and addresses of producers or handlers of such agricultural commodity directly affected by such proposed marketing order or proposed amendments, and the quantities of such commodity delivered by such producers to handlers or handled by

such handlers in the marketing season next preceding such hearing.

(4) Such hearing shall be public and all testimony shall be received under oath. A full and complete record of all proceedings at such hearing shall be made and maintained on file in the office of the director. At such hearing the director shall receive, in addition to other necessary or relevant matters, testimony and evidence upon the matters set forth in Section 1300.14 hereof, and testimony and evidence with respect to the accuracy and sufficiency of the lists on file with the director which show the names of the producers or handlers of such agricultural commodity, directly affected by the provisions of such proposed marketing order or proposed amendments, and with respect to the quantities of such agricultural commodity delivered by such producers or handled by such handlers in the marketing season next preceding such hearing.

Information from handlers

(d) (1) In order to provide the director with accurate and reliable information, in the event such information is not then on file in the Department of Agriculture, with respect to the persons who may be directly affected by the provisions of any proposed marketing order for any agricultural commodity, the director is hereby authorized and directed, whenever said director has reason to believe that the issuance of a marketing order will tend to effectuate the declared policy of this act or upon receipt of a written application for a hearing pursuant to subsection (b) of this Section 1300.13, to notify all handlers of such agricultural commodity, by publication of a notice as hereinafter required, to file with the director within ten (10) days from the last date of such publication a report, properly certified, showing:

(a) The correct name and address of such handler;

(b) The quantities of the agricultural commodity, affected by such proposed marketing order, handled by such handler in the marketing season next preceding the filing of such report;

(c) The correct names and addresses of all producers of such agricultural commodity, who may be directly affected by the provisions of such proposed marketing order, from whom such handler received such agricultural commodity in the marketing season next preceding the filing of such report;

(d) The quantities of such agricultural commodity received by such handler from each such producer in the marketing season next preceding the filing of such report.

(2) Said notice to handlers requiring them to file said report shall be published by the director for a period of not less than five (5) days in a newspaper of general circulation published in the capital of the State and in such other newspaper or newspapers as the director may prescribe.

The director shall also mail a copy of such notice to file such report to all handlers of such agricultural commodity whose names and addresses appear upon the lists on file in the

Department of Agriculture who may be directly affected by the provisions of such proposed marketing order.

Filing of reports by handlers

Each handler of such agricultural commodity, directly affected by the provisions of such proposed marketing order shall file such verified report with the director within the time specified herein. Failure or refusal of any handler to file such report as herein specified shall not invalidate any proceeding taken or marketing order issued hereunder. The director is authorized and directed to proceed upon the basis of such information and reports as may otherwise be available.

Use of reports by director

(3) From such reports so filed and the information so received or available to the director, including any proper corrections, the director shall prepare a list of the names and addresses of such producers and the volume of such commodity produced or marketed by all such producers and a list of the names and addresses of such handlers and the volume of such commodity handled by all such handlers, directly affected by the provisions of such proposed marketing order, or amendments thereto, in the preceding marketing season. Such lists shall constitute complete and conclusive lists for use in any finding made by the director pursuant to the provisions of Section 1300.16 (a) hereof and such findings shall be conclusive.

The information contained in the individual reports of handlers filed with the director pursuant to the provisions of this section shall not be made public by the director in such form but the information contained in such reports may be prepared in combined form for use by the director, his agents, or other interested persons, in the formulation, administration and enforcement of a marketing order, or may be made available pursuant to court order, but shall not be made available to any one for private purposes.

Marketing agreements

(e) In order to effectuate the declared policy of this act, the director shall have the power, after due notice and opportunity for hearing, to enter into marketing agreements with processors, distributors, producers and others engaged in the handling of any agricultural commodity, regulating the preparation for market and handling of such agricultural commodity. Such marketing agreements shall be binding upon the signatories thereto exclusively. The purposes and provisions of the chapter relating to marketing orders shall be applicable to marketing agreements except as follows:

Exceptions

(1) The provisions of paragraph 3 of subdivision (d) of this section requiring the preparation of an official list of the names and addresses of all producers and the volume of such commodity produced or marketed by all such producers in the preceding marketing season and a list of the names and addresses of all handlers and the volume of such commodity handled by all such handlers, during the preceding marketing season, shall not be applicable to marketing agreements.

(2) The provisions of paragraphs (1) and (2) of subdivision (a) of Section 1300.16, and the provisions of subdivision (c) of Section 1300.16 insofar as the provisions of

said subdivision (c) prescribe requirements for termination by request in writing, shall not be applicable to marketing agreements; provided, however, that prior to the issuance of any marketing agreement, or amendment thereto, the director shall find, in addition to the findings set forth in subdivision (c) of Section 1300.14 hereof, that said marketing agreement or any amendment thereto has been assented to by a sufficient number of signatories who handle a sufficient volume of the commodity affected to accomplish the objectives of such agreement or amendment thereto and provide sufficient moneys from assessments levied to defray the necessary expenses of formulation, issuance, administration and enforcement.

(3) The provisions of subdivision (a) of Section 1300.19 shall not be applicable to marketing agreements.

SEC. 3. Section 1300.15 of said code is amended to read:

1300.15. (a) (1) Any marketing order issued pursuant to this chapter shall provide for the establishment of an advisory board to assist the director in the administration of any marketing order. The members of the board shall be appointed by the director and may hold office at the pleasure of the director. If the marketing order affects directly only producers of a particular commodity the members of the board shall be producers. If the marketing order affects directly only handlers of a particular commodity the members of the board shall be handlers. If the marketing order affects directly both producers and handlers of a particular commodity, such board shall be composed of both producers and handlers. The number of producers or handlers upon any such board shall be of such number of producers or handlers as the director finds is necessary to assist properly in the administration of such order. Upon the recommendation of the board, the director may appoint one person who is neither a producer nor a handler to represent the Department of Agriculture or the public generally. Advisory boards

(2) No member of any such board shall receive a salary but each shall be entitled to his actual expenses incurred while engaged in performing his duties herein authorized. The director may authorize such board: to enter into contracts or agreements, to employ necessary personnel including attorneys engaged in the private practice of the law, fix their compensation and terms of employment; and to incur such expenses, to be paid by the director from moneys collected as herein provided, as the director may deem necessary and proper to enable such board properly to perform such of its duties as are authorized herein. The duties of any such board shall be administrative only and may include only the following: Compensation Duties of board

a. Subject to the approval of the director to administer such marketing order.

b. To recommend to the director administrative rules and regulations relating to the marketing order.

c. To receive and report to the director complaints of violations of the marketing order.

d. To recommend to the director amendments to the marketing order.

e. To assist the director in the assessment of members of the industry and in the collection of funds to cover expenses incurred by the director in the administration of the marketing order.

f. To assist the director in the collection of such necessary information and data as the director may deem necessary to the proper administration of this chapter.

Special committees

(3) In addition to the advisory board there may be established one or more special committees or subcommittees to assist the advisory board in carrying out its duties and functions. Upon approval of the director each advisory board may establish committees or subcommittees to carry out assigned duties and functions and designate the members or alternate members of the board to serve upon such committees. If the marketing order so authorizes or upon recommendation of the board, the director may authorize the establishment of special committees or subcommittees of persons who are not members or alternate members of the board to perform specific duties and functions; provided, that the members and alternate members of any such special committee or subcommittee shall be appointed by the director.

Any action of any committee, special committee or subcommittee of the board shall be subject to final approval by the board. Members and alternate members of any committee, special committee or subcommittee whether by appointment or approval of the director shall be entitled to reimbursement for actual expenses incurred while acting in their authorized capacities.

Provisions of marketing order

(b) Subject to the legislative restrictions and limitations set forth herein any marketing order issued by the director pursuant to this chapter may contain any or all of the following provisions for regulating or providing methods for regulating producer marketing or the handling or any of the operations of processing or distributing by handlers of any agricultural commodity within this State, but no others:

Surplus

(1) Provisions for determining the existence and extent of the surplus of any agricultural commodity, or of any grade, size or quality thereof, and providing for the control and disposition of such surplus, and for equalizing the burden of such surplus elimination or control among the producers, processors, distributors or other handlers affected. Notwithstanding any other appropriate means of equalizing the burden of surplus control and the elimination thereof as provided in this act, provision may be made for the creation of a stabilization fund to be used for purchasing or otherwise acquiring any portion of the surplus of any agricultural commodity either in fresh or processed form, except when processed in hermetically sealed containers, and for the diversion of such surplus quantity of such commodity so acquired into noncompetitive or by-products uses or for disposing of such surplus in noncommercial

channels. Moneys for such stabilization fund shall be provided by means of the establishment of an assessment rate for such purpose levied upon producers or handlers or upon both producers and handlers. Such assessment rate shall be based upon the units in which such agricultural commodity is handled or marketed or upon any other uniform basis which the director determines to be reasonable and equitable. For convenience of collection, the director may collect any producer assessments from handlers of such commodity. Handlers paying such assessments for and on behalf of any producers are authorized to deduct such producer assessments from any moneys owed by such handlers to such producers.

Limitation on quantity to be marketed

(2) Provisions for limiting the total quantity of any agricultural commodity, or of any grade, size or quality thereof, which may be marketed by producers or processed, distributed or otherwise handled within this State during any specified period or periods, by any and all persons engaged in such producer marketing, processing, distributing or handling; provided, that any such limitation shall be applied under a uniform rule applicable to all such persons so regulated. The total quantity of any such commodity so regulated and permitted to be marketed by producers, processed, distributed or otherwise handled, shall not be less than the quantity which the director finds is reasonably necessary to supply the market demands of consumers of such commodity.

Allotment of quantity acquired from producer

(3) Provisions for allotting the quantity of any agricultural commodity, or of any grade, size or quality thereof, which each handler may purchase or acquire from, or handle on behalf of, any and all producers thereof, within this State during any specified period or periods under a uniform rule, applicable to all handlers so regulated based upon the amounts produced or sold by such producers in a prior period which the director finds to be representative, or upon the current season's production or sales of such producers, or both, to the end that the total quantity of such commodity or of any grade, size or quality thereof, so purchased or handled within this State shall be apportioned equitably among the producers thereof.

Allotment of quantity handled

(4) Provisions for allotting the quantity of any agricultural commodity, or of any grade, size or quality thereof, which each handler may process, distribute or handle within this State under a uniform rule, applicable to all handlers so regulated, based upon the quantities of such commodity or of any grade, size or quality thereof of the current season's crop which each such handler has available for such processing, distribution or handling, or upon the quantities of such commodity or of any grade, size or quality thereof so processed, distributed or handled by each such handler in a prior period which the director finds to be representative, or based upon both, to the end that the total quantity of such commodity or any grade, size or quality thereof, processed, distributed or handled within this State during any specified period or periods shall be equitably apportioned among all such handlers thereof.

Period for handling or marketing

(5) Provisions regulating the period, or periods, during which any agricultural commodity, or any grade, size or quality of such commodity, may be processed, distributed or otherwise marketed within this State by any and all persons engaged in such processing, distributing or marketing within this State; provided, that the total quantity of such commodity so regulated and permitted to be processed, distributed or otherwise marketed during such period or periods, shall not be less than the quantity which the director finds is necessary to reasonably supply the needs of consumers of such commodity.

Surplus, stabilization, or by-product pools

(6) Provisions for the establishment of surplus, stabilization, or by-product pools for any agricultural commodity or of any grade, size, quality or condition thereof, and providing for the sale of the commodity in any such pool and for the equitable distribution among the persons participating therein of the net returns derived from the sale of such commodity. Whenever the marketing order authorizes the establishment of any such pool or pools the advisory board shall have power to receive such commodity from each producer or handler and to handle the same according to the grade, size, quality or condition thereof and to account to each producer or handler participating therein upon a pro rata basis for the net proceeds derived from the sale thereof.

Surplus pool

The contents of any surplus pool shall not be marketed by the board in any form which would compete directly with that portion of the commodity which is marketed in regular channels of trade. However, any portion of any surplus pool may be transferred by the board upon any gratuitous basis to charitable organizations and other similar agencies under proper safeguards to insure that none of such commodity shall compete directly with the unrestricted portion of such commodity. The board may dispose of the contents of a stabilization pool in the regular marketing channels in such manner and at such times as the board deems advisable, consistent with the maintenance of stabilized marketing conditions for such commodity. The board may dispose of the contents of any by-product pool only for by-products or for other similar purposes under proper safeguards to prevent such portion of the commodity so disposed of from directly competing with that part of the commodity which is marketed in the usual form or in the regular channels of trade.

Facilities for storing, etc

Whenever the marketing order authorizes the establishment of a surplus, stabilization, or by-product pool, the board shall have authority to arrange for and operate any necessary facilities for the storing, financing, grading, packing, servicing, processing, preparing for market, selling, and disposing of the contents of any pools provided for in this section; provided, however, the board shall not have authority to engage in commercial warehousing.

Pledge for loans

The board shall have power to pledge all of the commodity in any such pools with banks or other lending agencies for the purpose of obtaining loans thereon. The board shall have title,

for the purpose of financing and handling, to all of the commodity in any such pools.

Equalization fund

Whenever the marketing order authorizes the establishment of any type of pool authorized in this section, the board shall have authority to create, by a uniform assessment upon producers, or upon some other uniform and equitable basis, maintain, and disburse an equalization fund to be used for the removal of any inequalities between producers or handlers participating in any pool resulting from errors in estimating production or surplus or for indemnifying producers whose production, in whole or in part, is diverted in green form or otherwise from normal marketing outlets or diverted to by-products, relief, or other noncompetitive purposes pursuant to the provisions of the marketing order.

Uniform grading and inspection

(7) Provisions for the establishment of uniform grading and inspection of any agricultural commodity delivered by producers to handlers or others engaged in the handling thereof and for the establishment of grading standards of quality, condition, size or pack for any agricultural commodity, and the inspection and grading of such commodity in accordance with such grading standards so established, such grading standards for any such commodity shall not be established below any minimum standards now prescribed by law for such commodity.

Advertising

(8) Provisions for the establishment of plans for advertising and sales promotion to maintain present markets or to create new or larger markets for agricultural commodities grown in the State of California, or for the prevention, modification or removal of trade barriers which obstruct the free flow of agricultural commodities to market. The director is hereby authorized to prepare, issue, administer and enforce plans for promoting the sale of any agricultural commodity.

Provided, that any such plan shall be directed toward increasing the sale of such commodity without reference to a particular brand or trade name, and

Provided, further, that no advertising or sales promotion program shall be issued by the director which shall make use of false or unwarranted claims in behalf of any such product, or disparage the quality, value, sale or use of any other agricultural commodity.

Unfair trade practices

(9) Provisions relating to the prohibition of unfair trade practices. In addition to the unfair trade practices, now prohibited by law, applicable to the processing, distribution or handling of agricultural commodities within this State, the director is hereby authorized to include in any marketing order issued hereunder provisions designed to correct any trade practice affecting the processing, distributing or handling of any agricultural commodity within this State which the director finds, after a hearing thereupon in which all interested persons are given an opportunity to be heard, is unfair and detrimental to the effectuation of the declared purposes of this act.

Production adjustment benefits

(10) Provisions for the application for, review, certification and equitable payment of, production adjustment benefits

to growers from funds collected for such purpose on a uniform basis from all commercial growers of any agricultural commodity in the State, for which production adjustment payments are made Such funds may be supplemented by funds, if any, received from federal, state or other agencies for such purpose.

No program of production adjustment adopted hereunder shall authorize payments for the removal of acreages of trees or vines of the species, variety or varieties specified in the program which have, during the three years immediately preceding the date of application, produced an annual yield per acre in excess of the comparably computed average yield from bearing trees or vines of the same species, variety or varieties for the State as a whole, such yields and averages to be determined by the director from statistical data compiled by state or federal agencies or such other data as the director deems to be representative and reliable.

Research studies

(11) Provisions for carrying on research studies in the production, processing or distribution of any agricultural commodity and for the expenditure of moneys for such purposes. In any research in production or processing carried on hereunder, the Dean of the College of Agriculture of the University of California and the advisory board provided for in Section 1300.15 hereof shall cooperate in selecting the research project or projects to be carried on from time to time. Insofar as practicable such projects shall be carried out by said College of Agriculture, but if the dean of said college and the advisory board determine that the college has no facilities for a particular project or that some other research agency has better facilities therefor, the project may be carried out by other research agencies selected by the dean and the advisory board.

Additional marketing orders

(c) In addition to authority to issue marketing orders regulating the processing or preparation for marketing of any or all portions of any agricultural commodity processed within this State, and in addition to authority to issue marketing orders regulating the distribution of any or all portions of any agricultural commodity within this State and subject to the legislative restrictions and limitations of Section 1300 14 of this act, the director may also issue marketing orders regulating the handling, processing, preparation for marketing or marketing of any or all portions of any agricultural commodity produced in this State for which marketing regulatory powers are not being exercised by the Federal Government under the provisions of the Marketing Agreement Act of 1937, as amended, being Public Law No 137, Seventy-fifth Congress, Chapter 296, First Session, 7 U S C A. 674, 50 Statute 249

SEC. 4. Section 1300 16 of said code is amended to read:

Handlers' assent

1300.16 (a) (1) No marketing order or major amendment thereto, directly affecting handlers, issued pursuant to this chapter, shall become effective unless and until the director finds that such marketing order or amendment thereto has been assented to in writing by the handlers engaged in the marketing

activity or activities regulated by such marketing order who handle not less than sixty-five percent (65%) of the volume of the agricultural commodity regulated thereby which is processed or distributed within the area defined in such marketing order or amendment thereto, or that such marketing order or amendment thereto has been assented to in writing by not less than sixty-five percent (65%) of the number of handlers engaged in the marketing activity or activities regulated by such marketing order; provided, however, that any marketing order or major amendment thereto directly affecting processors engaged in the operation of canning of fresh fruits or vegetables or canning or packing of dried fruits shall not be made effective by the director unless and until the director finds that such marketing order or amendment thereto has been assented to in writing by such processors engaged in the marketing activity or activities regulated by such marketing order or amendment thereto who processed not less than sixty-five percent (65%) of the volume of such agricultural commodity which is processed within the area defined in such marketing order or amendment thereto and by sixty-five percent (65%) of the number of such processors engaged in the marketing activity or activities regulated by such marketing order or amendment thereto

Producers' assent

(2) No marketing order or major amendment thereto, directly affecting producers or producer marketing, issued pursuant to this chapter, shall be made effective by the director unless and until the director finds one or more of the following:

(A) That such marketing order or amendment thereto has been assented to in writing by not less than sixty-five percent (65%) of the producers who are engaged, within the area specified in such marketing order or amendment thereto, in the production for market or engaged in such producer marketing, of not less than fifty-one percent (51%) of the agricultural commodity specified therein in commercial quantities, or (B) that such marketing order or amendment thereto has been assented to in writing by producers who produce not less than sixty-five percent (65%) of the volume of such agricultural commodity and by fifty-one percent (51%) of the total number of producers so engaged, or (C) that such marketing order or amendment thereto has been approved or favored by producers in a referendum among producers directly affected if the valid votes cast in such referendum in favor of such marketing order or amendment thereto represent not less than fifty-one percent (51%) of the total number of producers of said commodity of record with the department who marketed not less than fifty-one percent (51%) of the total quantity of said commodity marketed in the next preceding marketing season by said total number of producers of record with the department Whenever any marketing order or any major amendment to any marketing order is issued by the director, he shall determine whether assent, approval, or favor thereto of the producers shall be by written assents or by referendum.

Referendum

If the director determines that a referendum shall be had, he shall establish a referendum period of sixty (60) days. At the close of such referendum period, the director shall count and tabulate the ballots filed during said period. If from such tabulation the director finds that the number of producers voting in favor of such marketing order or amendment thereto is not less than fifty-one percent (51%) of the total number of producers of record with the department and that such producers who voted in favor of said marketing order or amendment thereto marketed not less than fifty-one percent (51%) of the total volume of such commodity marketed by all producers of record with the department during the marketing season next preceding such referendum the director may make such marketing order or amendment thereto effective. If he finds from the tabulation of such referendum that the number of producers who have voted in favor of such marketing order or amendment thereto is less than the required fifty-one percent (51%) of the total number of producers of record with the department or that the producers who have voted in favor of such marketing order or amendment thereto represent less than fifty-one percent (51%) of the total quantity of such agricultural commodity marketed by all producers of such commodity of record with the department during the marketing season next preceding the conducting of such referendum, or that such votes in favor represent less than fifty-one percent (51%) of the total by both number of producers and quantity of the commodity, the director may extend the period of such referendum for not exceeding thirty (30) days. At the close of such extended period the director shall again count and tabulate all ballots received during the entire period of referendum and he shall be authorized to make such marketing order or amendment thereto effective if he finds that not less than fifty-one percent (51%) of the total number of producers of such commodity of record with the department have voted in favor of such marketing order or amendment thereto and that such producers marketed not less than fifty-one percent (51%) of the total quantity of such commodity marketed by all producers of record with the department during the marketing season next preceding the conducting of such referendum. The director is authorized to prescribe such additional procedures as may be necessary to conduct such referendum.

Assent by cooperatives

(3) In finding whether such marketing order or major amendment thereto is assented to in writing or approved or favored by producers pursuant to the provisions of this chapter, the director shall consider the approval of any nonprofit agricultural cooperative marketing association, which is authorized by its members so to assent, as being the assent, approval or favor of the producers who are members of, or stockholders in, such nonprofit agricultural cooperative marketing association.

Public hearings

(4) At each public hearing upon a marketing order or a major amendment thereto, the director shall receive testimony

or evidence relative to the period of time which may be necessarily required for the filing, checking, and tabulating of written assents prescribed in this section. At the conclusion of each such hearing the director shall make a finding, based upon the evidence and testimony so received, with respect to the period of time which may be reasonably and necessarily required for such filing, checking and tabulating. On the basis of such finding the director shall fix and limit the period during which such assents may be received by the director and such period shall be announced by the director at the time of mailing of assent forms to producers and handlers affected; provided, however, that if the director finds that an extension of such period is reasonably warranted he may extend such period for receiving assents.

At a public hearing held to consider a proposed marketing order or major amendments to an existing marketing order which directly affects producers or producer marketing, the director shall also receive testimony or evidence from which he can determine whether the assent, approval or favor of such producers shall be determined by written assents or by referendum as hereinabove prescribed. Upon the conclusion of any hearing which involves a marketing order or a major amendment thereto directly affecting producers or producer marketing, the director shall make a finding, based upon testimony and evidence received, whether producer assent, approval or favor shall be determined by written assents or by referendum. If the director finds that a referendum shall be had, he shall direct that a referendum be held in accordance with the provisions of subdivision (a) (2) of this section. If a referendum is conducted, the director shall not be required, with respect to the assent, approval or favor of producers, to make a finding concerning or fix and limit the period during which assents may be received by the director.

Regulation of producer marketing, etc

(b) Subject to the provisions, restrictions and limitations imposed herein, the director may issue marketing orders regulating producer marketing, the processing, distributing or handling in any manner of agricultural commodities by any and all persons engaged in such producer marketing, processing, distributing or handling of such agricultural commodities within this State.

Suspension and termination of marketing order

(c) The director shall suspend or terminate any marketing order, whenever he finds, after a public hearing duly noticed and held in accordance with the provisions of Section 1300.13 of this chapter, that such marketing order is contrary to or does not tend to effectuate the declared purposes or provisions of this chapter within the standards and subject to the limitations and restrictions herein imposed; provided, that such suspension or termination shall not become effective until the expiration of the marketing season then current. If the director finds that the termination of any marketing order is requested in writing by more than forty percent (40%) of the producers, who are engaged within the State of California

in the production for market of the agricultural commodity specified in such marketing order, and who produce forty percent (40%) of the volume of such agricultural commodity produced within the State of California for market, and finds that the termination of such marketing order is requested in writing by handlers who handle more than forty percent (40%) of the volume of the agricultural commodity covered thereby and by more than forty percent (40%) of the number of handlers of the agricultural commodity covered thereby, the director shall, if he finds such marketing order is contrary to or does not tend to carry out the declared policy of this chapter, terminate such marketing order; provided, that such termination shall be effective only if announced on or before such date (prior to the end of the marketing period then current) as may be specified in such marketing order.

Amendment of marketing order

(d) Upon the recommendation of not less than seventy-five percent (75%) of the producer members or handler members of the advisory board, or not less than seventy-five percent (75%) of each group if both are represented upon the advisory board, the director may make effective minor amendments to a marketing order. The director may require a public hearing upon minor amendments if in his opinion the substance of such minor amendments so warrant; the director shall, however, not be required to submit minor amendments for written assents or referendum approval.

Major amendments Procedure

In making effective major amendments to a marketing order the director shall follow the same procedures prescribed in this act for the institution of a marketing order. For the purposes of this chapter a major amendment to a marketing order shall include but not be limited to any amendment which adds to or deletes from any such marketing order any of the following types of regulations or authorizations:

Same. Types

(1) Authority for determining the existence and extent of the surplus of any agricultural commodity or of any grade, size or quality thereof and providing for the control and disposition of such surplus and for equalizing the burden of such surplus elimination and shall also include the establishment of a stabilization fund for equalizing surplus obligations

(2) Authority for limiting the total quantity of any agricultural commodity or of any grade, size or quality thereof which may be prepared for market or marketed within the State of California.

(3) Authority for allotting the quantity of any agricultural commodity or of any grade, size or quality thereof which any handler may purchase or acquire from or handle on behalf of any and all producers thereof within the State of California.

(4) Authority for allotting the quantity of any agricultural commodity or of any grade, size or quality thereof which any handler may process, distribute or handle within the State of California.

(5) Authority for regulating the period or periods during which any agricultural commodity or any grade, size or quality of such commodity may be processed, distributed or otherwise marketed within the State of California.

(6) Authority for the establishment of surplus, stabilization, or by-product pools for any agricultural commodity or of any grade, size, quality or condition thereof.

(7) Authority for the establishment of uniform grading and inspection of any agricultural commodity and the establishment of grading standards of quality, condition, size or pack of such commodity.

(8) Authority for the establishment of plans for advertising and sales promotion of any agricultural commodity.

(9) Authority to prohibit unfair trade practices

(10) Authority for the establishment of production adjustment requirements and benefit payments relating thereto

(11) Authority for carrying out research studies in the production, processing or distribution of any agricultural commodity.

(12) Authority to increase an assessment rate beyond the maximum rate authorized by the marketing order in effect.

(13) Authority to extend the application of the provisions of any marketing order to portions or uses of an agricultural commodity not previously subject to such provisions or to restrict or extend the application of such provisions upon the producers or handlers of such portions or uses of any such commodity.

Modification of any provisions of any marketing order in effect for the purpose of clarifying the meaning or application of such provisions or modifying administrative procedures for carrying out such provisions are hereby declared not to be a major amendment of such marketing order.

Notice (e) Upon issuance of any order making effective a marketing order, or any suspension, amendment or termination thereof, a notice thereof shall be posted on a public bulletin board to be maintained by the director in his office and a copy of such notice shall be published in a newspaper of general circulation published in the capital of the State and in such other newspaper or newspapers as the director may prescribe. No marketing order or any suspension, amendment or termination thereof shall become effective until the termination of a period of five (5) days from the date of such posting and publication. It shall also be the duty of the director to mail a copy of the notice of said issuance to all persons, directly affected by the terms of such marketing order, suspension, amendment or termination, whose names and addresses may be on file in the office of the director and to every person who files in the office of the director a written request for such notice

Rules and regulations (f) Upon recommendation by the advisory board concerned the director shall have power, consistent with this act, to establish such general rules and regulations covering the operations of marketing orders as may be necessary to carry

out the purposes and attain the objectives of this act or any marketing order issued thereunder. The provisions of subdivision (e) of this section relative to posting, publication, and mailing of notice and time of taking effect shall be applicable to any general rule or regulation established under this subdivision applicable to marketing orders generally. Notice of seasonal marketing regulations and other administrative actions authorized in any particular marketing order shall be given to producers or handlers in the manner and within the time required as specified in such marketing order or in general rules and regulations issued and made effective hereunder. The exercise of the powers granted to an advisory board in its administration of a marketing order made effective in accordance with the provisions of this act shall be subject to the approval of the director.

SEC. 5. Section 1300.17 of said code is amended to read:

Expense of administration

1300.17. (a) For the purpose of providing funds to defray the necessary expenses incurred by the director in the formulation, issuance, administration and enforcement of each marketing order issued hereunder, each such marketing order shall provide for the levying and collection of assessments in sufficient amounts to defray such expenses. Each marketing order shall indicate the maximum rate of any such assessment which may be collected and the proportion, if any, payable by each producer and handler directly regulated or affected by such marketing order. The advisory board appointed by the director to assist the director in administering each marketing order shall recommend to the director, from time to time, budgets to cover necessary expenses and the assessment rate necessary to provide sufficient funds. If the director finds that each such budget and assessment rate are proper and equitable and will provide sufficient moneys to defray the necessary expenses he may approve such budget and rate of assessment and order that each producer and handler so assessed shall pay to the director, at such times and in such installments as the director may prescribe, an assessment based upon the units in which such agricultural commodity is marketed, or upon any other uniform basis which the director determines to be reasonable and equitable, but in amounts which in the case of producers will not exceed two and one-half percent (2½%) of the gross dollar volume of sales, of the commodity affected, by all such producers, regulated by such marketing order or in amounts which in the case of processors, distributors or other handlers will not exceed two and one-half percent (2½%) of the gross dollar volume of purchases of the commodity affected by the marketing order from producers or of the gross dollar volume of sales of the commodity affected by the marketing order and handled by all such processors, distributors or other handlers regulated by such marketing order during the marketing season or seasons during which such marketing order is effective.

Advance deposit

The director may require each and every producer, processor, distributor or handler directly regulated by any marketing

order to deposit with him in advance, an amount based upon the estimated number of units to be marketed by such producer or handled by such processor, distributor or handler, or upon any other uniform basis which the director determines to be reasonable and equitable, such bases to be applicable during the marketing season or seasons during which such marketing order is effective. At any time after the funds credited to the administrative account of the marketing order are sufficient to so warrant, or at the close of the marketing season, the sums so deposited shall be adjusted to the amount which is chargeable against such producer, processor, distributor or handler upon the basis of the actual number of units marketed by such producer or handled by such processor, distributor or handler, or upon the same uniform basis under which such funds were assessed by the director, during such marketing season.

Advertising expense

(b) Each marketing order which authorizes carrying out advertising and sales promotion plans shall provide for the levying and collection of assessments in sufficient amounts to defray the expenses of such activities. Each such marketing order shall indicate the maximum rate of any such assessment and the proportion, if any, payable by each producer and handler directly regulated or affected by such marketing order. The advisory board appointed by the director to assist the director in administering each marketing order shall recommend to the director, from time to time, budgets to cover such expenses and the assessment rate necessary to provide sufficient funds. If the director finds that each such budget and assessment rate are proper and equitable and will provide sufficient moneys to defray such expenses he may approve such budget and approve and levy such assessment. Any assessments so established shall be based upon the units in which such agricultural commodity is marketed or upon any other uniform basis which the director determines to be proper and equitable. Any assessment rates established hereunder shall be in amounts not to exceed four percent (4%) of the gross dollar volume of sales by all producers or by all processors, distributors or other handlers of such agricultural commodity regulated by such marketing order during the marketing season or seasons during which such marketing order is effective.

Advance deposit

For the purpose of providing funds to cover the costs of such advertising or sales promotion plans incurred prior to the receipt of sufficient funds from assessments as provided herein, the director may require each person so assessed to deposit with him in advance an amount not exceeding twenty-five percent (25%) of such assessment, based upon the estimated number of units of such commodity to be marketed or handled by such person, or upon any other uniform basis which the director determines to be reasonable and equitable, during such marketing season. At any time after the funds credited to the advertising or sales promotion account of the marketing order are sufficient to so warrant, or at the close of the marketing season, the sum so deposited by such person shall be adjusted

to the amount which is properly chargeable against such person pursuant to the assessment authorized herein.

Assessment in lieu of administrative and advertising assessments

(c) In lieu of the assessments to defray the costs of formulation, issuance, administration and enforcement and advertising or sales promotion provided for in paragraphs (a) and (b) hereof, if the marketing order contains provisions for advertising or sales promotion as authorized in this chapter, the director may approve and fix one assessment not exceeding six and one-half percent (6½%) of the gross dollar volume of sales of such commodity by all producers, or by all processors, distributors or other handlers of such agricultural commodity regulated by such marketing order during the marketing season or seasons during which such marketing order is effective. The method and manner of assessment and collection thereof, and the limitations and restrictions applicable thereupon, shall conform in all respects with the provisions of paragraph (b) hereof, except as to the maximum amount of such assessment. In such case the advisory board shall recommend and the director may approve the proportions of such assessments which may be expended to defray the costs of formulation, issuance, administration and enforcement of the marketing order and of such advertising or sales promotion program; provided, that, the proportion of such assessments which may be allocated in such manner to defray the cost of such administrative activities for such marketing order shall in no case exceed the maximum amount authorized in paragraph (a) of this section.

Authority to borrow money

(d) In the event any advisory board of any marketing order has reason to believe that the administration of a marketing order will be facilitated or the attainment of the purposes and objectives of the marketing order will be promoted thereby, the advisory board is authorized to borrow money with or without interest to carry out any provision of any marketing order authorized by this chapter, and may hypothecate anticipated assessment collections applicable to such respective provisions.

In lieu of requiring advance deposits for defraying administrative or advertising and sales promotion expenses until such time as sufficient moneys are collected for such purpose from the payment of assessments established pursuant to Section 1300.17 of this chapter, the director is authorized to receive and disburse for such expense purposes contributions made by producers, processors, distributors or other handlers Neither the board nor the director shall be held responsible for the repayment of such contributions; provided, however, that whenever collections from the payment of established assessments credited to the respective marketing order accounts are sufficient to so warrant, the board shall recommend and the director shall authorize the repayment of contributions or authorize the application of such contributions to the assessment obligations of persons who made such contributions.

Assessment collection from handlers

(e) For the convenience of making collections of any producer assessments established pursuant to this section, the

director may collect such assessments from the handlers of the commodity being regulated. Handlers paying such assessments for and on behalf of any producers are authorized to deduct such producer assessments from any moneys owed by such handlers to such producers. Any marketing order may provide that handlers shall deduct producer assessments from any moneys owed by such handlers to such producers.

The director shall prescribe rules and regulations with respect to the assessment and collection of funds pursuant to the provisions of this section.

Disposition of money

(f) Any moneys collected by the director pursuant to this act shall be deposited in a bank or banks, or other depository, approved by the Director of Finance, allocated to each marketing order under which they are collected, and disbursed by the director only for the necessary expenses incurred by the advisory board and the director and approved by the director with respect to each such separate marketing order. Funds so collected shall be deposited and disbursed in conformity with appropriate rules and regulations prescribed by the director. The expenditure of such funds shall be exempt from the provisions of Section 16003 of the Government Code. All such expenditures by the director shall be audited at least annually by the Department of Finance and a copy of such audit shall be delivered within 30 days after the completion thereof to the Governor, the Director of Agriculture and the Controller. Any moneys in the State Treasury to the credit of the "State Marketing Act Trust Fund" shall be withdrawn and deposited in accordance with the provisions of this paragraph.

Refunds

Any moneys remaining in such fund, allocable to any particular agricultural commodity affected by a marketing order, at the discretion of the director, may be refunded at the close of any marketing season upon a pro rata basis, to all persons from whom assessments were collected, or such portion of such moneys as may be recommended by the board and approved by the director may be carried over into the next succeeding marketing season whenever the director finds that such moneys may be required to assist in defraying the costs of operating such marketing order in such succeeding marketing season; provided, that upon termination by the director of any marketing order, any and all moneys remaining, and not required by the director to defray the expenses of such marketing order, shall be returned by the director upon a pro rata basis, to all persons from whom assessments were collected; provided further, however, that if the director finds that the amounts so returnable are so small as to make impractical the computation and remitting of such pro rata refund to such persons, the director may use the moneys in such fund to defray the expenses incurred by him in the formulation, issuance, administration or enforcement of any subsequent marketing order for such commodity. Thereafter, if there are any such moneys remaining which have not been used by the director as hereinabove

provided, same shall be withdrawn from the approved depository and paid into the State Treasury as unclaimed trust moneys.

SEC. 6. Section 1300.19 of said code is amended to read:

Enforcement

1300.19. The Director of Agriculture shall be responsible for the administration and enforcement of this act.

The following penalties, remedies, procedures and actions shall apply in instances of violations and complaints of violations of the provisions of this act or of any marketing order or the rules and regulations issued by the director under the authority of this act or any marketing order issued and effective thereunder:

Penalty

(a) Every person who violates any provision of this act or any provision of any marketing order duly issued by the director hereunder, shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not less than fifty dollars ($50), nor more than five hundred dollars ($500), or by imprisonment of not less than 10 days nor more than six months, or by both such fine and imprisonment. Each violation during any day shall constitute a separate offense.

Civil liability

(b) Any person who violates any provision of this act or any marketing order duly issued by the director and in effect hereunder, or who violates any rule or regulation issued by the director pursuant to the provisions of this act or of any marketing order duly issued by the director and effective hereunder, shall be liable civilly for a penalty in an amount not to exceed a sum of five hundred dollars ($500) for each and every violation thereof. Any moneys recovered pursuant to this paragraph shall be deposited in accordance with paragraph (f) of Section 1300.17.

Complaint charging violation

(c) The director on his own motion may or upon complaint of any interested party charging violation of any provision of this act or of any provision of any marketing order or any rule or regulation issued by the director and effective hereunder, shall either refer the matter directly to the Attorney General of this State or any district attorney of this State for the institution of legal proceedings thereupon, or, if the director deems it necessary or advisable, he shall immediately call an administrative hearing to consider the charges set forth in such verified complaint. In case the matter is referred directly by the director to the Attorney General or any district attorney, it shall be the duty of such officer, if, after examination of the complaint and evidence he believes that a violation has occurred, to thereupon bring an appropriate action or actions in a court or courts of competent jurisdiction in this State.

Hearing

(d) In case an administrative hearing is called by the director, the director shall cause a copy of such complaint, together with a notice of the time and place of hearing of such complaint, to be served personally or by mail upon the person or persons named as respondent or respondents in such verified complaint. Such service shall be made at least 10 days before said hearing, which shall be held in the city or town in which

is situated the principal place of business of the respondent, or in which the violation complained of is alleged to have occurred, or in the nearest office of the State Department of Agriculture, at the discretion of the director. At the time and place designated for such administrative hearing, the director or his agents shall hear the parties to said complaint and shall enter in the office of the director at Sacramento, his findings based upon the facts established at such hearing. If from the testimony and evidence adduced at said administrative hearing the director finds that no violation has occurred he shall forthwith dismiss such complaint and notify the parties to such complaint.

Prosecution

(e) If the director finds from said administrative hearing that a violation has occurred he shall so enter his findings and notify the parties to such complaint. In his discretion the director shall either refer the matter to the Attorney General for the institution of legal proceedings or he may notify such parties to cease and desist from further violation. Upon their refusal or failure to comply, or if he finds that the facts or circumstances warrant immediate prosecution, the director shall file a complaint with the Attorney General or any district attorney of this State requesting that such officer commence any or all actions authorized in this section against such respondent or respondents in a court of competent jurisdiction as set forth hereinafter.

Other court actions

(f) The Attorney General of this State, or any district attorney of this State, shall upon complaint by the director or any other person, or may, upon his own initiative, if, after examination of the complaint and evidence he believes a violation to have occurred, bring an action for criminal penalties in the name of the people of this State in any court of competent jurisdiction in the State of California against any person violating any provisions of this chapter or of any marketing order duly issued by the director and effective hereunder.

(g) The Attorney General of this State shall upon complaint by the director or may, upon his own initiative, if, after examination of the complaint and evidence he believes a violation to have occurred, bring an action in the name of the people of this State in the superior court of the State of California for civil penalties or for an injunction, or both, against any person violating any provisions of this chapter or of any marketing order or any rule or regulation duly issued by the director hereunder.

Injunction

(h) Upon compliance with Section 527 of the Code of Civil Procedure of the State of California, the court may issue a temporary restraining order and preliminary injunction as in other actions for injunctive relief and upon trial of such action, if judgment be in favor of plaintiff, the court shall permanently enjoin defendant from further violations.

Costs

(i) In any suit brought by the Attorney General to enforce any of the provisions of this act or of any marketing order issued by the director and effective hereunder or of any rule or regulation issued by the director pursuant to the provisions of any

marketing order, the judgment, if in favor of the State, shall provide that the defendant pay to the director the costs incurred by the director and by the advisory board concerned with the administration of such marketing order in the prosecution of such action. Any moneys recovered shall be deposited in accordance with paragraph (f) of Section 1300.17.

Venue

(j) Any such action may be commenced either in the county where defendant resides, or where any act or omission or part thereof complained of occurred.

Unlawful use of designation of grade, etc

(k) Whenever the use by a producer or handler of a particular emblem, label, certificate or other distinctive designation of grade, quality or condition other than grade or other quality designations then in effect pursuant to state or federal grade standards is made contingent upon compliance with certain production or handling regulations authorized by the provisions of a marketing order or agreement issued and made effective hereunder, it shall be unlawful and a violation of this act for any person, who is not participating in and complying with such order, agreement or regulations to use such designation of grade, quality or condition.

Penalty

(*l*) It shall be a misdemeanor for:

(1) Any person to wilfully render or furnish a false or fraudulent report, statement or record required by the director pursuant to the provisions of this act, or any marketing order effective thereunder;

(2) Any person engaged in the wholesale or retail trade to fail or refuse to furnish to the director or his duly authorized agents, upon request, information concerning the name and address of the person from whom he has received an agricultural commodity regulated by a marketing order issued and in effect hereunder, and the quantity of such commodity so received.

Same

(m) The penalties and remedies prescribed in this section with respect to any violation mentioned in this section shall be concurrent and alternative and neither singly nor combined shall the same be exclusive and either singly or combined the same shall be cumulative with any and all other civil, criminal or administrative rights, remedies, forfeitures or penalties provided or allowed by law with respect to any such violation.

Inspection of premises

(n) Any authorized inspector or other authorized person discharging his duties in the checking of compliance with the provisions of any marketing order made effective pursuant to this chapter may enter and inspect any premises, enclosure, building or conveyance where he has reason to believe any agricultural commodity subject to a marketing order is produced, stored, being prepared for market or marketed, and inspect or cause to be inspected such representative samples of the commodity as may be necessary to determine whether or not any lot of said commodity is in compliance with applicable regulations of any marketing order made effective pursuant to the provisions of this chapter.

Holding of lot by officer

(o) Any enforcing officer of the department in the discharge of his duties, if he has reason to believe that a lot of any agricultural commodity subject to a marketing order is not in compliance with the requirements of such marketing order, or of marketing rules and regulations issued pursuant thereto, as to size, pack, grade, other quality specifications, labeling or markings, may hold such lot for a reasonable period of time sufficient to enable such officer to ascertain whether such lot complies with such requirements, but in any event not to exceed 72 hours. Any such lot which is found not to be in compliance with such requirements is hereby declared to be a public nuisance, and may be held by the officer for an additional time, pending proceedings to condemn and abate such nuisance, as herein provided.

The officer may affix to any lot so held an official notice, warning tag or other appropriate marking, warning that the lot is held and stating the reasons therefor. It is unlawful for any person other than an authorized inspector or enforcing officer to detach, alter, deface or destroy any such official notice, warning tag or marking affixed to any lot or to remove or dispose of such lot in any manner or under conditions other than as prescribed in such notice, except upon written permission of an authorized enforcing officer or by order of court.

Notice of noncompliance

(p) If the director determines that any such lot is not in compliance with the requirements of the marketing order, he shall cause notice of noncompliance to be served upon the person in possession of said lot, the owner if known, and upon any other person known to the director to claim an interest therein.

At the time of giving such notice of noncompliance the authorized inspector or enforcing officer shall grant a specified period of time within which said lot may be reconditioned or other deficiency corrected so as to bring said lot into compliance. If the owner elects not to recondition or otherwise correct the deficiency applicable to said lot within such specified period of time the director, with the consent of the owner, is hereby authorized to destroy any such lot, or otherwise to abate the nuisance.

If the owner fails or refuses either to recondition the lot or correct the deficiency applicable to said lot or to consent to the destruction or abatement thereof within such specified period of time, then the notice of noncompliance shall become effective and the director within a period of five (5) days from the date said notice of noncompliance becomes effective may file a petition in the proper court with an order to show cause returnable in five (5) days why the lot should not be abated; likewise, the owner or person in possession within the same period of time may file a petition in the proper court with an order to show cause returnable in five (5) days why said lot should not be released to petitioner and any warning tags previously affixed, removed therefrom; provided further, that final determination by said court in either case shall be within a period of not to exceed twenty (20) days from the date said petition was filed.

The court may order that the lot be reconditioned or any deficiency applicable to said lot corrected with the consent of the owner thereof.

Notice required to be given by this subdivision may be made by personal service or by registered mail addressed to the person to be served at his last known address.

Effect of disposal

(q) Disposal of any lot or portion of any lot pursuant to the provisions of this section whether such disposal be by arrangement with an enforcement officer or by court order shall not waive any of the penalty provisions of this chapter.

Urgency

SEC. 7. This act is hereby declared to be an urgency measure necessary for the immediate preservation of public peace, health, safety and general welfare within the meaning of Section 1 of Article IV of the Constitution of this State and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

The amendments set forth herein are needed to clarify important legal and administrative points which have arisen in connection with operations of marketing orders now in effect or in the process of development. The earliest possible effective date is necessary to avoid further litigation and to clarify important administrative matters prior to the beginning of the 1951 harvesting and marketing season.

CHAPTER 856

An act to amend Sections 787.5, 795, and 796.1 of the Agricultural Code, relating to fruit and vegetable standardization

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 787.5 of the Agricultural Code is amended to read:

Container markings

787.5. When the name and address of any person is required by any of the specific commodity standards of this chapter to be placed on any container, the address shall be a California address, unless the fruits, nuts or vegetables are packed or placed in such containers outside of this State.

SEC. 2. Section 795 of the Agricultural Code is amended to read:

Oranges and limes

795. Oranges and limes shall be mature and free from decay; free from serious damage due to freezing, drying at the stem or stylar end (resulting from causes other than freezing), splits, bruises or punctures. Damage by drying at the stem or stylar end of all oranges and limes (resulting from causes other than freezing), is not serious unless 20 percent or more of the pulp shows staining, drying or desiccation.

Freezing damage

Damage from freezing to any one fruit is serious if it causes either a condition of (a) "damage on the segment walls" to the

extent defined herein or (b) drying or desiccation in 20 percent or more of the exposed pulp as shown on a transverse cut through the center.

"Damage on the segment walls" means a water-soaked appearance, or evidence of previous water-soaking, or the presence of crystals or crystalline deposit, on the two surface membranes of each of two or more segments as shown on the separation of two or more segments of a section, which section shall not be less than one inch or more than one and one-half inches in thickness, obtained from the central portion of the fruit by cutting off a portion of each end—such evidence of freezing injury to show for the entire length but not necessarily the entire area of the surface membranes "Damage on the segment walls"

In any season in which freezing damage to oranges has occurred, the extent of damage by freezing shall be determined as follows: Determination of damage

(a) By examination for damage on the segment walls from and after the time when the oranges were first exposed to freezing temperatures to the date, herein designated as Date A, when the director shall determine and by regulation declare that the drying process has developed to such extent as to furnish additional evidence of the extent of actual damage to the fruit.

(b) By examination of the exposed pulp on a transverse cut through the center, from and after the date, herein designated as Date B, when the director shall determine and by regulation declare that the drying process has developed to such extent as to permit reasonably accurate determination of the full extent of freezing damage by such examination, without regard to damage on the segment walls.

(c) Either by examination for damage on the segment walls or by examination of the exposed pulp on a transverse cut through the center, or by both such examinations, during the period from Date A to Date B. In no event shall the interval from Date A to Date B exceed three weeks.

The percentage of serious damage to oranges and limes in containers, or in bulk, may be established by inspection of a representative sample which shall consist of not less than 100 fruits. Damage caused by splits, bruises or punctures in oranges and limes is not serious if the injury is well healed and free from mold or decay. Sampling

With the exception of serious damage caused by freezing, not more than 10 percent, by count, of the oranges and limes in any one container or bulk lot may be below these requirements but with the exception of serious damage by drying at the stem or stylar end of oranges and limes (resulting from causes other than freezing), not to exceed one-half of this tolerance shall be allowed for any one cause. In the case of serious damage by freezing injury, not more than 15 percent, by count, of the oranges and limes in any one container or bulk lot may be below these requirements, but not to exceed one-third of this tolerance shall be allowed for oranges and limes which show a drying or desiccation in 40 percent or more of the exposed pulp, Tolerances

as shown on a transverse cut through the center. The total tolerance for a combination of defects shall not exceed the tolerance permitted for any one cause by more than 5 percent, by count.

SEC. 3. Section 796.1 of the Agricultural Code is amended to read:

Unlawful citrus fruit mixtures

796.1. No lot of citrus fruit failing to conform to the requirements because of serious damage caused by freezing injury may be mixed or blended with other lots of citrus fruit which conform to these requirements, resulting in the concealment of inferior fruit, thereby reducing the percentage of defective fruits in the seriously damaged lots to within the tolerance which is permitted for errors in grading only.

Rot and mold

Any packed citrus fruit which has been in storage or after being shipped fails to meet the requirements of the standards for citrus fruits established in this chapter only by reason of brown rot, blue mold, or green mold which has occurred after packing, shall not be held for violation of the provisions of this chapter on account of such deterioration.

Packing

Oranges (except tangerines and mandarins), grapefruit, and lemons when packed shall be regularly packed throughout in standard containers as provided and designated for each such citrus fruit in Section 828.83; provided, however, that packed citrus fruit imported into this State from another state need not be packed in said containers if they are packed in containers conforming to the applicable laws or regulations of the state of origin or of the United States

Container markings

All containers of packed citrus fruits when packed shall bear upon them in plain sight and in plainly legible letters on one outside end: The name of the packer thereof together with a sufficiently explicit address to permit ready location of such packer; in the case of oranges (except tangerines and mandarins), grapefruit and lemons the number and average diameter of the citrus fruit in the container; in the case of oranges and grapefruit the name of the variety, if known, and when not known, the words "unknown variety" or "seedlings"; provided, however, that in the case of citrus fruit imported from another state the average diameter of the fruit in the container need not be shown.

CHAPTER 857

An act to add Section 220.1 to the Vehicle Code, relating to false reports of thefts of vehicles.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 220.1 is added to the Vehicle Code, to read:

220.1. False Report of Theft. It shall be unlawful for any person to make or file a false or fraudulent report of theft of a vehicle required to be registered hereunder with any law enforcement agency with intent to deceive. Any person who violates this section is guilty of a misdemeanor and upon conviction shall be punished by imprisonment for not more than six months or by a fine of not more than five hundred dollars ($500), or by both such fine and imprisonment. False report of theft

CHAPTER 858

An act to amend Section 1018 of the Penal Code, relating to pleadings and proceedings after indictment.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1018 of the Penal Code is amended to read:

1018. Unless otherwise provided by law every plea must be put in by the defendant himself in open court. No plea of guilty of a felony for which the maximum punishment is death, or life imprisonment without the possibility of parole, shall be received from a defendant who does not appear with counsel, nor shall any plea of guilty of any other felony be accepted from any defendant who does not appear with counsel unless the court shall first fully inform him of his right to counsel and unless the court shall find that the defendant understands his right to counsel and freely waives it and then, only if the defendant has expressly stated in open court, to the court, that he does not wish to be represented by counsel. On application of the defendant at any time before judgment the court may, and in case of a defendant who appeared without counsel at the time of the plea the court must, for good cause shown, permit the plea of guilty to be withdrawn and a plea of not guilty substituted. Plea of defendant

Upon indictment or information against a corporation a plea of guilty may be put in by counsel.

This section shall be liberally construed to effect these objects and to promote justice.

CHAPTER 859

An act to add Section 39.3 to the Fish and Game Code, relating to hunting and fishing seasons.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 39.3 is added to the Fish and Game Code, to read:

Establishment of season in closed area

39.3. Whenever any area is closed to entry to the public by any order or proclamation issued or concurred in by the Governor which order or proclamation is made due to extreme fire hazard, the commission may establish a season for hunting and/or fishing within the area which had been closed, which season shall commence upon or after the expiration or termination of such closure and shall correspond in length of time as nearly as may be possible to the time during which such area was closed to hunting or fishing.

CHAPTER 860

An act to amend Section 14549 of the Health and Safety Code, relating to fire protection districts.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 14549 of the Health and Safety Code is amended to read:

Withdrawal of territory

14549. Upon the withdrawal of any territory of a district, all property acquired for the district and all funds remaining on hand on the date of withdrawal shall be divided between the city and the remaining district in proportion to the assessed value of the real property of the territory so withdrawn and the portion remaining. All taxes collected by the district after the date of withdrawal on real property so withdrawn shall be paid over to the city.

CHAPTER 861

An act to repeal Section 89 of the Code of Civil Procedure as amended by Statutes of 1949, Chapter 1286 and as amended by Statutes of 1949, Chapter 1519, and to add Section 89 to the Code of Civil Procedure, relating to municipal courts.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 89 of the Code of Civil Procedure as amended by Statutes of 1949, Chapter 1286 and as amended by Statutes of 1949, Chapter 1519, is repealed.

Repeal

SEC. 2. Section 89 is added to said code, to read:

Original jurisdiction of municipal courts

89. 1. Municipal courts shall have original jurisdiction of civil cases and proceedings as follows:

(a) In all cases at law in which the demand, exclusive of interest, or the value of the property in controversy, amounts to three thousand dollars ($3,000) or less, except cases which involve the legality of any tax, impost, assessment, toll or municipal fine.

(b) In actions for dissolution of partnership, where the total assets of the partnership do not exceed three thousand dollars ($3,000); in actions of interpleader, where the amount of money, or the value of the property involved, does not exceed three thousand dollars ($3,000).

(c) To cancel or rescind a contract, when such relief is sought in connection with an action to recover money, not exceeding three thousand dollars ($3,000), or property of a value not exceeding three thousand dollars ($3,000), paid or delivered under or in consideration of such contract; to revise a contract where such relief is sought in an action upon such contract, of which action the court otherwise has jurisdiction.

(d) In all proceedings in forcible entry or forcible or unlawful detainer, where the rental value is three hundred dollars ($300) or less per month, and where the whole amount of damages claimed is three thousand dollars ($3,000) or less.

(e) In all actions to enforce and foreclose liens on personal property, where the amount of such liens is three thousand dollars ($3,000) or less.

(f) In all actions to enforce and foreclose liens of mechanics, materialmen, artisans, laborers, and of all other persons to whom liens are given under the provisions of Chapter 2, Title 4, Part 3 of this code, where the amount of such liens is three thousand dollars ($3,000) or less; provided, that where an action to enforce any such lien is pending in a municipal court, and affects property which is also affected by a similar action pending in a superior court, or where the total amount of such liens sought to be foreclosed against the same property, by action or actions in a municipal court, aggregates an amount in excess of three thousand dollars ($3,000), the municipal court, in which any such action, or actions, is, or are, pending, upon motion of any interested party, shall order such action or actions pending therein transferred to the proper superior court. Upon the making of such order, the same proceedings shall be taken as are provided by Section 399 of this code, with respect to the change of place of trial.

(g) To issue temporary restraining orders and preliminary injunctions, to take accounts, and to appoint receivers, where necessary to preserve the property or rights of any party to an action of which the court has jurisdiction; to appoint a receiver in aid of execution as provided in Section 564, subdivision 4 of the Code of Civil Procedure; to charge the interest of a debtor partner with payment of the unsatisfied amount of any judgment rendered by such court in the manner provided in Section 2422 of the Civil Code, or any amendment thereof, and in such cases to appoint a receiver and to make any order or perform any act mentioned or authorized in said section; in proceedings under Section 689 of this code, or any amendments thereof, to determine title to personal property seized in an action pending in, or upon execution issued by, such court.

2. Each municipal court shall have jurisdiction of all cases in equity to try title to personal property when the amount

Equity jurisdiction

involved is not more than three thousand dollars ($3,000) and of all cases in equity when pleaded as defensive matter, in any case properly pending in such municipal courts.

Operative date

SEC. 3. This act shall not become operative before January 1, 1952, but the repeal of Section 89 of the Code of Civil Procedure as amended by Statutes of 1949, Chapter 1519 herein provided does not affect any justice's, police or city court which continues to exist as presently organized but such courts shall be governed until January 1, 1953, by the same laws with the same force and effect as if this act had not been enacted, and those laws are hereby expressly continued in force and effect, and the text thereof preserved, for the use of such courts until January 1, 1953.

CHAPTER 862

An act to amend Sections 18532, 18537, 18544, 18803, 18903, 18950, 19054, 19100, 19120, 19503, 19570, 19572, 19575, 19582, to add Sections 18532.1 and 19082 and to repeal Sections 18598 and 18599 of the Government Code, relating to state employment and disciplinary proceedings.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 18532 of the Government Code is amended to read:

Definitions

18532. "Eligible list" means a list of persons who have been examined in an open competitive examination and are eligible for certification for a specific class.

"Limited term list" means an eligible list established for use exclusively in making limited term appointments.

SEC. 2. Section 18537 of said code is amended to read:

"Employment list"

18537. "Employment list" means preferred limited term list, limited term list, eligible list, subdivisional promotional list, departmental promotional list, service-wide promotional list, departmental re-employment list, subdivisional re-employment list and general re-employment list.

SEC. 3. Sections 18598 and 18599 of said code are repealed.

SEC. 4. Section 18803 of said code is amended to read:

Hearing

18803. Reasonable opportunity to be heard shall be provided by the board to any employee affected by the allocation or reallocation of his position.

SEC. 5. Section 18903 of said code is amended to read:

General re-employment lists

18903. For each class there shall be maintained a general re-employment list consisting of the names of all persons who have occupied positions with probationary or permanent status in the class and who have been legally laid off or demoted in lieu of layoff. Within one year from the date of his resignation in good standing, or his voluntary demotion, the name

of an employee who had probationary or permanent status may be placed on the general re-employment list with the consent of the appointing power and the board. The general re-employment list may also contain the names of persons placed thereon by the board in accordance with other provisions of this part

SEC. 6. Section 18950 of said code is amended to read:

Promotional eligible lists

18950. Vacancies in positions shall be filled insofar as possible and consistent with the best interests of the State by promotion from among persons holding positions in lower classes, and appropriate promotional eligible lists shall be established to facilitate this purpose.

SEC. 7. Section 19054 of said code is amended to read:

Order of preference

19054. The order of preference in certifying eligibles shall be: Subdivisional re-employment list, departmental re-employment list, subdivisional promotional list, departmental promotional list, general re-employment list, service-wide promotional list, eligible list. The preferred limited term list, in accordance with board rule, may be given preference only over the eligible list when making limited term appointments.

SEC. 8. Section 19100 of said code is amended to read:

Work on intermittent, etc., basis

19100. Whenever the appointing power requires the appointment of a person to a position requiring the performance of work on an intermittent or irregular time basis, the request for certification shall state the probable amount of working time to be required in the position. For persons employed on an intermittent or irregular time base the status, tenure, vacation and sick leave privileges, salary, and other conditions of employment governed by this part shall be subject to board rule.

SEC. 9. Section 19120 of said code is amended to read:

Emergency appointments

19120. The appointing power may, to prevent the stoppage of public business when an actual emergency arises and persons on employment lists are not immediately available, make emergency appointments for a period not to exceed 15 working days, in accordance with board rule. Service under emergency appointment shall be credited for purposes of layoff, vacation, sick leave and salary adjustment only if and as provided by board rule.

SEC. 10. Section 19503 of said code is amended to read:

Absence without leave

19503. Absence without leave, whether voluntary or involuntary, for 10 consecutive working days is an automatic resignation from state service, as of the last date on which the employee worked.

Reinstatement

Within 30 days of the date of his separation by reason of automatic resignation, an employee may apply to the board for reinstatement. Reinstatement may be granted only if the employee makes a satisfactory explanation to the board as to the cause of his absence and his failure to obtain leave therefor, and the board finds that he is ready, able, and willing to resume the discharge of the duties of his position or, if not, that he has obtained the consent of his appointing power to a leave of absence to commence upon reinstatement.

An employee so reinstated shall not be paid salary for the period of his absence or separation or for any portion thereof.

SEC. 11. Section 19570 of said code is amended to read:

"Punitive action"

19570. As used in this article "punitive action" means dismissal, demotion, suspension, or other disciplinary action.

SEC. 12. Section 19572 of said code is amended to read:

Causes for discipline

19572. Each of the following constitutes cause for discipline of an employee, or person whose name appears on any employment list:

(a) Fraud in securing appointment.
(b) Incompetency.
(c) Inefficiency.
(d) Inexcusable neglect of duty.
(e) Physical or mental disability.
(f) Insubordination.
(g) Dishonesty.
(h) Drunkenness on duty.
(i) Intemperance.
(j) Addiction to the use of narcotics or habit-forming drugs.
(k) Inexcusable absence without leave.
(*l*) Conviction of a felony or conviction of a misdemeanor involving moral turpitude.
(m) Immorality.
(n) Discourteous treatment of the public or other employees.
(o) Improper political activity.
(p) Wilful disobedience.
(q) Misuse of state property.
(r) Violation of this part or board rule.
(s) Any other failure of good behavior or acts either during or outside of duty hours which are incompatible with or inimical to the public service.
(t) Refusal to take and subscribe any oath or affirmation which is required by law in connection with his employment.

SEC. 13. Section 19575 of said code is amended to read:

Answer

19575. Not later than 15 calendar days after service of the notice of punitive action, the employee may file with the board a written answer to the notice, which answer shall be deemed to be a request for hearing or investigation as provided in this article. If the employee fails to answer within the time specified or after answer withdraws his appeal the punitive action taken by the appointing power shall be final. A copy of the employee's answer shall promptly be given by the board to the appointing power.

SEC. 14. Section 19582 of said code is amended to read:

Decision of board

19582. The board shall consider carefully the evidence submitted in the hearing and render a decision which in its judgment is just and proper.

In arriving at its decision, the board may consider any prior suspension of appellant by authority of any appointing power, or any prior proceeding under this article.

SEC 15 Section 18532 1 is added to said code, to read:

18532.1. "Preferred limited term list" means a list of persons who have served under limited-term appointment and who, in accordance with board rule, are granted eligibility for additional limited-term appointments. "Preferred limited term list"

SEC. 16. Section 18544 of said code is amended to read:

18544. "Duration employment" means an employment during time of war or during an emergency in connection with the national defense, which employment is subject to termination and other conditions as prescribed by Section 19200 and by board rules. "Duration employment"

SEC 17. Section 19082 is added to said code, to read:

19082. The board by rule may provide for the establishment, maintenance, and use of preferred limited-term lists. Preferred limited-term lists

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CHAPTER 863

An act to amend Sections 18021, 18573, 18854, 18859, and 19538 of the Government Code, relating to salaries of state employees.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18021 of the Government Code is amended to read:

18021. It is the policy of the State to avoid the necessity for overtime work wherever possible. This policy does not restrict the extension of regular working hour schedules on an overtime basis in those activities and agencies where such is necessary to carry on state business properly during a manpower shortage. Salaried employees whose classes or positions are allocated by the board to Work Week Groups 1, 2, or 3, as defined in Section 18020 shall, if required and ordered to work in excess of the hours prescribed for the group, receive overtime compensation for all such overtime work. The board may provide by rule that such compensation may not be provided unless the overtime work is specifically authorized by the appointing power in advance, except in critical emergencies. The rate of overtime shall be based on the regular rate of pay, except that for employees whose classes or positions are allocated by the board to Work Week Group 4 the rate of overtime compensation may be established by the board at less than the regular rate of pay and it may vary within classes depending upon the unusual conditions of work. Overtime compensation

SEC. 2. Section 18573 of said code is amended to read:

18573. Each appointing power shall report promptly to the board such information as the board may require in connection with each appointment, separation from service, or other change in position or salary, or other matter affecting the status Reports

of positions or the performance of duties of employees in the state civil service, and all such reports shall be prepared in the manner and form prescribed by the board.

Information given to the board by any person shall not be open to public inspection except under conditions prescribed by board rule, except that a person may inspect any record relating to his own services.

Whenever the board finds that pay data was furnished to the board on the basis that the source remain confidential, such source shall not be open to the public or admissible as evidence in any action or special proceeding.

SEC. 3. Section 18854 of said code is amended to read:

Merit salary adjustment

18854. After completion of the first year in a position, each employee shall receive a merit salary adjustment equivalent to one of such intermediate steps during each year when he meets such standards of efficiency as the board by rule shall prescribe.

SEC. 4. Section 18859 of said code is amended to read:

Salary adjustments

18859. The board may authorize payment at any step above the minimum salary limit in order to meet recruiting problems, or to give credit for prior state service in connection with appointments, promotions, reinstatements, transfers, demotions or other personnel transactions. Other salary adjustments within the salary range for the class may be made upon the application of the appointing power and with the approval of the Director of Finance. Adjustments within the salary range authorized by this section may be either permanent or temporary and may be made retroactive to the date of application for such change.

SEC. 5. Section 19538 of said code is amended to read:

Salary of certified employee

19538. An employee who is certified to a position in a class after layoff, or demotion in lieu of layoff, shall receive not less than the same step in the salary range as he received in the position in that class prior to such layoff or demotion.

CHAPTER 864

Corp C §25000, ff

An act to amend Section 25100 of the Corporations Code, relating to securities exempt from the application of the Corporate Securities Law, and providing for the exemption of securities the issuance of which has been authorized by the Federal Power Commission.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 25100 of the Corporations Code is amended to read:

Exempted securities

25100. Except as otherwise expressly provided in this division, the Corporate Securities Law does not apply to any of the following classes of securities:

(a) Any security issued or guaranteed by the United States of America, or any territory or insular possession thereof, or by the District of Columbia, or by any state, territory, county, municipality, or taxing district therein. Same

(b) Any security issued or guaranteed by any foreign government with which the United States of America is, at the time of the sale or offer of sale thereof, maintaining diplomatic relations, or by any state, province, or political subdivision thereof having the power of taxation or assessment, which security is recognized, at the time it is offered or sold in this State, as a valid obligation by the foreign government or by the state, province, or political subdivision thereof issuing it.

(c) Any security issued by and representing an interest in or a direct obligation of a national bank, or issued by any federal land bank or joint land bank, or a national farm loan association, under the provisions of the Federal Farm Loan Act of July 17, 1916, or any amendment thereof or thereto, or by any company created and acting as an instrumentality of the Government of the United States of America pursuant to authority granted by the Congress of the United States of America, or by any company organized and existing under and by virtue of any act of Congress.

(d) Any security issued by and representing an interest in or a direct obligation of a state bank, trust company, or savings institution incorporated under the laws of this State.

(e) Any security the issuance of which has been authorized by the Public Utilities Commission of this State or by the Interstate Commerce Commission or by the Federal Power Commission.

(f) Any stock (as defined in the Building and Loan Association Act), issued by a company organized for the purpose of conducting a building and loan association within this State, the issuance of which has been authorized by the Building and Loan Commissioner.

(g) Any shares, investment certificates, or borrowers' membership certificates (as defined in the Building and Loan Association Act) issued by a building and loan association holding a license then in force issued by the Building and Loan Commissioner.

(h) Any security issued by a company organized for the purpose of transacting an insurance business, the issuance of which is subject to authorization by the Insurance Commissioner.

(i) Any security which has been certified as a legal investment for savings banks and trust companies under the laws of this State.

(j) Any certificate of deposit for any security which has been approved by the California District Securities Commission for certification as a legal investment for savings banks and trust companies under the laws of this State.

(k) Any security issued under or pursuant to a plan of reorganization which, pursuant to any of the provisions of the

11 U S C act of Congress entitled "An Act to Establish a Uniform System of Bankruptcy Throughout the United States" approved June 1, 1898, and acts amendatory thereof and supplementary thereto, has been confirmed by the decree or order of a court of competent jurisdiction.

(m) Any partnership interest in a general partnership, or in a limited partnership where certificates are executed, filed, and recorded as provided by Section 2478 or Section 2501 of the Civil Code of the State of California, except partnership interests when offered to the public.

(n) Any bona fide joint adventure interest, except such interests when offered to the public.

CHAPTER 865

An act to amend Section 252 of the Revenue and Taxation Code, relating to the filing of claims for veterans' property tax exemption.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 252 of the Revenue and Taxation Code is amended to read:

Veterans' tax exemption

252. When making the first claim any person claiming the veterans' exemption or the spouse of such person shall appear before the assessor, shall give all information required and answer all questions in an affidavit, and shall subscribe and swear to the affidavit before the assessor. The assessor may require other proof of the facts stated before allowing the exemption. In subsequent years the person claiming the veterans' exemption, or the spouse of such person, may file the affidavit by mail on such forms as the assessor shall require.

CHAPTER 866

An act to amend Sections 322 and 328 of the Revenue and Taxation Code, relating to the description of property for assessment.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 322 of the Revenue and Taxation Code is amended to read:

Description of land

322. If surveyed under the authority of the United States, land may be described by township, range, section, and fractional section, with its acreage.

Nothing in this section contained, however, shall prevent description of such land by any of the other methods of description provided for in this chapter.

SEC. 2. Section 328 of the Revenue and Taxation Code is amended to read:

328. Land may be described by metes and bounds, or other description sufficient to identify it, giving the locality and an estimate of the number of acres. Same

SEC. 3. This act shall take effect only if an amendment to Section 3 of Article XIII of the Constitution, relating to description of property for assessment, proposed at the 1951 Regular Session of the Legislature, is adopted by the voters, and in such case this act shall take effect at the same time such amendment takes effect. Effect Stats 1951, Res Ch 97

CHAPTER 867

An act to amend Sections 103a, 105, 105.5, 105a, 108, 108a, 109, 113, 113a, 113b, 115, 116, 116a, and 116b, and to repeal Sections 99, 100, 101, 102, 102a, 102b, 103, 103c, 103d, 103g, 103h, 103i, 103j, 103k, 103l, 103m, 103n, 103½, 103¾, 104, 107, 110, 110a, 111, 113c, and 113d of the Code of Civil Procedure, relating to justice courts.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 103a of the Code of Civil Procedure is amended to read:

103a. Clerks of justice courts, in addition to the other powers conferred upon them by law, shall have power to administer and certify oaths to affidavits, and all papers, documents or instruments used in, or in connection with, the civil actions or proceedings in such justice courts and to issue summons and other writs and notices in civil actions in said courts in the name of the judge before whom the same is pending or out of whose court the same is issued. Powers of clerks of justice courts

SEC 2. Section 105 of the Code of Civil Procedure is amended to read:

105. At the written request of a judge of a justice court, another judge of a justice court within the same county, may attend the court of the requesting judge, and thereupon is vested with the power, and may perform all the duties, and issue all the papers or process of the judge making such request. In any such case the proper entry of the proceedings before the attending judge, subscribed by him, shall be made in the docket or minutes of the court which he so attends, and the same shall be prima facie evidence of such proceedings, and form and become a part of the record if any, or any part of any and all actions, causes, or proceedings had before such attending judge while so holding court. If any case pending before such attending Attending judge

judge be adjourned, and the cause for requesting his attendance be removed, the judge who made such request may resume jurisdiction.

SEC. 3. Section 105.5 of the Code of Civil Procedure is amended to read:

Same From adjoining county

105.5. A judge of an adjoining county may be requested to attend, and may attend, the court of the requesting judge pursuant to Section 105 of the Code of Civil Procedure in the same manner and with the same rights, powers and duties as if he were a judge of a court within the same county. In cases of a vacancy, illness, disqualification or inability of a judge to act, the board of supervisors may request and appoint another judge to attend such court, and the judge so attending shall have the same rights, powers and duties and must have the same qualifications as though appointed by a judge as provided in Section 105 or in this section.

SEC. 4. Section 105a of the Code of Civil Procedure is amended to read:

Traveling expenses

105a. A judge acting as substitute for another, as provided in Section 105 of this code, either at the written request of the judge for whom he is substituting or by assignment of the Judicial Council, shall receive from the county in which the court is situated the amount of actual and necessary traveling expenses incurred by him while traveling between his home and the courtroom.

SEC. 5. Section 108 of the Code of Civil Procedure is amended to read:

Disposition of money

108. Judges of justice courts must receive from the sheriff or constables of their county, all moneys collected on any process or order issued from their courts respectively, and must pay the same, and all moneys paid to them in their official capacity, over to the parties entitled or authorized to receive them, without delay.

SEC. 6. Section 108a of the Code of Civil Procedure is amended to read:

Powers, etc., of constable

108a. The constable of any justice court shall, with respect to proceedings in such justice court, exercise all powers and perform all duties imposed by law upon the sheriff with respect to proceedings in the superior court.

SEC. 7. Section 109 of the Code of Civil Procedure is amended to read:

Affidavit for salary

109. No judge of a justice court who is paid a salary, shall draw or receive any monthly salary unless he shall make and subscribe an affidavit before an officer entitled to administer oaths, that no cause in his court, which has been submitted for decision for a period of 30 days, remains pending and undecided, and that he has complied with the provisions of Section 744 of the Vehicle Code.

SEC. 8. Section 113 of the Code of Civil Procedure is amended to read:

Deposit of records, etc

113. Every judge of a justice court, upon the expiration of his term of office, must deposit with his successor his official

records and all papers filed in his office, as well as his own as those of his predecessors or any other, which may be in his custody, to be kept as public records.

SEC. 9. Section 113a of the Code of Civil Procedure is amended to read:

Vacancy in office Disposition of records

113a. If the office of a judge of a justice court becomes vacant by his death or removal from the district, or otherwise, before his successor is elected and qualified, the records and papers in possession of such judge must be deposited in the office of some other judge in the district, to be by him delivered to the successor of such judge. If there is no other judge in the district, then the records and papers of such judge must be deposited in the office of the county clerk of the county, to be by him delivered to the successor in office of the judge.

SEC. 10. Section 113b of the Code of Civil Procedure is amended to read:

Jurisdiction over proceedings entered in records

113b. Any judge with whom the records of his predecessor, or of any other judge are deposited, has and may exercise over all actions and proceedings entered in such records, the same jurisdiction as if originally commenced before him. In case of the creation of a new county, or the change of the boundary between two counties, any judge into whose hands the records of a judge formerly acting as such within the same territory may come, is, for the purposes of this section, considered the successor of such former judge.

SEC. 11. Section 115 of the Code of Civil Procedure is amended to read:

Form of summons, etc.

115. The summons, execution, and every other paper made or issued by a judge of a justice court, except a subpena, must be issued without a blank left to be filled by another, otherwise it is void.

SEC. 12. Section 116 of the Code of Civil Procedure is amended to read:

Docket

116. Every judge of a justice court must keep a book, denominated a "docket," in which he must enter:

1. The title of every action or proceeding.

2. The object of the action or proceeding; and if a sum of money be claimed, the amount thereof.

3. The date of the summons, and the time of its return; and if an order to arrest the defendant be made, or a writ of attachment be issued, a statement of the fact.

4. The time when the parties, or either of them, appear, or their nonappearance, if default be made; a minute of the pleadings and motions; if in writing, referring to them; if not in writing, a concise statement of the material parts of the pleading.

5. Every adjournment or continuance, stating on whose application and to what time.

6. The demand for a trial by jury, when the same is made, and by whom made, the order for the jury, and the time appointed for the return of the jury and for the trial.

7. The names of the jurors who appear and are sworn, and the names of all witnesses sworn, and at whose request.

8. The verdict of the jury, and when received; if the jury disagree and are discharged, the fact of such disagreement and discharge.

9. The judgment of the court, specifying the costs included and the time when rendered.

10. The issuing of the execution, when issued and to whom; the renewals thereof, if any, and when made, and a statement of any money paid to the judge, when and by whom.

11. The receipt of a notice of appeal, if any be given, and of the appeal bond, if any be filed.

SEC. 13. Section 116a of the Code of Civil Procedure is amended to read:

Same Prima facie evidence

116a. The several particulars in the last section specified must be entered under the title of the action to which they relate, and (unless otherwise provided) at the time when they occur. Such entries in the docket in a justice court, or a transcript thereof, certified by the judge, or his successor in office, are prima facie evidence of the facts so stated.

SEC. 14. Section 116b of the Code of Civil Procedure is amended to read:

Same Index

116b. A judge of a justice court must keep an alphabetical index to his docket, in which must be entered the names of the parties to each judgment, with a reference to the page of entry. The names of the plaintiffs must be entered in the index, in the alphabetical order of the first letter of the family name.

Repeal

SEC. 15. Sections 99, 100, 101, 102, 102a, 102b, 103, 103c, 103d, 103g, 103h, 103i, 103j, 103k, 103*l*, 103m, 103n, 103½, 103¾, 104, 107, 110, 110a, 111, 113c, and 113d of the Code of Civil Procedure are repealed.

Operative date

SEC. 16. The provisions of this act shall not become operative before January 1, 1952, and the provisions thereof do not affect any justice's, police, or city court which continues to exist as presently organized or any judge, justice, officer or employee of such court, but such courts and judges, justices, officers and employees shall be governed until January 5, 1953 by the same laws and with the same force as if this act had not been enacted; and those laws are hereby expressly continued in force and effect, and the text thereof preserved, for such courts and judges, justices, officers and employees until January 5, 1953.

CHAPTER 868

An act to amend Section 1191 of the Penal Code, relating to judgments.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1191 of the Penal Code is amended to read:

Pronouncement of judgment

1191. In the superior court, after a plea, finding or verdict of guilty, or after a finding or verdict against the defendant on a plea of a former conviction or acquittal, or once in jeopardy, the court must appoint a time for pronouncing judgment, which must be within 21 days after the verdict, finding or plea of guilty, during which time the court shall refer the case to the probation officer for a report if eligible to probation and pursuant to Section 1203 of this code; provided, however, that the court may extend the time not more than 10 days for the purpose of hearing or determining any motion for a new trial, or in arrest of judgment, and may further extend the time until the probation officer's report is received and until any proceedings for granting or denying probation have been disposed of. If in the opinion of the court there is a reasonable ground of believing a defendant insane, the court may extend the time for pronouncing sentence until the question of insanity has been heard and determined, as provided in this code.

CHAPTER 869

An act to amend Sections 392, 393, 395, 396, 396a, 396b, and 399 of the Code of Civil Procedure, relating to place of trial of civil actions.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 392 of the Code of Civil Procedure is amended to read:

Real property suits

392. (1) Subject to the power of the court to transfer actions and proceedings as provided in this title, the county in which the real property, which is the subject of the action, or some part thereof, is situated, is the proper county for the trial of the following actions:

(a) For the recovery of real property, or of an estate or interest therein, or for the determination in any form, of such right or interest, and for injuries to real property;

(b) For partition of real property;

(c) For the foreclosure of all liens and mortgages on real property.

Determination of proper court

(2) The proper court for the trial of any such action, in the county hereinabove designated as the proper county, shall be determined as follows:

If there is a municipal or justice court, having jurisdiction of the subject matter of the action, established in the city and county or judicial district in which the real property which is the subject of the action, or some part thereof, is situated, such court is the proper court for the trial of such action; otherwise any court in such county having jurisdiction of the subject matter of the action, is a proper court for the trial thereof.

SEC. 2. Section 393 of the Code of Civil Procedure is amended to read:

Same.

393. (1) Subject to the power of the court to transfer actions and proceedings as provided in this title, the county in which the cause, or some part thereof, arose, is the proper county for the trial of the following actions:

Forfeiture, etc

(a) For the recovery of a penalty or forfeiture imposed by statute; except, that when it is imposed for an offense committed on a lake, river, or other stream of water, situated in two or more counties, the action may be tried in any county bordering on such lake, river, or stream, and opposite to the place where the offense was committed;

Action against public officer

(b) Against a public officer or person especially appointed to execute his duties, for an act done by him in virtue of his office; or against a person who, by his command or in his aid, does anything touching the duties of such officer.

(2) The proper court for the trial of any such action, in the county hereinabove designated as the proper county, shall be determined as follows:

If there is a municipal or justice court, having jurisdiction of the subject matter of the action, established in the city and county or judicial district in which the cause, or some part thereof, arose, such court is the proper court for the trial of such action; otherwise, any court in such county, having jurisdiction of the subject matter of the action, is a proper court for the trial thereof. In the case of offenses committed on a lake, river, or stream, hereinabove mentioned, the court, having jurisdiction of the subject matter of the action, nearest to the place where such offense was committed, in any county mentioned in subdivision 1 of this section, is a proper court for the trial of the action.

SEC. 3. Section 395 of the Code of Civil Procedure is amended to read:

Other actions

395. (1) In all other cases, except as in this section otherwise provided, and subject to the power of the court to transfer actions or proceedings as provided in this title, the county in which the defendants, or some of them, reside at the commencement of the action, is the proper county for the trial of the action. If the action be for injury to person, or to personal property, or for death from wrongful act, or negligence, either the county where the injury occurs, or where the injury causing death occurs, or the county in which the defendants, or some of them, reside at the commencement of the action, shall be a proper county for the trial of the action. When a defendant has contracted to perform an obligation in a particular county, either the county where such obligation is to be performed, or in which the contract in fact was entered into, or the county in which the defendant, or any such defendant, resides at the commencement of the action, shall be a proper county for the trial of an action founded on such obligation, and the county in which such obligation is incurred shall be deemed to be the county in which it is to be performed unless

there is a special contract in writing to the contrary. If none of the defendants reside in the State, or, if residing in the State, and the county in which they reside is unknown to the plaintiff, the action may be tried in any county which the plaintiff may designate in his complaint, and if the defendant is about to depart from the State, such action may be tried in any county where either of the parties reside, or where service is had. If any person is improperly joined as a defendant, or has been made a defendant solely for the purpose of having the action tried in the county, city and county, or judicial district where he resides, his residence must not be considered in determining the proper place for the trial of the action

(2) The proper court for the trial of any such action in the county hereinabove designated as the proper county, shall be determined as follows:

If there is a municipal or justice court, having jurisdiction of the subject matter of the action, established in the city and county or judicial district, in which the defendant, or any defendant, so resides, or in which the injury to person or to personal property, or the injury causing death, occurs, or, in the cases hereinabove mentioned, in which the obligation was contracted to be performed, such court is a proper court for the trial of such action; otherwise any court in such county, having jurisdiction of the subject matter of the action, is a proper court for the trial thereof.

SEC. 4. Section 396 of the Code of Civil Procedure is amended to read:

396. If an action or proceeding is commenced in a court which lacks jurisdiction of the subject matter thereof, as determined by the complaint or petition, if there is a court of this State which has such jurisdiction, the action or proceeding shall not be dismissed (except as provided in Section 581b, and as provided in subdivision 1 of Section 581 of this code) but shall, on the application of either party, or on the court's own motion, be transferred to a court having jurisdiction of the subject matter which may be agreed upon by the parties, or, if they do not agree, to a court having such jurisdiction which is designated by law as a proper court for the trial or determination thereof, and it shall thereupon be entered and prosecuted in the court to which it is transferred as if it had been commenced therein, all prior proceedings being saved. In any such case, if summons is served prior to the filing of the action or proceeding in the court to which it is transferred, as to any defendant, so served, who has not appeared in the action or proceeding, the time to answer or otherwise plead shall date from service upon such defendant of written notice of the filing of such action or proceeding in the court to which it is transferred. Lack of jurisdiction

If an action or proceeding is commenced in or transferred to a court which has jurisdiction of the subject matter thereof as determined by the complaint or petition, and it thereafter appears from the verified pleadings, or at the trial, or hearing,

that the determination of the action or proceeding, or of a counterclaim, or of a cross-complaint, will necessarily involve the determination of questions not within the jurisdiction of the court, in which the action or proceeding is pending, the court, whenever such lack of jurisdiction appears, must suspend all further proceedings therein and transfer the action or proceeding and certify the pleadings (or if the pleadings be oral, a transcript of the same), and all papers and proceedings therein, to a court having jurisdiction thereof which may be agreed upon by the parties, or, if they do not agree, to a court having such jurisdiction which is designated by law as a proper court for the trial or determination thereof.

An action or proceeding which is transferred under the provisions of this section shall be deemed to have been commenced at the time the complaint or petition was filed in the court from which it was originally transferred.

Nothing herein shall be construed to preclude or affect the right to amend the pleadings as provided in this code.

Nothing herein shall be construed to require the superior court to transfer any action or proceeding because the judgment to be rendered, as determined at the trial or hearing, is one which might have been rendered by a municipal or justice court in the same county or city and county.

In any case where the lack of jurisdiction is due solely to an excess in the amount of the demand, the excess may be remitted and the action may continue in the court where it is pending.

Upon the making of an order for such transfer, proceedings shall be had as provided in Section 399 of this code, the costs and fees thereof, and of filing the case in the court to which transferred, to be paid by the plaintiff unless the court ordering the transfer shall otherwise direct.

SEC. 5. Section 396a of the Code of Civil Procedure is amended to read:

Statements of facts showing jurisdiction

396a. In all actions and proceedings within the subject matter jurisdiction of justice courts whether commenced in a justice or municipal court, plaintiff must state facts in the complaint, verified by his oath, or the oath of his attorney, or in an affidavit of the plaintiff or of his attorney filed with the complaint, from which it can be determined which court is, under the provisions of this title, the proper court for the trial of such action or proceeding. When such affidavit is filed with the complaint, a copy thereof must be served with the summons. Except as herein provided, if such complaint or affidavit be not so filed, no further proceedings shall be had in the action or proceeding, except to dismiss the same, unless defendant consents, in the manner hereinafter provided, to the keeping of the action or proceeding in the court where commenced. The court, or judge, may, on such terms as may be just, allow the complaint to be amended to conform to the requirements of this paragraph, or permit such affidavit to be filed subsequent to

the filing of the complaint, and in such event a copy of the amended complaint, or of such affidavit, shall be served on the defendant, and time to answer or otherwise plead shall date from such service. If it appears from such complaint or affidavit, or otherwise, that the court in which such action or proceeding is commenced is not the proper court for the trial thereof, as determined by the provisions of this title, the court in which such action or proceeding is commenced, or a judge thereof, shall, whenever such fact appears, transfer it to such proper court, on its own motion, or on motion of the defendant, unless the defendant consents in writing, or in open court (such consent in open court being entered in the minutes or docket of the court), to the keeping of the action or proceeding in the court where commenced. If such consent be given, the action or proceeding may continue in the court where commenced. In any such case where the transfer of the action or proceeding is ordered under the provisions of this paragraph, if summons is served prior to the filing of such action or proceeding in the court to which it is transferred, as to any defendant, so served, who has not appeared in the action or proceeding, the time to answer or otherwise plead shall date from service upon such defendant of written notice of such filing.

When it appears from such complaint or affidavit of the plaintiff that the court in which such action or proceeding is commenced is a proper court for the trial thereof, all proper proceedings may be had, and the action or proceeding may be tried therein; provided, however, that in such case a motion for a transfer of the action or proceeding may be made as in other cases, within the time, upon the grounds, and in the manner provided in this title, and if upon such motion it appears that such action or proceeding is not pending in the proper court, or should for other cause be transferred, the same shall be ordered transferred as provided in this title.

When any such action or proceeding is ordered transferred as herein provided, proceedings shall be had, and the costs and fees shall be paid, as provided in Sections 398 and 399 of this code.

SEC. 6. Section 396b of the Code of Civil Procedure is amended to read:

Trial by other than proper court

396b. Except as otherwise provided in Section 396a, if an action or proceeding is commenced in a court having jurisdiction of the subject-matter thereof, other than the court designated as the proper court for the trial thereof, under the provisions of this title, the action may, notwithstanding, be tried in the court where commenced, unless the defendant, at the time he answers or demurs, files with the clerk, or with the judge if there be no clerk, an affidavit of merits and notice of motion for an order transferring the action or proceeding to the proper court, together with proof of service, upon the adverse party, of a copy of such papers. Upon the hearing of such motion the court shall, if it appears that the action or proceeding

was not commenced in the proper court, order the same transferred to the proper court; provided, however, that the court in an action for divorce or separate maintenance, may, prior to the determination of such motion, consider and determine motions for allowance of temporary alimony, support of children, counsel fees and costs, and make all necessary and proper orders in connection therewith; provided further, that in any case, if an answer be filed, the court may consider opposition to the motions, if any, and may retain the action in the county where commenced if it appears that the convenience of the witnesses or the ends of justice will thereby be promoted.

SEC. 7. Section 399 of the Code of Civil Procedure is amended to read:

Transmittal of pleadings, etc

399. When an order is made transferring an action or proceeding under any of the provisions of this title, the clerk, or the judge where there is no clerk, must, upon payment of the costs and fees, transmit the pleadings and papers therein (or if the pleadings be oral a transcript of the same) to the clerk (or to the judge where there is no clerk) of the court to which the same is transferred. When the transfer is sought on any ground specified in subdivisions 2, 3 and 4 of Section 397 of this code, the costs and fees thereof, and of filing the papers in the court to which the transfer is ordered, shall be paid at the time the notice of motion is filed, by the party making the motion for such transfer. When the transfer is sought solely, or is ordered, because the action or proceeding was commenced in a court other than that designated as proper by the provisions of this title, such costs and fees must be paid by the plaintiff before such transfer is made; and if, in any such case, the defendant has paid such costs and fees at the time of filing his notice of motion, the same shall be repaid to him, upon the making of such order. The court to which an action or proceeding is transferred under the provisions of this title shall have and exercise over the same the like jurisdiction as if it had been originally commenced therein, all prior proceedings being saved, and said court may require such amendment of the pleadings, the filing and service of such amended, additional or supplemental pleadings, and the giving of such notice, as may be necessary for the proper presentation and determination of the action or proceeding in said court.

Operative date

SEC. 8. The provisions of this act shall not become operative before January 1, 1952, and the provisions thereof do not affect any municipal, justice's, police or city court which continues to exist as presently organized or any judge, justice, officer or employee of such court, but such courts and judges, justices, officers and employees shall be governed until January 5, 1953, by the same laws and with the same force as if this act had not been enacted: and those laws are hereby expressly continued in force and effect, and the text thereof preserved, for such courts and judges, justices, officers and employees until January 5, 1953.

CHAPTER 870

An act to amend Sections 6005, 6070, 6702, 6777, and 7056 of, and to add Section 6019 to, the Revenue and Taxation Code, relating to sales and use taxes, and providing that this act shall take effect immediately.

[Approved by Governor June 4, 1951 Filed with Secretary of State June 4, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 6005 of the Revenue and Taxation Code is amended to read:

6005. "Person" includes any individual, firm, copartnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, assignee for the benefit of creditors, trustee, trustee in bankruptcy, syndicate, the United States, this State, any county, city and county, municipality, district, or other political subdivision of the State, or any other group or combination acting as a unit. "Person"

SEC. 1.5. Section 6019 is added to said code, to read:

6019. Every individual, firm, copartnership, joint venture, trust, business trust, syndicate, association or corporation making more than two retail sales of tangible personal property during any 12-month period, including sales made in the capacity of assignee for the benefit of creditors, or receiver or trustee in bankruptcy, shall be considered a retailer within the provisions of this part in his or its individual, firm, copartnership, joint venture, trust, business trust, syndicate, associate or corporate capacity. Retailer

SEC. 2. Section 6070 of the Revenue and Taxation Code is amended to read:

6070. Whenever any person fails to comply with any provision of this part relating to the sales tax or any rule or regulation of the board relating to the sales tax prescribed and adopted under this part, the board upon hearing, after giving the person 10 days' notice in writing specifying the time and place of hearing and requiring him to show cause why his permit or permits should not be revoked, may revoke or suspend any one or more of the permits held by the person. The board shall give to the person written notice of the suspension or revocation of any of his permits. The notices herein required may be served personally or by mail in the manner prescribed for service of notice of a deficiency determination. The board shall not issue a new permit after the revocation of a permit unless it is satisfied that the former holder of the permit will comply with the provisions of this part relating to the sales tax and the regulations of the board. Revocation, etc., of permits

SEC. 3. Section 6702 of the Revenue and Taxation Code is amended to read:

6702. If any person is delinquent in the payment of the amount required to be paid by him or in the event a determina- Withhold notices

tion has been made against him which remains unpaid, the board may, not later than three years after the payment became delinquent, or within three years after the last recording of an abstract under Section 6738 or of a certificate under Section 6757, give notice thereof personally or by registered mail to all persons, including any officer or department of the State or any political subdivision or agency of the State, having in their possession or under their control any credits or other personal property belonging to the delinquent, or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent or such person. In the case of any state officer, department or agency, the notice shall be given to such officer, department or agency prior to the time it presents the claim of the delinquent taxpayer to the State Controller. After receiving the notice the persons so notified shall neither transfer nor make any other disposition of the credits, other personal property, or debts in their possession or under their control at the time they receive the notice until the board consents to a transfer or disposition or until 60 days elapse after the receipt of the notice, whichever period expires the earlier. All persons so notified shall forthwith after receipt of the notice advise the board of all such credits, other personal property, or debts in their possession, under their control, or owing by them. If such notice seeks to prevent the transfer or other disposition of a deposit in a bank or other credits or personal property in the possession or under the control of a bank, the notice to be effective shall be delivered or mailed to the branch or office of such bank at which such deposit is carried or at which such credits or personal property is held. If, during the effective period of the notice to withhold, any person so notified makes any transfer or disposition of the property or debts required to be withheld hereunder, to the extent of the value of the property or the amount of the debts thus transferred or paid he shall be liable to the State for any indebtedness due under this part from the person with respect to whose obligation the notice was given if solely by reason of such transfer or disposition the State is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

SEC. 4. Section 6777 of the Revenue and Taxation Code is amended to read:

Fees, etc

6777. The board may pay or advance to the sheriff, marshal or constable, the same fees, commissions, and expenses for his services as are provided by law for similar services pursuant to a writ of execution. The board, and not the court, shall approve the fees for publication in a newspaper.

SEC. 5. Section 7056 of the Revenue and Taxation Code is amended to read:

Divulgence of information unlawful

7056. It is unlawful for the board or any person having an administrative duty under this part to make known in any manner whatever the business affairs, operations, or information obtained by an investigation of records and equipment of any retailer or any other person visited or examined in the dis-

charge of official duty, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person. However, the Governor may, by general or special order, authorize examination by other state officers, by tax officers of another state, by the Federal Government, if a reciprocal arrangement exists, or by any other person of the records maintained by the board under this part. The information so obtained pursuant to the order of the Governor shall not be made public except to the extent and in the manner that the order may authorize that it be made public. Successors, receivers, trustees, executors, administrators, assignees, and guarantors, if directly interested, may be given information as to the items included in the measure and amounts of any unpaid tax or amounts of tax required to be collected, interest and penalties.

SEC. 6. This act, inasmuch as it provides for a tax levy shall, under the provisions of Section 1, Article IV of the Constitution, take effect immediately; provided, however, that the provisions hereof shall become operative on July 1, 1951. Tax levy Operative date

CHAPTER 871

An act to amend Section 58 of the Agricultural Code, relating to agriculture.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 58 of the Agricultural Code is amended to read:

58. Upon petition of twenty-five resident freeholders of any county, the principal business of each of whom is the production of agricultural commodities, or upon satisfactory evidence presented to the director that the commissioner of such county is guilty of neglect of duty, incompetence or misconduct in office, the trial board hereinafter provided for shall hold a hearing or hearings at such times and places as it shall provide. Trial board

CHAPTER 872

An act to add Section 291 to the Penal Code, relating to notices of arrest of public school teachers.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 291 is added to the Penal Code, to read:

Notice of arrest

291. Every sheriff or chief of police, upon the arrest for any of the offenses enumerated in Section 290 of any person who is employed as a teacher in any of the public schools of this State, shall immediately give written notice of the arrest to the State Department of Education and to the superintendent of schools in the county wherein such person is employed. Upon receipt of such notice, the county superintendent of schools shall immediately notify the governing board of the school district employing such person.

CHAPTER 873

An act to amend Sections 821.15 and 823 of the Agricultural Code, relating to apple containers, and declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor June 4, 1951. Filed with Secretary of State June 4, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 821.15 of the Agricultural Code is amended to read:

Packing

821.15. Apples of a standard grade or combination of such grades shall be well packed, place packed, "face and fill packed," loose in containers, or in bulk. Grade terms used to designate apples which are place packed shall not be followed by the term "loose."

SEC. 2. Section 823 of said code is amended to read:

Containers

823. All wrapped apples shall be in one of the following containers: Standard wooden apple box, depth inside, $10\frac{1}{2}$ inches; width inside, $11\frac{1}{2}$ inches; length inside, 18 inches. Standard fibreboard apple box, depth inside, $11\frac{3}{8}$ inches; width inside, $11\frac{1}{2}$ inches; length inside, 18 inches, with a tolerance of one-fourth inch in all dimensions. Half wooden apple box, depth inside, $5\frac{1}{4}$ inches; width inside, $11\frac{1}{2}$ inches; length inside, 18 inches. Half fibreboard apple box, depth inside, $5\frac{1}{16}$ inches; width inside, $11\frac{1}{2}$ inches; length inside, 18 inches, with a tolerance of one-fourth inch in all dimensions. Apples which are not wrapped shall be in one of the standard containers defined in this section, or in one of the standard apple lugs of the following dimensions: (a) Depth inside, $7\frac{1}{2}$ inches; width inside, $13\frac{1}{2}$ inches; length inside, $21\frac{1}{4}$ inches. (b) Depth inside, $7\frac{3}{4}$ inches; width inside, 14 inches; length inside, $22\frac{3}{8}$ inches. (c) Depth inside, $6\frac{1}{2}$ inches; width inside, $13\frac{1}{2}$ inches; length inside, $20\frac{3}{8}$ inches. (d) Depth inside, $9\frac{3}{4}$ inches; width inside, 11 inches; length inside, $20\frac{5}{8}$ inches. Containers designated as (a), (b) and (c) shall be considered as standard when used with or without cleats. Apples which are not wrapped may be in other size containers, and wrapped apples may be in containers smaller than the half apple box, if these are conspicuously marked, in

letters not less than one-half inch in height, "irregular container." Such marking is not required on open containers of apples which are not place packed or well packed.

Apples of the Lady variety, regardless of the method of packing, may be placed in containers with a depth of 8¾ inches, width 10 inches and length 16 inches, all inside measurements.

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

Research and experiment has shown that containers of the dimensions provided for in this bill will greatly aid in the packing, loading, transporting, and marketing of apples. In order to permit the use of the containers herein provided for shipment of the current season's crop of apples, most of which will be marketed prior to the time this act would otherwise become effective, it is necessary that it take effect immediately.

CHAPTER 874

An act to amend Section 5075 and to add Section 5076.1 to the Penal Code, relating to the Adult Authority.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5075 of the Penal Code is amended to read:

5075. The Adult Authority shall be composed of five members, each of whom shall be appointed by the Governor, with the advice and consent of the Senate, for a term of four years and until the appointment and qualification of his successor. Members

The Chairman of the Adult Authority shall be designated by the Governor from time to time.

The terms of the members shall expire as follows: One on March 15, 1952, two on March 15, 1953, and two on March 15, 1955. Their successors shall hold office for terms of four years, each such term to commence on the expiration date of the term of the predecessor. The Governor shall fill each vacancy for the balance of the unexpired term.

One member shall be an attorney at law, one have had practical experience in handling adult prisoners, one a sociologist in training and experience, and two have had all or any one of these qualifications.

SEC. 2. Section 5076.1 is added to said code, to read:

5076.1. The Adult Authority shall meet at each of the state prisons at such times as may be necessary for a full and complete study of the cases of all prisoners whose terms of imprisonment are to be determined by it or whose applications for parole come before it. Other times and places of meeting Meetings

may also be fixed by the Adult Authority. Each member of the Adult Authority shall receive his actual necessary traveling expenses incurred in the performance of his official duties.

The Adult Authority may meet and transact business in panels. Each Adult Authority panel shall consist of at least two members of the authority. Two members of the Adult Authority shall constitute a quorum for the transaction of business. No action shall be valid unless concurred in by a majority vote of those present.

Intent

SEC. 3. It is the intention of the Legislature that the members of the Adult Authority in office when this act becomes effective shall hold their offices for the full four-year term heretofore provided by law, and that one of the additional members shall hold office until March 15, 1952, and the other until March 15, 1953.

CHAPTER 875

An act to amend Section 126 of, and to add Section 127 to, the Government Code, relating to the acquisition of land in this State by the United States and records and indices thereof maintained by the State Lands Commission.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 126 of the Government Code is amended to read:

Consent to United States acquisition of lands

126. Notwithstanding any other provision of law, general or special, the Legislature of California consents to the acquisition by the United States of land within this State upon and subject to each and all of the following express conditions and reservations, in addition to any other conditions or reservations prescribed by law:

Express conditions

(a) The acquisition must be for the erection of forts, magazines, arsenals, dockyards, and other needful buildings, or other public purpose within the purview of Clause 17 of Section 8 of Article I of the Constitution of the United States, or for the establishment, consolidation and extension of national forests under the provisions of the act of Congress approved March 1, 1911, (36 Stat. 961) known as the "Weeks Act";

16 U S C, §480

(b) The acquisition must be pursuant to and in compliance with the laws of the United States;

(c) The United States must in writing have assented to acceptance of jurisdiction over the land upon and subject to each and all of the conditions and reservations in this section prescribed;

(d) The conditions prescribed in subdivisions (a), (b), and (c) of this section must have been found and declared to have occurred and to exist, by the State Lands Commission, and the commission must have found and declared that such acquisition is in the interest of the State, certified copies of its orders or

resolutions making such findings and declarations to be filed in the Office of the Secretary of State and recorded in the office of the county recorder of each county in which any part of the land is situate;

(e) In granting this consent, the Legislature and the State reserve jurisdiction on and over the land for the execution of civil process and criminal process in all cases, and the State's entire power of taxation including that of each state agency, county, city, city and county, political subdivision or public district of or in the State; and reserve to all persons residing on such land all civil and political rights, including the right of suffrage, which they might have were this consent not given.

(f) This consent continues only so long as the land continues to belong to the United States and is held by it in accordance and in compliance with each and all of the conditions and reservations in this section prescribed.

Hearing

The finding and declaration of the State Lands Commission provided for in subdivision (d) of this section shall be made only after a public hearing. Notice of such hearing shall be published once in a newspaper of general circulation in each county in which the land or any part thereof is situated and a copy of such notice shall be personally served upon the clerk of the board of supervisors of each such county. The State Lands Commission shall make rules and regulations governing the conditions and procedure of such hearings, which shall provide that the cost of publication and service of notice and all other expenses incurred by the commission shall be borne by the United States.

Exempt acquisitions

The provisions of this section do not apply to any land or water areas heretofore or hereafter acquired by the United States for migratory bird reservations in accordance with the provisions of Sections 375 to 380, inclusive, of the Fish and Game Code.

SEC. 2. Section 127 is added to said code, to read:

Index of documents

127. In addition to other records maintained by the State Lands Commission, the commission shall prepare and maintain an adequate index or record of documents with description of the lands over which the United States acquired jurisdiction pursuant to Section 126 of this code or pursuant to any prior state law. Said index shall record the degree of jurisdiction obtained by the United States for each acquisition.

CHAPTER 876

An act to amend Sections 2601 and 2619 of the Elections Code, relating to declarations of candidacy.

[Approved by Governor June 4, 1951. Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2601 of the Elections Code is amended to read:

Declaration of candidacy Form

2601. The personal declaration of candidacy by a candidate shall be substantially as follows:

DECLARATION OF CANDIDACY

I hereby declare myself a _____ party candidate for nomination to the office of _____ to be voted for at the primary election to be held _____, 19___, and declare the following to be true:

My name is _____

My present residence is _____

My present occupation is _____

My present business address is _____

The name of my employer (if any) is _____

The address of my employer (if any) is _____

My occupation for the past three years has been as follows:

_____

_____

The duration of my residence in California is _____ years.

I have been a citizen of the United States for _____ years.

My address for the past five years has been as follows:

_____

_____

I solemnly swear (or affirm) that I am not engaged in one way or another in any attempt to overthrow the government by force or violence, and that I am not knowingly a member of any organization engaged in such an attempt.

I am at present an incumbent of the following public office (if any): _____

I have held the following public offices (if any): _____

_____ for _____ years.

_____ for _____ years.

I am registered as affiliated with the _____ party. (The candidate may here insert, at his option, in not over 50 words, a statement of what he considers to be his special fitness, training or experience in the line of work which he will be called upon to perform in case of his election.)

If nominated, I will accept the nomination and not withdraw and will qualify for that office if nominated and elected.

_____

_____

Signature of candidate

State of California }
County of _____ } ss.

Subscribed and sworn to before me this _____ day of _____, 19___.

_____

Notary public (or other official)

Examined and certified by me this _____ day of _____, 19___.

_____

Registrar of voters—county clerk

SEC. 2. Section 2619 of said code is amended to read:

2619. A candidate nominated or proposed by sponsors shall, if he accepts the nomination, file an affidavit of acceptance, which affidavit shall be substantially as follows: Affidavit of acceptance Form

DECLARATION OF ACCEPTANCE OF NOMINATION

I hereby accept the nomination as proposed by a certain declaration of candidacy by sponsors, as a candidate of the _____ Party for nomination to the office of _____, to be voted for at the primary election to be held _____, 19___, and declare the following to be true:

My name is _____

My present residence is _____

My present occupation is _____

My present business address is _____

The name of my employer (if any) is _____

The address of my employer (if any) is _____

My occupation for the past three years has been as follows:

_____

_____

The duration of my residence in California is _____ years.

I have been a citizen of the United States for _____ years.

My address for the past five years has been as follows:

_____

_____

I solemnly swear (or affirm) that I am not engaged in one way or another in any attempt to overthrow the Government by force or violence, and that I am not knowingly a member of any organization engaged in such an attempt.

I am at present an incumbent of the following public office (if any): _____

I have held the following public offices (if any):

_____ for _____ years,

_____ for _____ years.

I am registered as affiliated with the _____ Party. (The candidate may here insert, at his option, in not over 50 words, a statement of what he considers to be his special fitness, training or experience in the line of work which he will be called upon to perform in case of his election.)

_____

If nominated I will accept the nomination and not withdraw and will qualify for the office if nominated and elected.

_____

Signature of candidate

State of California }
County of _____ } ss.

Subscribed and sworn to before me this _____ day of _____, 19___.

_____

Notary public (or other official)

CHAPTER 877

An act to add Section 16271.2 of the Education Code, relating to the use of school busses.

In effect September 22, 1951

[Approved by Governor June 4, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 16271.2 is added to the Education Code, to read:

Use of school busses

16271.2. The governing board of any school district may use school busses to transport graduating twelfth grade pupils attending the schools of the district and teachers or other employees employed by the district to and from other states for educational excursions. The transportation may be provided on any day or days throughout the school year.

In computing the average daily attendance of a school district, there shall be excluded the attendance of such pupils while being transported on such educational excursions.

Any school district which transports graduating twelfth grade pupils attending the schools of the district, or teachers or other employees of the district to and from other states for educational excursions shall report to the Superintendent of Public Instruction on forms prescribed by him the total mileage of school busses used in connection with such educational excursions. In computing the additional allowance to such school district for transportation there shall be deducted therefrom an amount equal to the depreciation of school busses used for such transportation in accordance with rules and regulations adopted by the Superintendent of Public Instruction.

CHAPTER 878

An act to repeal Section 12006 of, and to add Section 12351.5 to the Health and Safety Code, relating to the purchase and possession of explosives, declaring the urgency thereof, to take effect immediately.

In effect immedately

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Section 12006 of the Health and Safety Code is repealed.

SEC. 2. Section 12351.5 is added to said code, to read:

"Lawful possession of an explosive"

12351.5. "Lawful possession of an explosive" as used in this part, means the possession of an explosive

(a) In the course of legitimate blasting operations or in the arts, when authorized by a permit issued pursuant to this section, or

(b) In the course of the business of manufacturing, selling, or transporting explosives, or

(c) By a public agency.

The sheriff of a county, and the board of police commissioners, chief of police, or other head of the police department of any city or city and county, or any person designated by the sheriff, board of police commissioners, chief of police, or other head of the police department, upon proof that the person applying therefor is of good moral character, and that good cause exists for the issuance thereof may issue to such person a permit to purchase, possess, and use explosives for any of the purposes set forth in (a) above and which said permit shall specify the quantity of explosives covered thereby.

This section shall remain in effect until the ninety-first day after the final adjournment of the 1953 Regular Session of the Legislature. While this section is in effect it shall supersede any existing provisions of law which are in conflict with this section; but such provisions are not repealed by this section and after this section is no longer effective shall have the same force as though this section had not been enacted.

Urgency

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

During the present emergency the manufacture and transportation of explosives is of vital importance to this State and the Nation. As there is considerable doubt as to the application of the present law to the manufacture and transportation of explosives in the State, which might seriously impair the continued flow of products essential to the defense of the State and Nation the immediate clarification of this law is essential.

CHAPTER 879

An act to amend Sections 1480, 1481 and 1653 of the Government Code, relating to the payment for and use of individual official, individual, master official and master bonds covering officers, employees or agents required to give official bond.

[Approved by Governor June 5, 1951 Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1480 of the Government Code is amended to read:

Individual bonds

1480. Every officer, agent or employee not required by statute to give an official bond may be required to give an individual official bond, or other form of individual bond, in an amount to be fixed by the appointing power and such bond shall inure to the benefit of the appointing power, state, county

or municipality, by whom such officer, employee, or agent is employed as well as the officer under whom the employee or agent serves.

SEC. 2. Section 1481 of said code is amended to read:

Master bonds

1481. When deemed expedient by the appointing power, a master official bond, or other form of master bond, may be used which shall provide coverage on more than one officer, employee or agent who is required by the appointing power to give bond. Such bond shall be in the form and for the term which is approved by the appointing power and shall inure to the benefit of the appointing power, state, county or municipality by whom such officer, employee, or agent is employed as well as the officer under whom the employee or agent serves. In the case of the State of California the form and content of such bond shall be subject to the approval of the Director of Finance.

SEC. 3. Section 1653 of said code is amended to read:

Payment of premiums

1653. The payment of premiums for all bonds of deputies, clerks, assistants or subordinate officers of county officers shall not be a county charge unless the amount fixed for such bond has been approved by the board of supervisors.

CHAPTER 880

An act to amend Section 221 of and to add Section 227p to the Civil Code, relating to the adoption of adults.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 221 of the Civil Code is amended to read:

Minor child adoption

221. Any minor child may be adopted by any adult person, in the cases and subject to the rules prescribed in this chapter other than in Section 227p, and any adult person may be adopted by any other adult person in the cases and subject to the rules prescribed in Section 227p.

"Child," etc

As used in this chapter, "child" and "children" mean minor child and minor children, respectively, except in Sections 227p, 228, 229, and 230. In Sections 228, 229, and 230 "child" and "children" include both minor persons and adult persons. In Section 227p "child" means adult person, and does not include a minor person.

SEC. 2. Section 227p is added to said code, to read:

Adult adoption

227p. Any adult person may adopt any other adult person younger than himself, except the spouse of the adopting person, by an agreement of adoption approved by a decree of adoption of the superior court of the county in which either the person adopting or the person adopted resides, as provided in this section. The agreement of adoption shall be in writing and shall be executed by the person adopting and the person to be adopted, and shall set forth that the parties agree to assume

toward each other the legal relation of parent and child, and to have all of the rights and be subject to all of the duties and responsibilities of that relation.

A married person not lawfully separated from his spouse cannot adopt an adult person without the consent of the spouse of the adopting person, if such spouse, not consenting, is capable of giving such consent. A married person not lawfully separated from his spouse cannot be adopted without the consent of the spouse of the person to be adopted, if such spouse, not consenting, is capable of giving such consent. Neither the consent of the natural parent or parents of the person to be adopted, nor of the State Department of Social Welfare, nor of any other person shall be required.

The adopting person and the person to be adopted may file in the superior court of the county in which either resides a petition praying for approval of the agreement of adoption by the issuance of a decree of adoption. The court shall fix a time and place for hearing on the petition, and both the person adopting and the person to be adopted must appear at the hearing in person, unless such appearance is impossible, in which event appearance may be made for either or both of such persons by counsel, empowered in writing to make such appearance. The court may require notice of the time and place of the hearing to be served on any other interested persons, and any such interested person may appear and object to the proposed adoption. No investigation or report to the court by any public officer or agency is required, but the court may require the county probation officer or the State Department of Social Welfare to investigate the circumstances and report thereon, with recommendations, to the court prior to the hearing.

At the hearing the court shall examine the parties, or the counsel of any party not present in person. If the court is satisfied that the adoption will be for the best interests of the parties and in the public interest, and that there is no reason why the petition should not be granted, the court shall approve the agreement of adoption, and make a decree of adoption declaring that the person adopted is the child of the person adopting him; otherwise, the court shall withhold approval of the agreement and deny the petition.

CHAPTER 881

An act to amend Sections 50¾ and 57½ of the Public Utilities Act, and to amend Section 1906 of, and to add Section 1073 to, the Public Utilities Code, relating to public utilities.

Stats 1915, p 115

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 50¾ of the Public Utilities Act is amended to read:

Compliance with provisions

Sec. 50¾. (a) No highway common carrier, or petroleum irregular route carrier, shall hereafter operate or cause to be operated any auto truck, or other self-propelled vehicle not operated on rails, for the transportation of property as a common carrier for compensation on any public highway in this State except in accordance with the provisions of this act.

Supervision, etc Highway common carriers, etc

(b) The Railroad Commission of the State of California is hereby vested with power and authority to supervise and regulate every highway common carrier and petroleum irregular route carrier in this State; to fix the rates, fares, charges, classifications, rules and regulations of each such highway common carrier and petroleum irregular route carrier; to regulate the accounts, service and safety of operations of each such highway common carrier and petroleum irregular route carrier, to require the filing of annual and other reports and of other data by such highway common carriers and petroleum irregular route carriers; and to supervise and regulate highway common carriers and petroleum irregular route carriers in all other matters affecting the relationship between such carriers and the shipping public. The Railroad Commission shall have power and authority, by general order or otherwise, to prescribe rules and regulations applicable to any and all highway common carriers and petroleum irregular route carriers. The Railroad Commission, in the exercise of the jurisdiction conferred upon it by the Constitution of this State and by this act, shall have power and authority to make orders and to prescribe rules and regulations affecting highway common carriers and petroleum irregular route carriers, notwithstanding the provisions of any ordinance or permit of any incorporated city or town, city and county, or county, and in case of conflict between any such order, rule or regulations and any such ordinance or permit, the order, rule or regulation of the Railroad Commission shall in each instance prevail.

Certificate of convenience and necessity

(c) No highway common carrier, or petroleum irregular route carrier, shall hereafter begin to operate any auto truck, or other self-propelled vehicle, for the transportation of property for compensation on any public highway in this State without first having obtained from the Railroad Commission a certificate declaring that public convenience and necessity require such operation, but no such certificate shall be required of any highway common carrier as to the fixed termini between which or the route over which it was actually operating as a highway common carrier on July 26, 1917, and in good faith continuously thereafter, or for operations exclusively within the limits of an incorporated city, town or city and county, or for the performance of pickup, delivery, or transfer services by such carrier within such carrier's lawfully published pickup and delivery zones insofar as such pickup and delivery limits do not include territory in excess of three miles from the corporate limits of any incorporated city or town or three miles from the post office of any unincorporated point. Any right, privilege,

franchise, or permit held, owned or obtained by any highway common carrier, or petroleum irregular route carrier, may be sold, assigned, leased, transferred or inherited as other property, only upon authorization by the Railroad Commission. The Railroad Commission shall have power, with or without hearing, to issue said certificate as prayed for, or to refuse to issue the same, or to issue it for the partial exercise only of said privilege sought, and may attach to the exercise of the rights granted by said certificate such terms and conditions as, in its judgment, the public convenience and necessity require. Without the express approval of the commission, no certificate of public convenience and necessity issued to one highway common carrier, or petroleum irregular route carrier, under the provisions of this section, or heretofore issued by the commission to one highway common carrier, or petroleum irregular route carrier, for the transportation of property by auto truck or self-propelled vehicle, nor any operative right of one highway common carrier, or petroleum irregular route carrier, founded upon operations actually conducted in good faith on July 26, 1917, shall be combined, united or consolidated with another such certificate or operative right issued to or possessed by another highway common carrier, or petroleum irregular route carrier, so as to permit through service between any point or points served by one highway common carrier, or petroleum irregular route carrier, on the one hand, and any point or points served, by another highway common carrier, or petroleum irregular route carrier, on the other hand; nor, without the express approval of the commission, shall any through route or joint, through, combination, or proportional rate, be established by one highway common carrier, or petroleum irregular route carrier, between any point or points which it serves, on the one hand, and any point or points served by another highway common carrier, or petroleum irregular route carrier, on the other hand. Any one highway common carrier, or petroleum irregular route carrier, may establish through routes and joint rates, charges, and classifications between any and all points served by such highway common carrier, or petroleum irregular route carrier, under any and all certificates or operative rights issued to or possessed by such highway common carrier, or petroleum irregular route carrier. Same

No petroleum irregular route carrier shall engage in any operation on any public highway in this State unless there is in force, with respect to such carrier, a certificate of public convenience and necessity issued by the Railroad Commission, authorizing such operations; provided, however, if any such petroleum irregular route carrier was, on September 1, 1949, and thereafter, operating, under a permit issued by the Railroad Commission, as a radial highway common carrier (as the term "radial highway common carrier" is defined in Chapter 223, Statutes of 1935 as amended), and shall file with the Railroad Commission, within one hundred eighty (180) days after this section shall take effect, an application as provided herein,

the Railroad Commission shall issue such certificate without further proceedings. and such certificate shall authorize such carrier to engage in such operations as such carrier was authorized to conduct on September 1, 1949, pending the issuance of such certificate. Pursuant to filing of such application, the continuance of such operation shall be lawful. Any person or corporation not included within the foregoing provisions of this paragraph who, or which, when this section takes effect, is lawfully engaged in transportation as a petroleum irregular route carrier, may continue such operation for a period of one hundred eighty (180) days thereafter without a certificate; and if application for such certificate hereunder is made to the Railroad Commission within such period, the carrier may, under such regulations as the Railroad Commission shall prescribe, continue such operation until otherwise ordered by the Railroad Commission. Application for certificates shall be made in writing to the Railroad Commission, be verified under oath, and shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as the Railroad Commission shall require.

The Railroad Commission may at any time for a good cause suspend, and upon notice to the holder of an operating right acquired by virtue of operations conducted on July 26, 1917, as aforesaid, or to the grantee of any certificate, and opportunity to be heard, revoke, alter or amend any such operative right or certificate.

Violation, etc of act

(d) When a complaint has been filed with the commission alleging that any vehicle is being operated without a certificate of public convenience and necessity, as required by this act, or when the commission has reason to believe that this act is being violated, it shall be the duty of the commission to investigate such operations and the commission shall have power, after a hearing, to make its order requiring the owner or operator of such vehicle to cease and desist from any operation in violation of this act; and it shall be the duty of the commission to enforce compliance with such order under the powers vested in the commission by this act or by law.

Intent

(e) It is hereby declared to be the legislative intent that the provisions of this section relating to the transportation of petroleum or of petroleum products in any tank-truck or trailer for compensation over any public highway in this State is a highly specialized type of truck transportation and that the provisions of this section have been enacted for the limited purpose of providing necessary regulation for said specialized type of truck transportation only, and are not to be construed for any purpose as a precedent for the extension of such regulation to any other type of truck transportation not presently so restricted.

Cargo insurance

(f) The commission may, upon its own motion, or upon application of any interested party, and after hearing, require any highway common carrier or petroleum irregular route car-

rier to procure and maintain cargo insurance in such amounts and upon such terms as the commission may determine.

SEC. 2. Section 57½ of said act is amended to read:

Sec. 57½. In addition to the fees specified in Section 57 of this act, the commission shall charge and collect the following fees: Fees

For filing each application for a certificate of public convenience and necessity, or for the mortgage, lease, transfer or assignment thereof, fifty dollars ($50);

All fees charged and collected under this section shall be paid, except as provided in the Transportation Rate Fund Act, as amended, at least once each month into the State Treasury to the credit of the General Fund.

NOTE: The sections of the Public Utilities Code affected by this chapter appear in their proper place in that code, Chapter 764 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 5. Sections 3 and 4 of this act become operative only if Division 1 of the Public Utilities Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 1 takes effect, at which time Sections 50¾ and 57½ of the Public Utilities Act are repealed. Effect Stats 1951, Ch 764

CHAPTER 882

An act to amend Section 28111 of the Government Code, relating to compensation for public services in counties of the eleventh class.

[Approved by Governor June 5, 1951 Filed with Secretary of State June 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 28111 of the Government Code is amended to read:

28111. In a county of the eleventh class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Kern County: Salaries

(a) The auditor, seven thousand two hundred dollars ($7,200) a year and his necessary expenses incurred while traveling in the performance of his official duties. He shall pay into the county treasury all fees and commissions or compensations received by him in his official capacity, other than his official salary.

(b) The district attorney, eight thousand seven hundred fifty dollars ($8,750) a year and the necessary expenses incurred in the discharge of his official duties. All fees and commissions or compensations, other than his official salary, received by him in his official capacity from any source shall be paid into the county treasury. He shall devote his entire time during office hours to the work of the county and the State and

is prohibited from engaging in private work during his term of office, which prohibition shall also apply to his deputies, while so employed.

(c) Each supervisor, seven thousand two hundred dollars ($7,200) a year and actual and necessary expenses incurred in the performance of the duties of his office.

(d) For attending as a grand juror, for each day's actual attendance, six dollars ($6), and fifteen cents ($0.15) a mile for each mile actually traveled in going only.

For attending as a trial juror, in the superior court for each day's actual attendance, five dollars ($5), and fifteen cents ($0.15) for each mile actually traveled in going only.

For attending as trial juror, in the municipal court for each day's actual attendance, five dollars ($5), and fifteen cents ($0.15) for each mile actually traveled in going only.

For attending as a trial juror in criminal cases in justice courts, three dollars ($3), for each day of actual service as a juror.

The judge or justice of the court shall make an order directing the auditor to draw his warrant in favor of the juror for the per diem and mileage and the treasurer shall pay the warrant.

The compensation provided by this section shall be payable to incumbent officers.

Operative date

SEC. 2. If it is not legally competent to pay the compensation provided by this act to incumbent officers on the effective date of this act, such increase in compensation shall nevertheless be payable to the officers designated in this act as soon as it is legally competent to do so.

CHAPTER 883

An act to authorize the sale of a part of the property used by the Mendocino State Hospital and to provide for the disposition of the proceeds from such sale.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

Authority to sell land

SECTION 1. The Director of Finance is authorized to sell, with the approval of the Director of Mental Hygiene, all or part of two parcels of land of the Mendocino State Hospital, to wit: one parcel containing 4.51 acres, more or less, adjacent to the railroad tracks and formerly utilized as an unloading spur; the other parcel containing 8.93 acres, more or less, 8.91 acres being in the Russian River bed and formerly utilized as a gravel pit, and 0.02 acres serving as an entrance to the gravel pit. A copy of the deed executed by the Director of Finance shall be transmitted to the State Lands Commission.

Disposition of proceeds

SEC. 2. The proceeds from such sale or sales shall be deposited in the General Fund of the State.

CHAPTER 884

An act to amend Section 1500 of the Welfare and Institutions Code, relating to aid to needy children in respect to the definition of needy child.

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1500 of the Welfare and Institutions Code is amended to read:

1500. As used in this chapter, "needy child" means a needy person under the age of 18 years who has been deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent. No child deprived of parental support because of separation or desertion shall be considered a "needy child" if the period of absence is less than three months.

"Needy child"

CHAPTER 885

An act to amend Section 19533 of the Business and Professions Code, relating to licenses to conduct horse race meetings.

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 19533 of the Business and Professions Code is amended to read:

19533. No license shall be granted to conduct a horse race meeting upon a track less than one mile in circumference or length, to any applicant except to a county fair, district agricultural association or quarter horse racing association.

License to conduct horse race meetings on short track

The period for which licenses may be issued to county fairs, district agricultural associations and quarter horse racing associations in counties and areas of the first, second, and second and one-half classes shall not in any such county or area exceed 14 racing days.

Racing days allowed by the board to county fairs, district agricultural associations and licensed quarter horse racing associations under this article shall not diminish the number of racing days per year permitted to be allowed to other racing associations under this article. Racing days allowed by the board to licensed quarter horse racing associations under this article shall not diminish the number of racing days per year allowed to state, county, or agricultural districts fairs.

CHAPTER 886

An act to amend Sections 14254 and 14256 of the Government Code, relating to state public works projects.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 14254 of the Government Code is amended to read as follows:

"Project"

14254. As used in this chapter, "project" includes the erection, construction, alteration, repair or improvement of any state structure, building, road, or other state improvement of any kind which will exceed in cost a total of two thousand dollars ($2,000).

SEC. 2. Section 14256 of the Government Code is amended to read:

Execution of work by state agency

14256. Where the nature of the work in the opinion of the department is such that its services in connection therewith are not required, it may, with the approval of the Department of Finance, authorize the carrying out of the project directly by the state agency concerned therewith if

(a) The project is for construction or improvement of fairgrounds for a district agricultural association and the total cost will not exceed thirty-five thousand dollars ($35,000), or

(b) The project is for a state agency other than a district agricultural association and

(1) The project is for maintenance, maintenance replacement, nonstructural alteration, or repair and the total cost will not exceed twenty thousand dollars ($20,000), or

(2) The project is not specifically mentioned above and the total cost will not exceed twenty thousand dollars ($20,000).

Duration

This section shall remain in effect until the ninety-first day after final adjournment of the 1953 Regular Session of the Legislature.

CHAPTER 887

An act to amend Sections 10270.7 and 10270.4 of the Insurance Code, relating to insurance.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 10270.7 of the Insurance Code is amended to read:

Family expense disability insurance

10270.7. Family expense disability insurance is that form of disability insurance insuring more than one person and issued to the head of a family or his spouse indemnifying him, or his spouse, or both, against loss due to disability of one or more persons dependent at the time of issuance upon him, or his spouse, or both, and may include indemnification on account of his own

disability and disability of his spouse whether or not either is dependent on the other.

Where such a policy provides for payment for expenses incurred, expenses incurred by or upon behalf of any person covered by the policy shall be deemed incurred by the person to whom or at whose direction benefits are payable under the policy.

No question as to whether or not any person is the head of the family or his spouse, or is a child or dependent of either shall relieve the insurer of any liability it otherwise would have under the policy.

Where such a policy indemnifies a spouse alone or a spouse and the head of the family, references in the policy to the head of the family shall be deemed to refer to or include the spouse.

SEC. 2. Section 10270.4 of said code is amended to read:

Disability insurers Limitation

10270.4. Any disability insurer may issue policies of group disability insurance and family expense disability insurance as defined in this article but shall not issue any form of policy of group disability insurance, or family expense disability insurance except as prescribed in this article. Provided, however, that during the calendar years of 1952 to 1956, inclusive, a policy of family expense disability insurance as defined in Section 10270.7 may either (1) contain the provisions required by Section 10270.8 and those promulgated by the commissioner pursuant to Sections 10270.9 and 10270.93 and be subject to this article and to Section 10291.5 or (2) be filed and approved under Article 2 of this chapter and be subject to such article and to Articles 3a, 4a and 5a of this chapter and contain the provision required by Section 10270.8(b). On and after January 1, 1957 the provisions of this article shall no longer relate to such policies except Section 10270.7 and subdivision (b) of Section 10270.8 and all of such policies shall be subject to the provisions set forth in alternative (2) above, except that such policies need not comply with subsection (c) of Section 10320 if they comply with Section 10270.7.

CHAPTER 888

An act to amend Section 1129 of, and to repeal Section 1605 of, the Probate Code, and amend Section 26822 of the Government Code, relating to transfer fees in court proceedings.

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1129 of the Probate Code is amended to read:

Hearing, etc., on transfer of proceedings

1129. Upon the filing of such petition, the clerk shall set the same for hearing upon a date not less than 10, nor more than 30 days thereafter, and shall cause notice thereof to be given for the time and in the manner specified in Section 1200 of this code. Petitioner shall, at least 10 days prior to the time

set for hearing, cause to be mailed to each of the persons named in such petition, at their respective places of residence as therein set forth, a copy of the notice of hearing. Any person interested in the trust, either as trustee or as beneficiary, may appear and file written grounds in opposition thereto. If, after hearing, it appears to the court that the transfer of proceedings to the court designated in the petition or to the superior court of any other county in this State, will be for the best interests of the estate, or that economical and convenient administration of the trust will be facilitated thereby, the court shall make an order transferring proceedings to such court. Thereupon the clerk shall certify to the clerk of the court to which the proceeding is transferred, a copy of the order of transfer, together with copies of the will or other instrument creating the trust, the decree of distribution, and such other documents or matters of record therein as the court may by its order determine to be necessary to define the powers and obligations of the trustee, or otherwise necessary in connection with the further administration of the trust. The court to which the proceeding is transferred may from time to time require by its order, the filing of certified copies of such additional papers or matters of record from the court of probate, as may be required.

Upon the filing of a certified copy of the order of transfer, together with supporting documents, the court to which the proceeding is transferred, shall have with respect to such trust, the same jurisdiction as the court of probate would have retained under the provisions of Section 1120 of this code, but for the transfer.

Except as otherwise specified herein, practice on the presentation and hearing of such petition and of all other matters in relation thereto, shall be in accordance with the provisions of Division 3 of this code, so far as the same may be applicable.

Repeal

SEC. 2. Section 1605 of said code is repealed.

SEC. 3. Section 26822 of the Government Code is amended to read:

Fee

26822. The fee for filing the papers transmitted from another court on the transfer of a civil action or a special proceeding is eight dollars ($8).

CHAPTER 889

An act to amend Sections 32127 and 32130 of the Health and Safety Code, relating to hospital districts.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 32127 of the Health and Safety Code is hereby amended to read:

32127. The hospital district shall establish its own treasury and shall appoint a treasurer charged with the safekeeping and disbursal of the funds in the treasury of the district. The board of directors shall fix the amount of the bond to be given by such treasurer and shall provide for the payment of the premium therefor out of the maintenance and operation fund. Treasurer Appointment, bond

All moneys derived from that portion, if any, of the annual tax or assessment levied for capital outlay purposes shall be placed in the capital outlay fund. Any moneys derived from a special tax or assessment levied under Article 3 of Chapter 3 hereof shall be placed in a special assessment fund and shall be used exclusively for the purposes for which such special tax or assessment was voted. Capital outlay fund

All moneys derived from the regular annual tax or assessment provided in Article 1, Chapter 3 hereof, except any part thereof levied for capital outlay purposes, shall be placed in the maintenance and operation fund. All receipts and revenues of any kind from the operation of the hospital shall be paid daily into the treasury of said district and placed in the maintenance and operation fund. Moneys in the maintenance and operation fund may be expended for any of the purposes of the district. Whenever it appears that the sum in the bond interest and sinking fund will be insufficient to pay the interest or principal of bonds next coming due and payable therefrom, a sum sufficient to pay such principal and interest shall be transferred by the board of directors from the maintenance and operation fund to said bond interest and sinking fund. Maintenance and operation fund

Except as to principal and interest of bonds, moneys in the treasury of the district shall be paid out by the treasurer thereof only on written order signed by the president and countersigned by the secretary. The treasurer shall keep such order as his voucher and shall keep accounts of all receipts into the district treasury and all disbursements therefrom. Disbursements

Where bonds of the district are payable at the office of the district, all receipts from taxes levied to pay the principal and interest of such bonds shall be paid into the treasury of the district, and the treasurer of the district shall pay therefrom the principal and interest of such bonds. Bonds

Where bonds of the district are payable at the office of the county treasurer of the organizing county, at the option of the holder, or otherwise, all receipts from taxes levied to pay principal and interest of such bonds shall be paid into the treasury of the organizing county and shall be placed by the county treasurer in the bond interest and sinking fund of the district, and he shall pay the principal and interest of such bonds therefrom and shall keep an account of all moneys received into and paid out of said fund.

Any moneys in the treasury of the district and any moneys of the district in the bond interest and sinking fund of the district in the treasury of the organizing county may be deposited in accordance with the provisions of the general laws of the State of California governing the deposit of public moneys of Deposits

cities or counties in such bank or banks in the State of California as may be authorized to receive deposits of public funds, in the same manner and upon the same security as public moneys of cities and counties are deposited in such banks, and with like force and effect. The board of directors of the district are authorized to create a revolving fund which fund shall not exceed the sum of 10 percent of the estimated annual expenditures of the district at any one time and which shall be used for the purpose of paying the interim expenses of the operation of any hospital within the district without the necessity of a written order signed by the president and countersigned by the secretary as provided herein. The treasurer is authorized to deposit said fund in such bank or banks in the county as may be authorized to receive deposits of public funds in the same manner and upon the same security as public moneys of cities and counties are deposited in such banks and with like force and effect, and shall be subject to withdrawal upon the signature of the treasurer, or such other official of the district as may be authorized by the board of directors, for the use and purpose provided for herein.

SEC. 2. Section 32130 of the Health and Safety Code is hereby amended to read:

Power to incur indebtedness

32130. The district may borrow money and incur indebtedness in anticipation of the estimated tax revenue and other income for the current year in which the indebtedness is incurred. Such indebtedness shall not exceed 50 percent of the total amount of the estimated tax revenue and other income for the current year. The district is further authorized when funds shall be needed to meet current expenses of maintenance and operation, to borrow money on certificates of indebtedness or other evidence of indebtedness in an amount not to exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation of the district, said certificates of indebtedness to run for a period not to exceed five years and to bear interest not to exceed 5 percent per annum.

Certificates of indebtedness

All such certificates of indebtedness or other evidence of indebtedness shall be issued after the adoption by a three-fifths vote of the board of directors of the district of a resolution setting forth the necessity for such borrowing and the amount of the assessed valuation of the district and the amount of funds to be borrowed thereon. All such certificates of indebtedness or other evidence of indebtedness shall be offered at public sale by the board of directors of the district after not less than 10 days advertising in a newspaper of general circulation within the district and if no newspaper of general circulation is printed within the district, then in a newspaper of general circulation within the county in which the district is located. Each such sale shall be made to the bidder offering the lowest rate of interest or whose bid represents the lowest net cost to the district; provided, however, that the rate of interest shall not exceed 5 percent per annum.

Such certificates of indebtedness or other evidences of indebtedness shall be signed on behalf of the district by the presiding officer and attested by the secretary of the board of directors of the district. The board of supervisors of the county in which the district lies shall, at the time of fixing the general tax levy, sometimes called the annual assessment or regular annual assessment for such district, and in the manner for such general tax levy provided, levy and collect annually each year all sums coming due for principal and interest on such certificates of indebtedness or other evidence of indebtedness, a tax sufficient to pay the interest on such certificates of indebtedness as the same becomes due and also, to constitute a sinking fund for the payment of the principal thereof at maturity. Said tax shall be in addition to all of the taxes levied for district purposes and shall be placed in a certificate of indebtedness, interest and sinking fund of the district and, until all of the principal of the interest and certificates of indebtedness is paid, the money in said fund shall be used for no other purpose than the payment of said certificates of indebtedness and accruing interest thereon. Same

CHAPTER 890

An act to add Section 2810 to the Streets and Highways Code, relating to proceedings for the construction of sidewalks and the levy of special assessments.

[Approved by Governor June 5, 1951 Filed with Secretary of State June 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2810 is added to the Streets and Highways Code, to read:

2810. None of the provisions of this division shall apply to proceedings hereafter commenced for the construction of sidewalks when required for the safety of pupils attending the schools within a city and the necessity for such requirement is found to exist by the legislative body of such city conducting said proceedings, expressed by resolution adopted by the affirmative vote of four-fifths of the members thereof. The findings and determinations made by the legislative body pursuant to this section shall be final and conclusive upon all persons in the absence of actual fraud. Application

CHAPTER 891

An act to amend Section 512 of the Vehicle Code, relating to speed on highways where persons are at work.

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 512 of the Vehicle Code is amended to read:

Speed limit where persons are at work

512. Speed Limit on Highways Where Persons Are at Work. No person shall drive a vehicle at a speed greater than 25 miles per hour upon any portion of a highway where officers or employees of the agency having jurisdiction of the same, or any contractor of such agency or his employees, are at work on the roadway or within the right of way so close thereto as to be endangered by passing traffic. The provisions of this section shall apply only when appropriate signs, indicating the limits of the restricted zone, and the speed limit applicable therein, are placed by such agency within 400 feet of each end of such zone. Such signs shall display the figures "25" as provided in Section 468 and shall indicate the purpose of the speed restriction, but otherwise need not comply with the details set forth in Section 468. Nothing in this section shall be deemed to relieve any operator of a vehicle from complying with the provisions of Section 510.

CHAPTER 892

An act to amend Section 11789 of the Insurance Code, relating to the State Compensation Insurance Fund.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11789 of the Insurance Code is amended to read:

Delivery of money to State Treasurer, etc

11789. All moneys which belong to the fund and are collected or received under this chapter shall be delivered to the State Treasurer or deposited to his credit in such bank or banks throughout the State as he designates, but such moneys are not state moneys within the intent of Section 16305.2 of the Government Code.

CHAPTER 893

An act to add Section 3760 to the Labor Code, relating to workmen's compensation.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 3760 is added to the Labor Code, to read:

Report of injury

3760. Every employer who is insured against any liability imposed by this division shall file with the insurance carrier a complete report of every injury to each employee arising out of or in the course of his employment. Every such report shall be filed within five days after the injury has been reported to the employer. If not so filed, the carrier may petition the commission for an order, or the commission may of its own

motion issue an order, directing the employer to submit a report of the injury within five days after service of the order. Failure of the employer to comply with the commission's order may be punished by the commission as a contempt.

CHAPTER 894

An act to amend Section 441 of the Revenue and Taxation Code, relating to property taxes and the filing of property statements.

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 441 of the Revenue and Taxation Code is amended to read:

441. Every person shall file a written property statement with the assessor between noon on the first Monday in March and 5 p.m. on the last Monday in May, annually, and within such time as the assessor may appoint. At any time, as required by the assessor for assessment purposes, every person shall furnish information or records for examination. The statement need not be under oath, but shall contain, or be verified by, a written declaration that it is made under the penalties of perjury. Property statements

SEC. 2. This act shall take effect only if an amendment to Section 8 of Article XIII of the Constitution, relating to the filing of property tax returns under the penalties of perjury, proposed at the 1951 Regular Session of the Legislature, is adopted by the voters, and in such case this act shall take effect at the same time such amendment takes effect. Effect Stats 1951 Res Ch 113

CHAPTER 895

An act to amend Section 55.65 of the Alcoholic Beverage Control Act, relating to the sale of wine, the posting of prices and the making and filing of fair trade contracts in relation thereto, and governing the giving of discounts in connection with the sale of wine. Stats 1935, p 1123

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 55.65 of the Alcoholic Beverage Control Act is amended to read:

Sec. 55.65. (a) Mandatory Price Posting and Fair Trade Contracts. On and after November 1, 1949, no licensee shall in this State sell or resell to a retailer or consumer, and no retailer shall buy any item of wine in this State except at the selling or resale price thereof contained either in an effective price schedule or in an effective fair trade contract as authorized Mandatory price posting, etc

by Section 55.5 of the Alcoholic Beverage Control Act, unless otherwise provided herein.

Exemptions

(b) Exemptions. This section shall not apply to the following transactions:

1. Sales of bulk wine, except where bulk wine is sold and bottled by the seller for the purchaser, in which case posting shall be required as herein provided for bottled wine.

2. Sales to consumers for consumption on the premises.

Trading areas

(c) Trading Areas. For the purpose of providing different selling or resale prices, the State may be divided into trading areas as hereinafter defined. For the Southern California and the Northern California trading areas the selling and resale prices shall be specified prices; for the mountain trading area the selling and resale prices may be minimum prices; provided, that the minimum prices shall not be less than the specified prices for the Northern California trading area, except that the minimum prices provided for counties in the mountain trading area lying south of the southern boundaries of San Luis Obispo, Kern and Inyo Counties shall not be less than the specified prices for the Southern California trading area.

Who shall make fair trade contracts, etc

(d) Who Shall Make Fair Trade Contracts and Post Price Schedules. 1. Each wine grower, wholesaler licensed to sell wine, wine rectifier, and rectifier shall:

Post a "schedule of selling prices" of wine to retailers or consumers for which his resale price is not governed by a fair trade contract made by the person who owns or controls the brand.

Make and file a fair trade contract and file a "schedule of resale prices" if he owns or controls a brand of wine resold to retailers or consumers.

2. Each person without the State who owns or controls a brand of wine resold to retailers or consumers in this State shall designate in writing one licensee who imports the brand of wine to make and file a fair trade contract and file a "schedule of resale prices" for such brand.

3. Each off-sale retailer who owns or controls a brand of wine sold to consumers shall post a "schedule of selling prices" for such brand.

Contents of price schedules

(e) Contents of Price Schedules and Fair Trade Contracts. Each price schedule and fair trade contract, in addition to such other information, and on such form, as the board may prescribe, shall contain the following:

1. General information, including the name and address of licensee filing, the name and address of the seller or brand owner without the State, if any, for whom the licensee is filing, the trading area or areas covered, and restrictions on distribution or resale, if any.

2. Information identifying each different item of wine, including the brand name, secondary brand name, if any, form of label, if more than one form used, class and type of wine, vintage date, if shown on label, special or gift package, if any, number of bottles in case, and size of bottles.

3. Information as to basic prices of each item, f. o. b. selling premises or delivered, or both, including, where applicable, basic case and bottle selling and resale prices to retailers and to consumers.

4. Information as to discounts and additional charges, including quantity and prompt payment discounts, and broken case charge to retailers, if any.

Prices

(f) Prices. Basic selling and resale price shall include customs duties, if any, federal and California excise taxes, California marketing order assessment or assessments, if applicable, plus any other legal charge not required to be shown in the price schedule except California sales tax. Selling price and resale price shall be the basic selling price or the basic resale price, respectively, less discounts, plus broken case charges contained in the applicable price schedule or fair trade contract.

The selling price contained in any "schedule of selling prices" shall be the same as the resale price contained in an effective fair trade contract and "schedule of resale prices" filed by the same licensee.

Where bulk wine is bottled for a buyer under the label of the bottler, the selling price to the buyer of the wine so bottled shall be the same as the selling price contained in an applicable "schedule of selling prices" posted by the bottler for wine carrying such label.

Not more than three different prices to retailers or to consumers shall be permitted for the same brand of bottled wine differing only in the secondary brand name, the form of label (such as color scheme, number of stars, etc.), or in some other way not pertaining to the class or type, vintage date, if shown on the label, or special or gift package.

Discounts

(g) Discounts. Quantity discounts to retailers shall be permitted only when actual delivery of a single order is begun and completed to the same premises within a period not to exceed 48 hours, except in the case of accident, strike, insurrection, riot, or act of God, and then delivery shall be made within 48 hours after such occurrence ends. The total quantity and prompt payment discounts, if any, to retailers shall not exceed the following:

Less than 5 cases	no discount
5 or more cases but less than 10 cases	1 % discount
10 or more cases but less than 25 cases	2 % discount
25 or more cases but less than 100 cases	4 % discount
100 or more cases but less than 200 cases	6½% discount
200 or more cases	10 % discount

Quantity discounts to consumers shall not exceed 10 percent per case for case lots of the same brand.

Prompt payment discounts to retailers shall be permitted only when the seller actually receives payment in cash or its equivalent within the specified period after date of delivery. Postdated checks or checks returned for nonpayment shall not be deemed the equivalent of cash.

Permitted discounts shall not be taken in merchandise.

Filing, effective dates, changes

(h) Filing, Effective Dates, and Changes. Fair trade contracts and price schedules for wine available for sale on November 1, 1949, shall be made and filed on or before October 15, 1949. Fair trade contracts and price schedules for wine available for sale for the first time after November 1, 1949, shall be made and filed on or before the tenth of any month.

Adding an item to, removing an item from, or changing any charge, discount, or price in, any price schedule or fair trade contract shall constitute a change. Monthly changes shall be filed on or before the tenth of any month. After the tenth and on or before the twentieth of any month any price may be lowered to meet a competitive price filed for the first time on or before the tenth of the same month. After the twentieth and on or before the last day of any month any price may be lowered to meet a competitive price filed for the first time after the tenth and on or before the twentieth of the same month. Any price filed after the tenth of any month shall be accompanied by the name and address of the competitor whose price is being met, with a complete identification of the competing item, including the price. Any price filed after the twentieth of any month shall be filed on a supplemental price schedule listing the lowered prices only. A lowering of price to meet a competitive price may be a reduction by any amount desired, but in no event shall the reduction be to an amount below the competitive price.

If a change occurs in the body of a fair trade contract a copy of the changed fair trade contract shall be filed at the same time that the changed price schedule affected thereby is filed.

Price schedules, fair trade contracts, or changes therein shall become effective on the first day of the month following the month of filing except as otherwise provided in this section.

Changes required or authorized

(h-1) Changes Required or Authorized by Federal Price Regulations. For the purpose of complying with the General Ceiling Price Regulation, Economic Stabilization Agency, or with any other applicable federal law, ruling, rule, or regulation respecting prices, or for the purpose of increasing a price or prices when an increase in ceiling price is authorized by any such law, ruling, rule, or regulation, price schedules and fair trade contracts or changes therein may be filed with the board at any time and shall become effective immediately upon filing; provided, that in the latter case the applicable price schedule and fair trade contract or changes therein must be filed with the board not later than the twentieth day of the month following the month in which said increase in ceiling price is first authorized. Publication of such price schedules or changes therein shall be made as provided in paragraph (j) of this section on or before the first day of the month following the month in which said price schedule or changes therein is filed with the board. Price schedules or changes therein filed pursuant to this paragraph shall contain the statement: "Filed to comply with federal pricing laws and regulations" or "Filed to increase prices as first authorized on (inserting the date)." Nothwithstanding

any other provision of this section, price schedules and fair trade contracts or changes therein made effective pursuant to this paragraph shall remain in effect until changed in accordance with the provisions of this section.

Public inspection

(i) Public Inspection. The board shall make price schedules or changes therein, or a composite thereof, available for public inspection.

Publication, etc.

(j) Publication, Mailing or Posting. Except for wine growers selling only to consumers at their licensed premises, every person filing a price schedule or change therein, shall, at least once on or before the first of the month in which effective, publish the price schedule or change in a trade journal or industry price book, printed and published in this State and of general circulation among licensees affected in this State. In case of industry price books which are of general circulation among licensees in only some of the trading areas, the publication shall be in one industry price book of general circulation in each trading area.

Instead of publishing, the licensee may mail his price schedule or any changes therein to licensees affected. Schedules or supplemental schedules or changes therein shall be deposited in the United States Post Office before the date required for publication. If the affidavit prescribed herein is not filed before the date required for publication, the schedule, supplemental schedule or changes therein shall not become effective until the affidavit prescribed herein is filed; provided, however, a price filed after the twentieth and on or before the last day of any month shall become ineffective on the last day of the first month in which effective and the applicable price shown on the last regular price schedule on file with the board shall become reeffective unless said last regular price is changed in accordance with the provisions of this section. Within five days after the mailing, the licensee shall file with the board a list of names and addresses of the licensees to whom such price schedules or changes are mailed, together with an affidavit of the person who deposited the schedules in envelopes addressed to the licensees whose names and addresses are set forth in such list. Such affidavit shall be prima facie evidence of the facts stated therein.

Wine growers selling only to consumers at their licensed premises need not publish or mail their price schedules as herein provided, but shall post said schedules in that portion of their premises where sales are made where they can be readily inspected by consumers.

"Close outs," damaged wine

(k) "Close-outs" and Damaged Wine. No licensee shall make any "close-out" sale under the implied condition provided for by Section 55.5(b) (1), or any sale under the implied condition provided for by Section 55.5(b) (2), of the Alcoholic Beverage Control Act except after receiving permission from the board, which shall determine whether the proposed sale is bona fide.

Permission to sell under the provisions of Section 55.5(b) (1) shall be granted only if it appears that the stock of wine

sought to be closed out has been on the market in this State for a period of not less than six months and was not brought into this State for the purpose of offering it, or any part of it, at a close-out sale.

Permission to sell under the provisions of Section 55.5(b)(2) shall be granted only if it shall appear that the facts of the case warrant the sale of the wine affected as damaged or deteriorated.

A "close-out" sale within the meaning of this paragraph (k) shall be construed to mean a bona fide close-out of a particular item of wine in the California market. Label changes which do not pertain to the class or type of wine, the vintage date, or the special or gift package, shall not be deemed to be "close-out" within the meaning of this paragraph (k).

Petitions for permission to make close-out sales, or sales of damaged or deteriorated wine shall state a full and complete description of the wine involved, in such detail as to distinguish such wines from all others, and shall include the federal serial numbers, if any, of the cases involved. The number of cases or bottles involved shall also be stated. The petitioner shall agree not to sell or handle the item closed out for at least six months after the close-out.

Sales below cost, price discrimination

(*l*) Sales Below Cost and Price Discriminations. The sale of any wine by a licensee in violation of Part 2, Division 7, Chapter 4 of the California Business and Professions Code, entitled "Unfair Trade Practices," is prohibited and shall be a violation of this section.

Application

(m) Circumvention of Section. Except as otherwise provided in this section, the giving of, or offering to give, any rebate, free goods, combination deal, premium, allowance, unauthorized discount, floor stocks adjustment, or any other thing or service of value, directly or indirectly, in connection with the sale of wine subject to this section, or, in any other way circumventing this section to effect a sale at a price other than the price shown in the applicable price schedule, shall be a violation of this section; provided, however, that this provision shall not prohibit any cooperative buying group which on January 1, 1949, held a federal basic permit or was licensed by the board, from giving, or its members from receiving, dividends or other adjustments from the general fund of such cooperative buying group.

This section shall not prohibit the furnishing of samples, advertising matter, and other selling aids as may be authorized by this act and rules and regulations issued thereunder.

A retailer may return wine to the seller and the seller may accept the return thereof; provided, however, that such seller shall be prohibited from selling wine to said retailer for a period of one year after the date such returned wine is accepted or received unless the same be returned in exchange for the identical quantity, brand and item of wine, or unless the same be returned pursuant to court order.

(n) Penalties. For a violation of any of the provisions of this section or rules and regulations adopted pursuant hereto, the board may suspend or revoke a license as follows: Penalties

For a first offense, not exceeding 10 days' suspension;

For a second offense, not exceeding 30 days' suspension;

For a third offense, the board may suspend or revoke a license.

(o) The board may adopt such rules and regulations it may determine to be necessary for the administration of this section. Rules and regulations

(p) Definitions. Words and phrases used in this section shall have the meanings given them by this act except as otherwise indicated in this section: Definitions

1. "Bottled" wine means wine packaged in individual containers of one gallon or less.

2. "Bulk" wine means wine packaged in individual containers of over one gallon or wine transferred via pipe line or shipped in tank cars or tank trucks.

3. "Class" and "type" of wine shall mean class and type as defined or provided for by regulations of the U. S. Treasury Department and the California State Department of Public Health.

4. "Competitive price" is a price of a similar item of wine (at which actual sales were made) 10 percent greater or less than the single case price to retailers and the single bottle price to consumers at any time during the three-month period immediately preceding the effective date of any price filing; provided, that the competitively priced item is neither owned nor controlled, in whole or in part, either directly or indirectly, by the same brand owner or an affiliated company or corporation.

For the purposes of this section, the term "affiliated company or corporation" shall include, but is not limited to, companies or corporations owned or controlled by the same or substantially the same person or persons, or companies or corporations where one owns all or substantially all of the issued capital stock of the other, or where one corporation or company is controlled by another, directly or indirectly, through ownership of issued capital stock, or otherwise, or where all the capital stock of two companies or corporations is owned by the same person or persons.

5. "Consumer" means a person who buys wine for consumption off the premises where sold.

6. "Effective" means a fair trade contract or price schedule, including changes therein filed, published, mailed or posted, and in effect.

7. "File" or "post" means to mail or deliver fair trade contracts, price schedules, or changes thereto, to the Sacramento office of the board; provided, however, that if mailed, they shall be deemed to be filed on the dates prescribed in this section only if postmarked in California at least two days before the applicable prescribed date.

8. "Item" of wine means wine that differs from any and all other wine in its brand name, secondary brand name, form of label, class or type, vintage date, special or gift package, number of bottles in a case, or size of bottles. An item of wine is similar where all the elements listed above are the same except its brand name, or secondary brand name, or form of label.

9. "Licensee" means any person holding a license issued by the board which authorizes the sale of wine.

10. "Person" shall also include any California licensee or any person without the State who sells wine to licensees.

11. "Sell" shall also include advertisements and contracts to sell.

12. Trading Areas: "Northern California" shall consist of all counties lying north of the southern boundaries of San Luis Obispo, Kern and Inyo Counties which are not included in "Mountain." "Southern California" shall consist of all the counties lying south of said boundaries which are not included in "Mountain." "Mountain" shall consist of the Counties of Del Norte, Siskiyou, Modoc, Shasta, Trinity, Humboldt, Lassen, Mendocino, Tehama, Plumas, Butte, Sierra, Nevada, Placer, El Dorado, Amador, Calaveras, Alpine, Tuolumne, Mariposa, Mono, Inyo and Imperial.

CHAPTER 896

An act to amend the title of Article 2, Chapter 1, Part 1, Division 14 of the Health and Safety Code, and to amend Sections 20034, 20036, 20061, 20062, and 20065 of the Health and Safety Code, and to repeal Sections 20035 and 20037 of the Health and Safety Code, and to add Articles 2.5 and 2.6 to Chapter 1, Part 1, Division 14 of the Health and Safety Code, relating to police protection districts in unincorporated towns.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. The title of Article 2, Chapter 1, Part 1, Division 14 of the Health and Safety Code is amended to read:

Article 2. Petition and Formation

SEC. 2. Section 20034 of said code is amended to read:

Election

20034. Within 30 days after acquiring jurisdiction to proceed further, the board shall by resolution call an election as provided in Article 2.5 of this chapter.

SEC. 3. Section 20036 of the said code is amended to read:

Entry and effect of order

20036. The order establishing the district shall be entered in the minutes of the board and shall be prima facie evidence of:

(a) The presentation of a proper petition to the board.

(b) The fact that at the time he signed the petition and at the time of its presentation each petitioner was a taxpayer and resident of the territory occupied by the district.

(c) The fact and regularity of all prior proceedings required by this article.

Repeal

SEC. 4. Sections 20035 and 20037 of the said code are repealed.

SEC. 5. Article 2.5 is added to Chapter 1, Part 1, Division 14 of said code, to read:

Article 2.5. Election on Formation

Notice of election

20040. The board shall call and give notice of an election to be held in the proposed district to determine whether the district shall be formed, and to elect the commissioners who shall serve as the first district board.

Same Contents

20041. The notice of the formation election shall contain:

(a) The date of the election.

(b) A description of the boundaries of the proposed district.

(c) The name of the proposed police protection district, which shall contain the words "Police Protection District of _____ County" (stating the name of the county in which the district is to be located).

(d) A statement that the commissioners who will serve as the first district board will be elected.

Same Publication

20042. The county clerk shall publish the notice of election once a week for at least two weeks prior to the formation election, in a newspaper printed and published in the district, if any, and if none, shall give such notice by posting the notice in three public places within the district for at least three weeks immediately preceding the election.

Submission of measure

20043. At the formation election the first directors shall be elected and the following measure shall be submitted: "Shall the proposition to form _____ Police Protection District of _____ County be adopted?"

Resident

20044. No person shall be a candidate for the district board unless he is a resident within the boundaries of the proposed district.

Conduct of election

20045. The election shall be conducted, candidates nominated, the votes canvassed, and the results declared as provided by the Elections Code for election of county officers, insofar as applicable and not inconsistent with this chapter. Each person voting at the formation election shall be entitled to cast three votes for candidates for members of the first district board. The three candidates receiving the highest number of votes shall be elected as the first district board if the district is formed.

Declaration of formation

20046. If a majority of votes cast are in favor of forming the district, the board of supervisors shall by an order entered on its minutes declare the district formed under the name designated for it.

Right to vote

20047. No person is entitled to vote on the question of formation of a district, or for the first board of commissioners, unless such person is a voter within the meaning of the Elections Code, and a resident within the boundaries of the proposed district.

SEC. 6. Section 20061 of the said code is amended to read:

Term of office

20061. Each of such commissioners shall hold office until his successor is elected and has qualified pursuant to this article.

SEC. 7. Section 20062 of the said code is amended to read:

Same

20062. The commissioners first elected shall at their first meeting so classify themselves by lot that one of their number shall go out of office on the second Monday of April of the year next succeeding the election; one on the second Monday of April of the second year succeeding the election; and one on the second Monday of April of the third year succeeding the election.

SEC. 8. Section 20065 of the said code is amended to read:

Election

20065. The district board shall call an election and shall post notices of the election in three public places within the district for at least two weeks before the day of the election.

SEC. 9. Article 2.6 is added to Chapter 1, Part 1, Division 14 of said code, to read:

Article 2.6. Annexation

Annexation to district

20050. Any territory which is not a part of another police protection district, and which is contiguous to an existing district in the same county, may be annexed to that district.

Proceedings

20051. Proceedings for annexation of territory to a district shall be initiated by filing with the board a petition signed by at least 10 percent of the qualified electors residing in the territory proposed to be annexed. Such petition shall designate specifically the boundaries of the territory proposed to be annexed, state its assessed valuation as shown by the last equalized assessment roll, and request that the territory be annexed to the district.

Publication of petition

20052. The petition shall be published at least once each week for two weeks in a newspaper of general circulation within the county, together with a notice stating the time and place at which the petition will be presented to the board and that all persons interested may appear and be heard.

Hearing

20053. At the time specified for the hearing the board shall hear the petition and may adjourn the hearing from time to time. The board shall not modify the boundaries of the territory proposed to be annexed as set forth in the petition so as to exclude any area that would be benefited by annexation to the district, nor shall any area that will not be benefited by annexation be included within the boundaries of the territory proposed to be annexed.

20054. Upon the final hearing of the petition the board, if it approves the petition as originally presented or in a modified form, shall make an order describing the exterior boundaries of the territory proposed to be annexed and ordering that an election be held for the purpose of determining whether or not the territory shall be annexed to the district. Final hearing

20055. The order shall fix the day of the election, which shall be within 60 days from the date of the order, and shall show the boundaries of the territory proposed to be annexed to the district. This order shall be entered in the minutes and is conclusive evidence of the due presentation of a proper petition, and of the fact that each of the petitioners was at the time of the signing and presentation of the petition qualified to sign. Order

20056. If a majority of the votes in the district and a majority of the votes in the territory proposed to be annexed are in favor of annexation, the board shall by resolution make an order annexing the territory to the district. The order shall be entered in the minutes of the board and be prima facie evidence of regularity of all prior proceedings relating to the annexation. Annexation order

20057. If the result of the election is against annexation the board shall, by order, disapprove the petition and enter the order in its minutes. No other proceedings shall be taken in relation thereto until the expiration of one year from the presentation of the petition. Disapproval

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CHAPTER 897

An act to amend Section 639 of, the Agricultural Code, relating to milk and milk products.

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 639 of the Agricultural Code is amended to read:

639. Whip cream topping is a product packaged and dispensed from a pressurized hermetically sealed container, complying with the provisions of subdivision (c) of Section 701 of this code. It shall be made from cream which contains not more than 150,000 bacteria per milliliter with or without added nonfat milk solids, sweetening and harmless edible stabilizer not exceeding one-half of 1 percent. It shall contain not less than 20 percent of milk fat and shall contain not more than 30,000 bacteria per milliliter after pasteurization. It shall be charged with nitrous oxide or other inert harmless gas approved by the director. Harmless flavoring or coloring may be added and the product shall be manufactured and processed in a milk products plant, licensed by the Department of Agriculture. It shall be Whip cream topping

labeled with the term "whip cream topping" and with the name and address of the manufacturer.

Milk and milk products used in the manufacture of whip cream topping shall be pasteurized.

CHAPTER 898

An act to amend Sections 5600 and 5604 of the Business and Professions Code, relating to the practice of architecture.

In effect September 22 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5600 of the Business and Professions Code is amended to read:

License fee

5600. (a) Every architect shall pay an annual license fee to the department. The fee shall be due and payable on or before the thirty-first day of January of each year and shall become delinquent thereafter.

Penalty

(b) If the annual license fee is not paid before it becomes delinquent, a penalty of three dollars ($3) shall be added to the amount thereof.

Suspension of certificate

(c) If the annual license fee and penalty are not paid before the thirtieth day of June in the year in which they become due, the architect's certificate shall be suspended from and after the expiration of 30 days from the date of mailing by registered mail, return receipt requested, postage prepaid and addressed to the architect at his address as it appears in the records of the board; a notice of the delinquency of the architect stating that upon the expiration of time herein allowed his certificate will be suspended, unless within said time, the annual license fee and penalty are remitted.

Reinstatement

(d) After the certificate has been suspended, it may be reinstated upon the payment of the reinstatement fee, and such proof of the architect's qualifications as may be required in the sound discretion of the board.

Receipt

(e) The board shall issue a receipt to each architect promptly upon payment of the annual license fee.

SEC. 2. Section 5604 of said code is amended to read:

Amount of fees

5604. The amount of fees prescribed by this chapter is that fixed by the following schedule:

(a) The application fee for examination is twenty dollars ($20).

(b) The fee for an original certificate is ten dollars ($10).

(c) The fee for a temporary certificate is fifty dollars ($50).

(d) The fee for a duplicate certificate is ten dollars ($10).

(e) The annual license fee is fifteen dollars ($15), but the state board may reduce the fee to not less than five dollars ($5).

(f) The penalty is three dollars ($3).

(g) The reinstatement fee is twenty dollars ($20).

CHAPTER 899

An act to amend Section 28136 of the Government Code, relating to compensation for public services in counties of the thirty-sixth class.

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 28136 of the Government Code is amended to read:

28136. In a county of the thirty-sixth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums: Siskiyou County Salaries

(a) The auditor, five thousand four hundred dollars ($5,400) a year.

(b) The district attorney, seven thousand two hundred dollars ($7,200) a year.

(c) Each supervisor, two thousand four hundred dollars ($2,400) a year and mileage at the rate of twenty cents ($0.20) a mile for the distance usually traveled in going from his home to the county seat and returning.

(d) Grand jurors and trial jurors in the superior court shall receive five dollars ($5) for each day's attendance and twenty cents ($0.20) for each mile actually and necessarily traveled from their residences to the county seat, in going only. Trial jurors in the justices' courts shall receive five dollars ($5) for each day's attendance and twenty cents ($0.20) for each mile actually and necessarily traveled from their residences to the justices' courts, in going only.

The compensation provided by this section shall be payable to incumbent officers.

SEC. 2. If it is not legally competent to pay the compensation provided by this act to incumbent officers on the effective date of this act, such increase in compensation shall nevertheless be payable to the officers designated in this act as soon as it is legally competent to do so. Operative date

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CHAPTER 900

An act to amend Section 87 of the Agricultural Code, relating to boards of directors of agricultural fairs.

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 87 of the Agricultural Code is amended to read:

Powers of board of directors

87. The board of directors may, with the approval of the Department of Finance:

(a) Fix the term of office, the amount of bond, salary and prescribe the duties of the secretary and of the treasurer.

(b) Manage the affairs of the association.

(c) Make all necessary by-laws, rules and regulations for the government of the association.

(d) Arrange for and conduct or cause or by contract permit to be conducted by any other individual, institution, corporation or association, upon its property at such time as they may deem advisable, any activity, notwithstanding other provisions of the code.

(e) Delegate, as it may deem advisable, to its officers or employees any of the powers vested in the board under subdivisions (b) and (d) of this section. Any such delegation of powers may be revoked at any time.

Lease of race tracks prohibited

An agricultural association shall not lease its race track, for running races of horses, to any private person, firm or corporation except to a national or international exposition or its affiliated corporations or associations for the period of time now permitted by law for fairs. The provisions of this subdivision shall not apply to existing leases or extensions or renewals thereof.

CHAPTER 901

Stats 1913, p 421

An act to add Section 1g to the Municipal Improvement Act of 1913, relating to municipal improvements.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1g is added to the Municipal Improvement Act of 1913, to read:

Incorporation by reference

Sec. 1g. Whenever any reference is made in this act to any portion of a code or any other law, such reference shall apply to all amendments and additions thereto.

CHAPTER 902

An act to amend Section 6028.1 of, and to add Section 6028.11 to, the Penal Code, relating to special crime study commissions.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6028.1 of the Penal Code is amended to read:

6028.1. Each such special commission may investigate any and all matters relating to the subjects specified in the order creating it. In the exercise of its powers the commission shall be subject to the following conditions and limitations: Conditions, etc., on investigation

(a) A witness at any hearing shall have the right to have present at such hearing counsel of his own choice, for the purpose of advising him concerning his constitutional rights.

(b) No hearing shall be televised or broadcast by radio, nor shall any mechanical, photographic or electronic record of the proceedings at any hearing be televised or broadcast by radio.

SEC. 2. Section 6028.11 of the Penal Code is added, to read:

6028.11. For the purpose of Section 6028.1, each such special commission may issue subpenas and exercise all the powers of a head of a department set forth in Article 2, Chapter 2, Part 1, Division 3, Title 2 of the Government Code; and all the provisions of such article shall apply to the commission to the same extent and with the same effect as if the commission were named therein as the head of a department. Powers of commission

This section shall have no force or effect after June 30, 1952. Duration

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CHAPTER 903

An act to add Sections 5026.3 and 5049.1 to the Education Code, relating to state school building aid, declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 5026.3 is added to the Education Code, to read:

5026.3. Payment shall be made in accordance with the terms of an apportionment, either directly or by way of reimbursement, to a school district for expenditures, or commitments therefor, made by such district subsequent to July 19, 1947, for any items approved by the board in such apportionment; provided, however, that where expenditures were made for, or work was commenced with respect to, any item so approved, prior to the time the application of such district containing such item was received by the Director of Finance, payment for such item, either with state funds or with district funds which the district is required to contribute by said apportionment, shall be made only upon authorization of the board by special resolution citing this section. Payment to school district

SEC. 2. Section 5049 1 is added to said code, to read:

5049.1. Payment shall be made in accordance with the terms of a final apportionment, either directly or by way of Same

reimbursement, to a school district for expenditures, or commitments therefor, which have been made by the district subsequent to December 5, 1949, for any items approved by the board in such apportionment; provided, however, that where expenditures were made for, or work was commenced with respect to, any item so approved, prior to the time the application of such district containing such item was received by the board, payment or reimbursement for such item, either with state funds or with district funds which the district is required to contribute by said apportionment, shall be made only upon authorization of the board by special resolution citing this section.

Urgency

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

Under the existing law it is doubtful whether a school district may commence preliminary work on the project for which it is applying for an apportionment from the State for school building aid before the apportionment becomes final. It is also doubtful whether a school district, when it receives money under such an apportionment, may expend part of the money for costs incurred in connection with the project before it received the money. In view of rising construction costs it is highly desirable for districts to make expenditures, or commitments for expenditures, in connection with school construction projects at the earliest possible time and the districts should be reimbursed for such expenditures when funds are received under an apportionment of state funds for such projects. It is therefor necessary that this act take effect immediately.

CHAPTER 904

An act to amend and renumber Section 4571 of the Elections Code, relating to election campaigns.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 4571 of the Elections Code is amended and renumbered to read:

Lawful expenses

4502.5. As a part of lawful expenses, candidates at other than primaries may expend money for necessary incidental expenses, which, plus traveling expenses do not exceed:

(a) One hundred dollars ($100), if expended by a candidate.

(b) One thousand dollars ($1,000), if expended by a committee.

CHAPTER 905

An act to amend Sections 1302 and 1303 of the Education Code, relating to the employment of associate superintendents of schools and the terms of office of school superintendents, associate superintendents, and deputy and assistant superintendents.

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1302 of the Education Code is amended to read:

1302. In each city school district governed by a city board of education, the board may employ a city superintendent of schools and such associate superintendents of schools, and deputy or assistant city superintendents of schools as it deems necessary, and may fix and order paid their compensation, unless otherwise prescribed by law.

City superintendent of schools, etc

SEC. 2. Section 1303 of said code is amended to read:

1303. A city superintendent of schools elected by a board of education shall be elected for a term of four years. Any district superintendent of schools, associate superintendent of schools, or deputy city or district superintendent of schools, or assistant city or district superintendent of schools may be elected for a term of four years.

Term

CHAPTER 906

An act to amend Sections 6728 and 6757 of, and to add Sections 6701.5 and 6742.5 to, the Elections Code, relating to elections conducted under the punch card voting system.

[Approved by Governor June 5, 1951 Filed with Secretary of State June 5, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6701.5 is added to the Elections Code, to read:

6701.5. An election board may provide that the ballots cast in any precinct for which the system provided for in this chapter has been adopted shall be counted at the polls or at a central counting place as provided in this chapter.

Counting ballots

SEC. 2. Section 6728 of said code is amended to read:

6728. If the election board has provided that the ballots of any precinct shall be counted at a counting place, the clerk shall designate a counting place to which the ballots are to be delivered. Two or more such counting places may be established within a county. If the election board has provided that the ballots cast in any precinct shall be counted at the polls, the

Central counting place

clerk shall supply the mechanical or electrical devices necessary for the purpose of such counting.

SEC. 3. Section 6742.5 is added to said code, to read:

Counting, procedure at polls

6742.5. If the election board has provided that the ballots cast in the precinct shall be counted at the polls, the precinct boards shall cause the ballot cards which have been arranged in accordance with Section 6742 to be counted and tabulated by the mechanical or electrical device provided for the purpose. Any card rejected by the machine shall be examined. Any such card found to be a defective card shall be placed with the defective ballots and all cards found to have been improperly voted shall be segregated. The precinct board shall then ascertain the vote as shown by the defective cards and the vote as shown by ballots containing the names of write-in candidates. The precinct board shall thereupon ascertain the vote for each candidate and for and against each measure and shall make a certificate showing the same. The ballot cards which have been counted by machine, those otherwise counted by the board, and those found to have been improperly voted shall be separately bundled and placed in the containers provided for the purpose. Such containers, together with the certificate of the precinct board, shall be transmitted to the counting place designated by the clerk, if any has been designated for the purpose, and otherwise to the clerk.

SEC. 4. Section 6757 of said code is amended to read:

Declaring vote

6757. Upon completion of the count the clerk shall add to the results as so determined the results as determined from the certificates of the precinct boards of all precincts at which the vote was counted at the polls as provided in this chapter and thereupon shall declare the vote.

CHAPTER 907

An act to amend Sections 6736 and 6799 of the Business and Professions Code, relating to the practice of professional engineering.

In effect September 22, 1951

[Approved by Governor June 5, 1951. Filed with Secretary of State June 5, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6736 of the Business and Professions Code is amended to read:

Practice of engineering by partnership, etc.

6736. (a) This chapter does not prohibit one or more civil engineers from practicing or offering to practice civil engineering through the medium of a partnership, firm, or corporation; provided:

(1) A civil engineer is the partner, member, or directing officer in charge of the engineering practice of the partnership, firm, or corporation.

(2) All civil engineering plans, specifications, and reports are prepared by or under the direct supervision of a registered civil engineer, who shall sign or stamp with his seal such plans, specifications, and reports.

(3) The partnership, firm or corporate name shall not contain the name of any person who is either not registered by the board in a branch of professional engineering, or as an architect; provided, that any holding out by such partnership, firm, or corporation of any individual or individuals to the public as a member, or members, of such partnership, firm, or corporation, other than by the use of the name or names of such individual or individuals in the partnership, firm, or corporate name, shall clearly and specifically designate the license status of such individual or individuals.

(b) Nothing herein shall authorize the offering to practice or the practice of civil engineering by any person, either as a member, officer or employee of any partnership, firm, or corporation, who is not a registered civil engineer.

(c) This chapter does not prevent or prohibit an individual, firm, company, association or corporation engaged in any line of business other than the practice of civil engineering from employing a registered civil engineer to perform civil engineering services incidental to the conduct of their business.

(d) The provisions of this section shall not apply to, or prevent the use of the name of, any partnership, firm, or corporation engaged in rendering civil engineering services which was lawfully in existence on September 30, 1947; provided, all civil engineering plans, specifications, and reports are prepared by or under the direct supervision of a registered civil engineer, who may be a member of the firm, or a permanent employee of the partnership, firm, or corporation; provided further, that all civil engineering plans, specifications and reports shall be signed by or stamped with the seal of the registered civil engineer in charge of the preparation of the same.

SEC. 2. Section 6799 of said code is amended to read:

6799. The amount of the fees prescribed by this chapter is that fixed by the following schedule: Fees

(a) The fee for filing each application for registration as a professional engineer, or authority to use the title "structural engineer" is fifteen dollars ($15) and for each certification as engineer-in-training is five dollars ($5), except that as to any person who has previously been issued a certificate as an engineer-in-training, the fee for filing an application for registration as a professional engineer is ten dollars ($10).

(b) The registration fee for professional engineer is ten dollars ($10) for each certificate issued.

(c) The duplicate certificate fee is one dollar ($1).

(d) The temporary registration fee for professional engineer is ten dollars ($10).

(e) The structural engineer's certificate of authority fee is ten dollars ($10).

(f) The annual renewal fee for professional engineer is six dollars ($6) for each branch of professional engineering in which registration is held; for authority to use the title "structural engineer" is three dollars ($3); for engineer-in-training is two dollars ($2) for each branch in which certification is held.

(g) The penalty for delinquency of the annual renewal fee is one dollar ($1) for each month or fraction thereof after the date upon which the annual fee becomes due until the amount thereof aggregates five dollars ($5).

Applicants wishing to be examined in more than one branch of engineering shall be required to pay the additional fee for each examination after the first.

CHAPTER 908

An act to add Article 3, comprising Sections 1670 to 1674, to Chapter 2 of Division 4 of the Elections Code, and to add Section 29907.5 to the Government Code, relating to arguments concerning measures submitted to the voters of a county.

In effect September 22, 1951

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Article 3, comprising Sections 1670 to 1674, is added to Chapter 2 of Division 4 of the Elections Code, to read:

Article 3. Arguments Concerning County Measures

"County measure"

1670. As used in this article, "county measure" includes any proposed county charter, any proposed amendment to a county charter, any proposition for the issuance of funding or refunding bonds of the county, or any other question or proposition submitted to the voters of a county at any election held throughout an entire single county. "County measure" does not include any question or proposition submitted to the voters of any public district although the boundaries of the district may be coterminous with those of the county.

Submitting arguments on county measures

1671. If there is no other method provided by law, arguments for and against any county measure may be submitted to the qualified electors of the county pursuant to this article. If a method is otherwise provided by law for submitting such arguments as to a particular kind of county measure, that method shall control.

Filing arguments

1672. The board of supervisors or any member or members thereof authorized by such board, or any individual voter or bona fide association of citizens, or any combination of such voters and associations, may file a written argument for or

against any county measure. No argument shall exceed 300 words in length. The county clerk shall cause an argument for and an argument against the measure to be printed and shall enclose a copy of both arguments, printed on the same sheet of paper, in an envelope with each sample ballot. Such printed arguments are "official matter" within the meaning of those words as used in Section 3711.

Date of submission

1673. Based on the time reasonably necessary to prepare and print the arguments and sample ballots for that particular election, the county clerk shall fix and determine a reasonable date prior to such election after which no arguments for or against any county measure may be submitted to him for printing and distribution to the voters as provided in this article. Arguments may be changed until and including the date fixed by the county clerk.

Selection of arguments

1674. If more than one argument for or more than one argument against any county measure is submitted to the county clerk within time, the county clerk shall select one of the arguments in favor and one of the arguments against the measure for printing and distribution to the voters. In selecting the argument the county clerk shall give preference and priority in the order named to the arguments of the following:

(a) The board of supervisors or member or members thereof authorized by such board.

(b) The individual voter or bona fide association of citizens, or combination of such voters and associations, who are the bona fide sponsors or proponents of the petition or measure.

(c) Bona fide associations of citizens.

(d) Individual voters.

SEC. 2. Section 29907.5 is added to the Government Code, to read:

Law applicable

29907.5. The provisions of Article 3 of Chapter 2 of Division 4 of the Elections Code, relating to arguments concerning county measures, are applicable to this chapter.

CHAPTER 909

An act to amend Sections 3013, 3084, and 3150 of the Elections Code, relating to independent nominations.

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3043 of the Elections Code is amended to read:

Nomination papers

3043. Nomination papers required to be filed with the Secretary of State or with the county clerk shall be filed not more than 65 nor less than 40 days before the day of the election.

Such nomination papers shall not be filed after 5 p.m. on the fortieth day before the day of election; provided, that if such day is a Saturday, such nomination papers shall not be filed after 12 o'clock noon. In counties where the office of the county clerk is legally closed on Saturday, the final day for filing shall be the preceding day at 5 o'clock p.m.

SEC. 2. Section 3084 of said code is amended to read:

Obtaining signatures

3084. Verification deputies appointed to obtain signatures to the nomination paper of any candidate may, at any time not more than 70 nor less than 45 days prior to the election, obtain signatures to the nomination paper of the candidate.

SEC. 3. Section 3150 of said code is amended to read:

Candidate's affidavit

3150. Each candidate shall, at least 40 days prior to the election, file with the officer with whom his nomination papers are required to be filed, an affidavit which shall state:

(a) His residence, with street and number, if any.

(b) His election precinct.

(c) That he is a voter in the precinct in which he resides.

(d) The name of the office for which he is a candidate.

(e) That he will not withdraw as a candidate before the election.

(f) That, if elected, he will qualify for the office.

(g) That if there were any signatures to his nomination papers in excess of the numbers required, he has notified each signer that the latter's name has not been used

The name of no candidate shall be placed on the ballot unless the affidavit herein provided for has been properly filed.

CHAPTER 910

An act to add Section 3715 to the Labor Code, relating to workmen's compensation awards against uninsured employers.

In effect September 22, 1951

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 3715 is added to the Labor Code, to read:

Aid in collecting award

3715. If an employee is granted an award by the Industrial Accident Commission wherein the employer is found through evidence presented at an open hearing to be wilfully uninsured, and the employee is not represented by an attorney, the employee may request the director or compensation enforcement officer to assist in the collection of his award. No state or county agency, officer, or employee shall charge the director or compensation enforcement officer for any services rendered the employee in connection with such request, but a fee for services rendered, together with the sum

of one hundred dollars ($100) shall be added to the award made by the Industrial Accident Commission. When the award is collected, the fee for services rendered shall be paid to the proper agency, officer, or employee and the sum of one hundred dollars ($100) shall be paid into the General Fund in the State Treasury.

CHAPTER 911

An act to add Section 18053.5 to the Education Code and to repeal Section 18059 of that code, relating to the purchase of materials or supplies by school districts during periods of war, declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Section 18053.5 is added to the Education Code, to read:

18053.5. If no valid bids are received for materials or supplies after advertising therefor when such advertising is required by Sections 18051 and 18052 or no estimates are received for transactions falling under Section 18053, the governing board may award a contract for such materials or supplies to any bona fide dealer engaged in handling such goods. Contracts without bids

This section shall remain in effect until the ninety-first day after final adjournment of the 1953 Regular General Session of the Legislature.

SEC. 2. Section 18059 of the Education Code is repealed. Repeal

SEC. 3. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

The United States of America is in a state of emergency. The continued maintenance of all parts of the public school system being essential to the welfare of the United States and of the State of California it is necessary that provision be made immediately for the securing of the necessary materials and supplies to operate the public school system. Because of the unsettled condition of prices and because of the scarcity of materials it is becoming increasingly difficult to secure the materials and supplies needed to operate the public school system through ordinary notice and bidding procedure. It is therefore necessary to authorize school districts to acquire materials and supplies without the necessity of calling for and receiving bids in the ordinary manner.

CHAPTER 912

An act to amend Section 5901 of the Education Code, relating to school district revolving cash funds.

In effect September 22, 1951

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5901 of the Education Code is amended to read:

Revolving cash fund

5901. The governing board of any school district, high school, or junior college district may, with the consent of the county superintendent of schools, establish a revolving cash fund for the use of the chief accounting officer of the district, by adopting a resolution setting forth the necessity for the revolving cash fund, the officer for whom and the purposes for which the revolving cash fund shall be available, and the amount of the fund. The amount of the fund shall not be more than 1 percent of the district's estimated expenditures for the current fiscal year and shall not in any event exceed one thousand dollars ($1,000). Two certified copies of the resolution shall be transmitted to the county superintendent of schools. If he approves the establishment of the fund, the county superintendent shall endorse his consent on the resolution and return one copy to the governing body of the district.

CHAPTER 913

An act conveying certain tidelands and lands lying under inland navigable waters, situate in San Francisco Bay to the City of Sausalito, in furtherance of navigation and commerce and the fisheries, and providing for the government, management and control thereof, reserving rights to the State.

In effect September 22, 1951

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

The people of the State of California do enact as follows:

Conveyance of tide and submerged lands

SECTION 1. There is hereby granted and conveyed to the City of Sausalito, County of Marin, all of the tide and submerged lands of San Francisco Bay situated within and bordering the City of Sausalito, more particularly bounded and described as follows:

Beginning at a point at the intersection of the southerly line of Richardson Street in the City of Sausalito and the line of 9.0 feet of water at lowest tide as shown on Map No. 1 of Salt Marsh and Tide Lands situate in the County of Marin, State of California, surveyed in 1870 by G. F. Allardt and running

thence along the said line of 9.0 feet of water N. 06° 30′ E., 623.43 feet; thence North 660.00 feet; thence N. 12° 00′ W., 317.46 feet; thence North 184.80 feet; thence N. 26° 30′ E., 236.28 feet; thence North 151.80 feet; thence, leaving the said line of 9.0 feet of water, North 22.78 feet; East 600.00 feet; thence South 315.86 feet; thence S. 26° 30′ W., 235.75 feet; thence S. 12° 00′ E., 297.72 feet; thence South 757.13 feet; thence S. 06° 30′ W., 589.41 feet; thence West 600.00 feet to the point of beginning, together with those portions of Richardson Street and North Street in the City of Sausalito lying between the said line of 9.0 feet of water and the ordinary high water mark.

To be forever held by said city, and its successors, in trust for the uses and purposes and upon the express conditions following, to wit: Conditions

(a) That said lands shall be used by said city, and its successors, for the establishment, improvement and conduct of a harbor, including an airport or aviation facilities, and for the construction, maintenance and operation thereon of wharves, docks, piers, slips, quays and other utilities, structures, facilities and appliances necessary or convenient for the promotion and accommodation of commerce and navigation by air as well as by water, and for the construction, maintenance, and operation thereon of public buildings and public parks and playgrounds, and said city, or its successors, shall not, at any time, grant, convey, give or alien said lands, or any part thereof, to any individual, firm or corporation for any purposes whatever; provided, that said city, or its successors, may grant franchises thereon for limited periods (but in no event exceeding 50 years), for wharves and other public uses and purposes and may lease said lands, or any part thereof, for limited periods (but in no event exceeding 50 years), for purposes consistent with the trust upon which said lands are held by the State of California, and with the requirements of commerce and navigation at said harbor, and collect and retain rents from such leases.

(b) That said lands shall be improved by said city within 10 years of the effective date of this act without expense to the State, and shall always remain available for public use for all purposes of commerce and navigation, and the State of California shall have at all times, the right to use, without charge, all wharves, docks, piers, slips, quays, and other improvements and facilities constructed on said lands, or any part thereof, for any vessel or other water or aircraft, or railroad, owned or operated by the State of California.

(c) That in the management, conduct or operation of said harbor, or of any of the utilities, structures, appliances or facilities mentioned in paragraph (a), no discrimination in rates, tolls, or charges or in facilities for any use or service in connection therewith shall ever be made, authorized or permitted by said city or its successors.

(d) There is hereby reserved, however, in the people of the State of California the absolute right to fish in the waters of said harbor with the right of convenient access to said waters over said lands for said purposes.

(e) There is hereby excepted and reserved to the State of California all deposits of minerals, including oil and gas, in said land, and to the State of California, or persons authorized by the State of California, the right to prospect for, mine, and remove such deposits from said land.

(f) The lands herein described are granted subject to the express reservation and condition that the State may at any time in the future use said lands or any portion thereof for highway purposes without compensation to the city, its successors or assigns, or any person, firm or public or private corporation claiming under it, except that in the event improvements have been placed upon the property taken by the State for said purposes, compensation shall be made to the person entitled thereto for the value of his interest in the improvements taken or the damages to such interest.

Survey, etc., by State Lands Commission

SEC. 2. The State Lands Commission shall, at the cost of the grantee, survey, monument, plat, and record in the office of the recorder of Marin County, the area of state lands described in this act.

CHAPTER 914

An act to amend Sections 151, 203, 208, and 209 of, and to add Sections 209.1, 310.5, and 452.5 to the Unemployment Insurance Act, relating to unemployment compensation disability insurance.

Stats 1935, p 1226, amended

In effect September 22, 1951

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 151 of the Unemployment Insurance Act is amended to read:

Law applicable

Sec. 151. (a) Except as otherwise provided, the provisions and definitions of Articles 1 to 9, inclusive, of this act apply to this article. In case of any conflict between the provisions of Articles 1 to 9, inclusive, and the provisions of this article, the provisions of this article shall prevail with respect to unemployment compensation disability benefits and the provisions of Articles 1 to 9, inclusive, prevail with respect to unemployment compensation benefits.

(b) The provisions of Article 3 of the act do not apply to this article.

(c) Sections 52, 55, 57, and 57.5 of the act do not apply to this article.

(d) Subdivisions (f), (g), (h), (i), (j), and (m) of Section 6 of the act do not apply to this article.

(e) An individual who is disqualified from receiving unemployment compensation benefits under Section 58 of this act shall be presumed to be ineligible to receive unemployment compensation disability benefits under this article for the same period or periods unless the individual establishes to the satisfaction of the commission that he is suffering a bona fide illness or injury and the commission finds that there is good cause for paying such benefits. Disqualification under other provisions

(f) An individual who is disqualified from receiving unemployment compensation benefits under Section 56 of this act shall be presumed to be ineligible to receive unemployment compensation disability benefits under this article for the same period or periods unless the individual establishes pursuant to authorized regulations that his alleged disability was the result of an accident or the alleged disability required a period of hospitalization, and that his alleged disability was not caused by and did not arise out of the trade dispute and that the alleged disability would have occurred and would have prevented him from continuing his work if the trade dispute had not occurred. Such an individual shall, except as provided in Section 252, be subject to examination without cost to him by a medical examiner selected by the department, the insurer or self-insurer as the case may be to determine whether the conditions hereinabove set forth have been met.

SEC. 2. Section 203 of the Unemployment Insurance Act is amended to read:

Sec. 203. The total amount of unemployment compensation disability benefits and the weekly benefit amount payable to an eligible individual under this article during any one benefit year shall be computed in accordance with the provisions of Sections 53 and 54 of this act; provided, however, that for periods of disability commencing on and after January 1, 1952 an individual's weekly benefit amount, for the purpose of computing unemployment compensation disability benefits, shall be the amount appearing in column B in the table set forth in this section on the line of which, in column A of such table, there appears a wage bracket containing the amount of wages paid to such individual for employment by employers during the quarter of his base period in which such wages were the highest: Amount of benefits

A Amount of wages in highest quarter	B Weekly benefit amount
$75–$579.99	As provided in Section 54
580– 611.99	$25
612– 643.99	26
644– 675.99	27
676– 707.99	28
708– 739.99	29
740 and over	30

SEC. 3. Section 208 of the Unemployment Insurance Act is amended to read:

Remuneration from employer

Sec. 208. An individual otherwise eligible for benefits who is receiving remuneration from his employer shall nevertheless be paid unemployment compensation disability benefits up to his maximum benefit amount for any day in an amount which, together with one-seventh (1/7) of the remuneration he receives from his employer for the calendar week containing such day, does not exceed 70 percent of one-seventh (1/7) of such weekly remuneration immediately prior to the commencement of his disability.

SEC. 4. Section 209 of the Unemployment Insurance Act is amended to read:

Hospital benefits

Sec. 209. Commencing January 1, 1950, any disabled individual eligible for benefits under Article 10 of this act shall, during his confinement in a hospital, be entitled to receive in addition to all benefits otherwise provided in this act, the amount of eight dollars ($8) for each day not in excess of twelve (12) days in any one benefit year, during which he is so confined pursuant to orders of his physician; and any such individual shall not be subject to any waiting period requirement as a condition precedent to the receipt of any benefits under Article 10 of this act during the disability which caused such confinement. Provided further, that notwithstanding anything to the contrary in Section 208 of this article, any disabled individual shall be entitled to receive the amount of eight dollars ($8) a day as provided above for any day he is confined in a hospital within a week during which he continues to receive his regular remuneration from his employer.

SEC. 5. Section 209.1 is added to the Unemployment Insurance Act, to read as follows:

Same Limitations

Sec. 209.1. When an individual is furnished or is compensated for hospitalization pursuant to the Workmen's Compensation Law or an employer's liability law of this State or of any other state or of the Federal Government he shall be ineligible to receive the eight dollars ($8) per day as provided in Section 209 for any day for which he is receiving or is eligible to receive in the form of cash payments benefits under the Workmen's Compensation Law or an employer's liability law of this State or of the Federal Government or for which he is serving any waiting period required by any such law.

SEC. 6. Section 310.5 is added to the Unemployment Insurance Act, to read as follows:

Substituting insurer

Sec. 310.5. Notwithstanding any other provisions of this act, whenever an approved voluntary plan is insured by an admitted disability insurer, the insurer shall be substituted for the employer with respect to any assessments under this act which relate to the portion of the voluntary plan insured by such insurer.

SEC. 7. Section 452.5 is added to the Unemployment Insurance Act, to read as follows:

Sec. 452.5. Whenever eighty-five percent (85%) of the employees to whom a plan is available have consented to the plan, the employer, or seventy-five percent (75%) of the employees who have consented to the plan, or both, may elect to make the plan applicable to all employees to whom it is available, except those who reject the plan. Such a plan may provide for deductions from the wages of employees covered by the plan but not in an amount in excess of that which would be required by Sections 44, 44.2 and 400 if the employees were not covered by the plan. Adoption of plan

In such case, there shall be filed with the commission a notice stating that the requisite percentage of employees has consented to the plan and fixing the date upon which the plan will become applicable to all employees to whom it is available. At least 10 days before the date fixed in the notice so filed, a notice shall be posted and circulated in such manner as is reasonably calculated to bring it to the attention of all employees to whom the plan is available but who have not consented thereto. The notice to such employees shall set forth the date the plan is to become applicable and the manner in which an employee may reject it. Notice

From the time fixed in the notice filed with the commission all employees to whom the plan is available shall be deemed to have elected to be covered by the plan, except those who advise the employer in writing of such rejection within the time so fixed.

Every person employed after the time so fixed, and to whom the plan is available, shall be deemed to have elected to be covered by the plan from the time of employment unless he rejects the plan prior to or at the time of employment. Each such employee at the time of employment shall be given a written notice specifying his right to consent to or to reject such plan and a written statement setting forth the essential features of the plan.

The form of the statement and the forms of the notices hereinabove required under this section shall be approved by the commission. Form of notice

Any employee covered by a plan may withdraw from the plan as of the beginning of any calendar quarter upon giving reasonable notice in writing directed to the employer. Withdrawal

Sec. 8. The amendments to Sections 151, 208 and 209 and the additions of Sections 209.1 and 452.5 of the Unemployment Insurance Act as provided in this act shall become operative as of January 1, 1952. Operative date

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CHAPTER 915

An act declaring portions of revenue derived from lands conveyed to the City of Long Beach by an act entitled "An act granting to the City of Long Beach the tidelands and submerged lands of the State of California within the boundaries of the said city," approved May 1, 1911, and

Stats 1911, p 1304

Stats 1925, p. 235

Stats 1935, p 793

by an act entitled "An act granting certain tidelands and submerged lands of the State of California to the City of Long Beach upon certain trusts and conditions," approved April 28, 1925, as amended by an act entitled "An act to amend Section 1 of an act entitled 'An act granting certain tidelands and submerged lands of the State of California to the City of Long Beach upon certain trusts and conditions,' approved April 28, 1925, relating to the use of such tidelands and submerged lands," approved May 7, 1935, to be free from the public trust for navigation, commerce and fisheries, and from such uses, trusts, conditions and restrictions as are imposed by said acts.

In effect September 22, 1951

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

The people of the State of California do enact as follows:

Finding and determination

SECTION 1. It is hereby found and determined: That the City of Long Beach since 1939 has produced and is now producing large quantities of oil, gas and other hydrocarbon substances from lands conveyed to said city by an act entitled "An act granting to the City of Long Beach the tidelands and submerged lands of the State of California within the boundaries of the said city," approved May 1, 1911, and by an act entitled "An act granting certain tidelands and submerged lands of the State of California to the City of Long Beach upon certain trusts and conditions," approved April 28, 1925, as amended by an act entitled "An act to amend Section 1 of an act entitled 'An act granting certain tidelands and submerged lands of the State of California to the City of Long Beach upon certain trusts and conditions,' approved April 28, 1925, relating to the use of such tidelands and submerged lands," approved May 7, 1935. That from the revenue derived therefrom, said city has constructed upon said lands, wharves, docks, piers, slips, quays, and other utilities, structures and appliances necessary or convenient for the promotion and accommodation of commerce and navigation, at a cost of approximately thirty-five million dollars ($35,000,000). That said city has available and unexpended approximately seventy-five million dollars ($75,000,000), also derived from said source, for the uses and purposes required by said acts, and is now receiving and will continue to receive for many years approximately twenty-four million dollars ($24,000,000) per annum from said source. That, in addition thereto, said city obtains large quantities of "dry gas" derived from natural gas produced from said lands, which is sold by said city to domestic and other consumers. That by reason of the already large expenditure on such lands for the uses and purposes required by said acts, the large additional sums available and to become available throughout the years for such purposes, the expenditure of more than a total of fifty per centum (50%) of such revenue, received and unexpended and hereafter to become available for such uses and purposes, would be economically

impracticable, unwise and unnecessary. That fifty per centum (50%) of all revenue heretofore derived and unexpended, and to be derived, by the City of Long Beach from oil, gas and other hydrocarbon substances, other than "dry gas," produced from lands conveyed by said acts, is no longer required for navigation, commerce and fisheries, nor for such uses, trusts, conditions and restrictions as are imposed by said acts That none of the revenue heretofore derived, and to be derived, by said city from "dry gas" obtained from said lands is any longer required for navigation, commerce and fisheries, nor for such uses, trusts, conditions and restrictions as are imposed by said acts.

For the purposes of this act, "dry gas" is defined to mean the gas directly produced from wells, which contains one-half of a gallon or less of recoverable gasoline per 1,000 cubic feet, or from which gasoline has been removed by processing. "Dry gas"

SEC. 2. That fifty per centum (50%) of all revenue heretofore derived and unexpended, and to be derived, by the City of Long Beach from oil, gas and other hydrocarbon substances, other than "dry gas," produced from lands conveyed by said above-entitled acts is hereby declared to be free from the public trust for navigation, commerce and fisheries, and from such uses, trusts, conditions and restrictions as are imposed by any of said above-entitled acts. That all of the revenue heretofore derived, and to be derived, by said city from "dry gas," obtained from said lands is hereby declared to be free from the public trust for navigation, commerce and fisheries, and from such uses, trusts, conditions and restrictions as are imposed by any of said above-entitled acts. Declaration of freedom from public trust, etc

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CHAPTER 916

An act to amend Sections 1648.5, 1672, and 1711.2 of the Insurance Code, relating to the issuance of licenses to act as insurance brokers or agents or life agents to nonresidents.

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1648.5 of the Insurance Code is amended to read:

1648.5. Except as provided in Section 1672, the commissioner shall not grant a license to act as an insurance agent or broker: Restrictions

(a) To any individual who is neither a citizen or national of the United States nor an applicant for such citizenship who has lawfully and properly filed a proper declaration or application therefor in a court constituted by a law of the United States, unless such person is licensed under this chapter when this section takes effect.

(b) To any minor.

(c) To any copartnership, association or corporation if any person named in the application to exercise agency or brokership powers cannot be licensed under subdivision (a) or (b) of this section.

SEC. 2. Section 1672 of the Insurance Code is amended to read:

Nonresident licenses

1672. Upon the application of a nonresident that is duly licensed to transact insurance other than life under the laws of the state or province of Canada wherein such applicant resides, if such state or province does not prohibit residents of this State from acting as an insurance broker or agent therein, the commissioner may issue to such applicant a license to act as an insurance broker or agent in this State upon the payment of the fee prescribed in this article. The issue of such license shall be subject, however, to the same qualifications, requirements and restrictions as apply to residents of this State, except that the applicant shall not be required to maintain an office in this State for the transaction of an insurance business nor shall an applicant who is both a resident and a citizen of Canada be subject to subsection (a) of Section 1648.5.

If after receipt of a license a nonresident becomes a resident of this State he shall surrender all licenses received as a nonresident. He may reacquire such licenses as a resident only upon satisfying all the requirements therefor including, if he has not already done so, the passing of this State's qualifying examinations.

SEC. 3. Section 1711.2 of the Insurance Code is amended to read:

Reciprocal arrangements

1711.2. The commissioner may, in his discretion, enter into a reciprocal arrangement with the officer having supervision of insurance business in any other state whose qualification standards for life agents are substantially the same as or in excess of those of this State, to accept in lieu of examination of an applicant residing therein, a certificate of such officer to the effect that the applicant is licensed as a life agent in such state and has complied with its said qualification standards in respect to the following:

(a) Experience or training.

(b) Reasonable familiarity with the broad principles of insurance licensing and regulatory laws and with the provisions, terms and conditions of the insurance which the applicant proposes to transact.

(c) A fair and general understanding of the obligations and duties of a life agent.

If after receipt of a license a nonresident becomes a resident of this State he shall surrender all licenses received as a nonresident. He may reacquire such licenses as a resident only upon satisfying all the requirements therefor including, if he has not already done so, the passing of this State's qualifying examinations.

CHAPTER 917

An act to amend Sections 202, 12003 and 12264 of the Revenue and Taxation Code, relating to the State Compensation Insurance Fund.

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 202 of the Revenue and Taxation Code is amended to read:

202. The exemption of the following property is as specified in Section 1 of Article XIII of the Constitution: Exemption

(a) Growing crops.

(b) Property used for free public libraries and free museums.

(c) Property used exclusively for public schools.

(d) Property belonging to this State, a county, or a city. Property belonging to the State Compensation Insurance Fund is not property belonging to this State.

(e) Property that is exempt under the laws of the United States.

SEC. 1.5. Section 12003 of the Revenue and Taxation Code is amended to read:

12003. "Insurer" as used in this part includes insurance companies or associations, reciprocal or interinsurance exchanges, and the State Compensation Insurance Fund. As used in this section, "companies" includes persons, partnerships, joint stock associations, companies and corporations. "Insurer" "Companies"

SEC. 2. Section 12264 of the Revenue and Taxation Code is amended to read:

12264. The State Compensation Insurance Fund shall annually pay a tax computed on the same bases, at the same rates, and subject to the same deductions specified in this article, as those applicable to private insurers. Tax

SEC. 3. The Legislature hereby declares that the validity of the whole of this act is essential to the application of any of its parts. Consequently, if any provision of this act, or the application thereof, is held invalid, the remainder of this act shall also be deemed invalid. Nonseverability clause

CHAPTER 918

An act to amend Section 7403 of the Education Code, to repeal Section 7409 of said code, and to add Section 7461.5 to said code, relating to the authorization and issuance of bonds of school districts.

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7403 of the Education Code is amended to read:

Notice Contents

7403. The notice shall contain:

(a) The election precincts, if any, established for the election and the time and place, or places, of holding the election.

(b) The names of the officers of the election appointed to conduct the election.

(c) The hours during the day which the polls will be open.

(d) The purposes for which the bonds are to be issued.

(e) The amount of the bonds.

(f) The maximum rate of interest, not to exceed 5 percent.

(g) The maximum number of years, not exceeding 25, not to exceed which the bonds are to run.

If the election is consolidated with any other election, the notice need not set forth the precincts, place or places of holding the election, or the names of the officers appointed to conduct the election, but may instead state that the precincts, place or places of holding the election and officers appointed to conduct the election shall be the same as those provided for such other election within the territory affected by the consolidation and set forth in the ordinance, order, resolution or notice calling, providing for or giving notice of such other election, and reference shall be made to such ordinance, order, resolution or notice by number and title or date of adoption, or by date or proposed date of publication and the name of the newspaper in which publication has been or will be made, or by any other definite description.

Consolidation of election

Any election called pursuant to this chapter may be consolidated with any other election pursuant to the provisions of Chapter 4 of Part 2 of Division 11 of the Elections Code. In such event the provisions of law governing such other election with respect to the manner of marking ballots shall also apply to the election called pursuant to this chapter.

Repeal

SEC. 2. Section 7409 of said code is repealed.

SEC. 3. Section 7461.5 is added to said code, to read:

Bond series

7461.5. The board of supervisors may divide the principal amount of any issue into two or more series and fix different dates for the bonds of each series.

CHAPTER 919

An act to amend Sections 2802, 3462, 3591, and 3661 of the Education Code, relating to the formation of school districts.

In effect September 22, 1951

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2802 of the Education Code is amended to read:

2802 A majority of the registered electors who reside in Petition
two or more contiguous elementary school districts, or union elementary school districts, lying in the same county, and who have children attending school as shown by the teachers' registers in the schools of the districts for the current or next preceding term may unite in a petition to the county superintendent of schools for the formation of a union elementary school district, to comprise the districts petitioning. The person securing the signatures to any such petition shall attach an affidavit thereto that all persons who signed the petition did so in the presence of the affiant and that each signature is the genuine signature of the person whose name it purports to be. The superintendent of schools shall within 20 days after receiving the petition, call an election for the determination of the question and shall appoint three qualified electors in each of the districts petitioning, or, if the districts are union elementary school districts, in each of the districts comprising the union elementary school districts, to conduct the election No petition shall be accepted by the superintendent of schools after December 15th in any fiscal year.

SEC. 2. Section 3462 of said code is amended to read:

3462. A majority of the registered electors residing in Formation of union high school district
each of two or more contiguous school districts in the same county, having an average daily attendance in the aggregate in the elementary schools of 100 pupils or more, may unite in a petition to the superintendent of schools of the county, for the formation of a union high school district under a name specified in the petition. The person securing the signatures to any such petition shall attach an affidavit thereto that all persons who signed the petition did so in the presence of the affiant and that each signature is the genuine signature of the person whose name it purports to be. If the aggregate average daily attendance is less than 100 pupils, a union high school district may be formed pursuant to this article with the written approval of the State Board of Education. The superintendent of schools shall, within 20 days after receiving the petition, verify the signatures thereto, and if he finds them sufficient, call an election for the determination of the question. He shall appoint three qualified electors in each of the districts petitioning, to conduct the election.

No petition shall be accepted by the superintendent of schools after December 15th in any fiscal year.

SEC 3. Section 3591 of said code is amended to read:

3591. A majority of the registered electors residing in an Petition
elementary school district or union elementary school district having 600 or more units of average daily attendance in the elementary or union elementary schools of the district as shown by the last reports of the teachers in the district and a total assessed valuation of at least eight million five hundred thousand dollars ($8,500,000) which is a part of any high school district,

as shown by the affidavits of one or more of the petitioners, may present to the superintendent of schools having jurisdiction over the elementary or union elementary school district, a petition asking for the organization of a high school district to be composed of the district represented in the petition, specifying in the petition the name of the proposed high school district. The person securing the signatures to any such petition shall attach an affidavit thereto that all persons who signed the petition did so in the presence of the affiant and that each signature is the genuine signature of the person whose name it purports to be. The county superintendent of schools shall within 20 days after receiving the petition verify the signatures to the petition. If he finds them sufficient he shall submit the petition to the State Board of Education for approval.

No petition shall be accepted by the superintendent of schools after December 15th in any fiscal year.

SEC. 4. Section 3661 of said code is amended to read:

Petition

3661. A majority of the registered electors residing in each of two or more elementary school districts having in the aggregate 500 or more units of average daily attendance in the elementary schools, as shown by the last reports of the teachers in the districts, and having a total assessed valuation of at least five million dollars ($5,000,000), and lying two and one-half miles or more from any public high school building by the nearest traveled road, which elementary school districts or a majority thereof are (a) a part of one or more union or joint union high school districts of the county, as shown by the affidavits of one or more of the petitioners, or (b) a part of a city high school district, and no part of which is included in any city, except a city of the sixth class, as shown by the affidavits of one or more of the petitioners, may present to the superintendent of schools who has jurisdiction over the elementary school districts, or a majority of them, a petition asking for the organization of a union high school district, or joint union high school district, as the case may be, to include all of the elementary school districts represented in the petition. The petition shall specify the name of the proposed union or joint union high school district. The person securing the signatures to any such petition shall attach an affidavit thereto that all persons who signed the petition did so in the presence of the affiant and that each signature is the genuine signature of the person whose name it purports to be. The county superintendent of schools shall, within 20 days after receiving the petition, verify the signatures and, if he finds them sufficient, submit the petition to the State Board of Education for approval.

No petition shall be accepted by the superintendent of schools after December 15th in any fiscal year.

CHAPTER 920

An act to add Section 210 to the Unemployment Insurance Act, relating to benefits during hospitalization.

Stats 1935, p 1226, amended

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 210 is added to the Unemployment Insurance Act, to read:

Sec. 210. As used in Section 209 "day" means any 24-hour period, or part thereof, of time for which a hospital charges a patient a full day's rate. "Day"

CHAPTER 921

An act to amend Sections 20945 and 20795 of the Education Code, relating to California School for the Blind and the California School for the Deaf.

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 20945 of the Education Code is amended to read:

20945. All money expended under the authority of any such certificate for clothing and transportation, necessary dental work, eye care, operations and hospitalization, and all money expended by the Department of Education for expenses incurred by it in providing dental work, eye care, operations, or hospitalization for the child in an emergency for which the State Department of Education cannot be reimbursed by the parent or guardian of the child as shown by the certificate, constitute a legal charge against the county from which the certificate is issued. Expenditures for clothing and transportation shall not exceed the sum of one hundred twenty-five dollars ($125) a year. County charge

SEC. 2. Section 20795 of said code is amended to read:

20795. All money expended under the authority of any such certificate for clothing and transportation, necessary dental work, eye care, operations, and hospitalization, and all money expended by the State Department of Education for expenses incurred by it in providing dental work, eye care, operations, or hospitalization for the child in an emergency for which the State Department of Education cannot be reimbursed by the parent or guardian of the child as shown by the certificate, constitutes a legal charge against the county from which the certificate is issued. Expenditures for clothing and transportation shall not exceed the sum of one hundred twenty-five dollars ($125) a year. Same

CHAPTER 922

An act to amend Sections 14722 and 14720.1 of the Education Code and to add Section 14720.2 to said code, all relating to district retirement systems.

In effect September 22, 1951

[Approved by Governor June 6, 1951. Filed with Secretary of State June 6, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 14722 of the Education Code is amended to read:

Retirement salary

14722. The plan may provide that the retirement salary shall be a stipulated monthly sum, or that all benefits under the retirement feature of the plan shall be based upon the monthly salary for each year of future active service in the district earned by the employee up to the date of retirement and upon the average monthly salary earned by the teacher or other eligible employee during the year immediately preceding the adoption of the plan and the number of years of past active service of the employee in the district, and subject to such provisions as are made in the plan for minimum benefits. No employee with less than 15 years' service in the district prior to normal retirement age shall receive the benefit of the minimum.

SEC. 2. Section 14720.1 of said code is amended to read:

Cafeteria employees

14720.1. Every cafeteria employee of a school district which has adopted, or adopts, a plan for district retirement who is a member or becomes a member of said plan, shall be entitled to the benefits and be bound by the burdens of this article and shall receive full credit for his service as a school cafeteria employee rendered before he became a member of the plan to the pupils of any of the districts under the same governing board which governs the district of which he is now an employee, whether such service was paid for by the school districts or otherwise. For purposes of computing benefits for service credited as provided in this section, the average monthly salary earned by a cafeteria employee during the year 1944-45 shall be used.

SEC. 3. Section 14720.2 is added to the Education Code, to read:

Student body employees

14720.2. Every employee of a student body of a school in a school district which has adopted a plan for district retirement, who is or becomes a member of said plan by virtue of employment by the school district, and who is employed full time jointly by the student body and the school district, shall be entitled to the benefits and be bound by the burdens of this article and shall contribute to said district retirement plan on the basis of the total combined salary received jointly from the student body and the school district and shall receive retirement benefits from the district retirement plan on the basis of the total of such combined salary and shall receive full credit for his service as a school student body employee and a school district employee, rendered before he became a member of the plan to

the pupils of any of the districts under the same governing board which governs the district of which he is now an employee, whether such service was paid for by the school district or otherwise. For purposes of computing benefits for service rendered prior to becoming a member of said district retirement plan, the average combined monthly salary earned as a student body employee and a school district employee during the year 1946-47 shall be used.

CHAPTER 923

An act to amend Section 6518 of the Health and Safety Code, relating to the laying of sewers and drains in public streets and roads by sanitary districts.

[Approved by Governor June 7, 1951. Filed with Secretary of State June 7, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6518 of the Health and Safety Code is amended to read:

6518. It may lay its sewers and drains in any public street or road in the county, and for this purpose enter upon it and make all necessary and proper excavations, restoring it to proper condition. The work of restoring and repairing any such public street or road in the county shall be done under the supervision and control of the county engineer or road commissioner at the cost of the district, and in accordance with the standards established by ordinance of the board of supervisors for restoring and repairing county roads. If the street or road is in a city the consent of the proper city authorities shall first be obtained.

Use of public streets, etc

CHAPTER 924

An act to add Section 714.5 to the Vehicle Code, relating to weight capacity on county bridges.

[Approved by Governor June 7, 1951. Filed with Secretary of State June 7, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 714.5 is added to the Vehicle Code, to read:

714.5. Maximum Weights on County Bridges. Whenever, in the opinion of a county road commissioner, a county bridge is in a dangerous or weak condition, he may temporarily erect suitable signs at all entrances to such bridge specifying the maximum weight which he believes the bridge with safety to itself will sustain. The maximum weight limit so fixed and posted shall remain in effect until 15 days following the next succeeding monthly meeting of the board of supervisors.

Temporary restrictions

CHAPTER 925

An act to add Sections 104.1, 104.2, and 104.3 to, to amend Sections 2182, 3088.5, and 3474.5, and to repeal Sections 1551, 2182.1, 3086, 3086.1, and 3473.1 of, the Welfare and Institutions Code, relating to public assistance, in respect to appeals by applicants for or recipients of aid.

In effect September 22, 1951

[Approved by Governor June 7, 1951. Filed with Secretary of State June 7, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 104.1 is added to the Welfare and Institutions Code, to read:

Applicant's right of appeal

104.1. If any applicant for or recipient of aid under Chapter 1 of Part 2 of Division 2, or Division 3, or Division 5, of this code, is dissatisfied with any action of the county board of supervisors relating to his application for or receipt of aid, or if his application is not acted upon with reasonable promptness, or if any person who desires to apply for such aid is refused the opportunity to submit a signed application therefor and is dissatisfied with such refusal, he shall, without the necessity of filing a claim with the board of supervisors, upon filing a petition with the State Department of Social Welfare, have the right of appeal and shall be accorded an opportunity for a fair hearing. The department shall set such appeal for hearing before the State Social Welfare Board and shall give all parties concerned written notice of the time and place of such hearing. At the hearing the applicant or recipient may appear in person with counsel of his own choosing, or in person and without such counsel.

The State Social Welfare Board shall consider the appeal, and shall dismiss the appeal or award aid as prescribed in this code. The board of supervisors shall then pay to such person, without the necessity of his establishing a present need, the sum awarded, if any, by the State Social Welfare Board, the payments, if awarded, to commence from the date the person was first entitled thereto.

In the case of an appeal from the refusal of a county to accept a signed application for aid, the State Social Welfare Board may require the county to accept the application, and to make the necessary investigation, and the state board may continue the appeal until the results of the investigation have been reported to it. In any such case in which aid is awarded by the State Social Welfare Board, the payments, if awarded, shall commence at the time the State Social Welfare Board directs.

SEC. 2. Section 104.2 is added to said code, to read:

Court review

104.2. If an applicant or recipient of aid under Chapter 1 of Part 2 of Division 2, or Division 3, or Division 5 of this code feels himself aggrieved by any decision of the State Social Welfare Board, he may within one year of the date of the decision file with the superior court of the county in which he

resides, a petition, praying for a review of the entire proceedings in the matter, upon questions of law involved in the case. Such review, if granted, is a distinct and cumulative remedy. The State Social Welfare Board shall be the sole respondent in such proceedings.

SEC. 3. Section 104.3 is added to said code, to read:

Filing fee, pleadings and bond

104.3. No filing fee shall be required for the filing of a petition in the superior court for a review of proceedings pursuant to Section 104.2 of this code.

Within 10 days after being served with notice of the filing of the petition, the State Department of Social Welfare shall cause to be filed with the clerk of the court the record of the proceedings in the case, and no further pleadings shall be required to bring the matter to issue.

No bond shall be required in the case of any petition for review, nor in any appeal therefrom.

If the decision of the court is in favor of the applicant for or recipient of aid, aid shall be paid from the first day of the month following date of application therefor, or from the first day of the month following the date upon which the person first sought to make application therefor in writing and was refused, whichever may be the case, and the applicant or recipient shall be entitled to reasonable attorney's fees and costs.

SEC. 4. Section 2182 of said code is amended to read:

Payments

2182. Payments of aid shall be made promptly and shall be commenced as of the first day of the month in which the application is granted, unless an earlier date is required by Section 2183 or unless otherwise directed by the State Social Welfare Board in cases in which an appeal is taken; aid shall not commence prior to the date of application, unless otherwise directed by the State Social Welfare Board in cases in which an appeal has been taken on the ground that the county has refused to accept a signed application for aid.

An applicant whose application for aid under this chapter has been rejected may not again apply for such aid until the expiration of one year from the date of the previous application, except with the consent of the county or an order of the State Department of Social Welfare, or until the condition because of which his application was rejected has been eliminated.

SEC. 5. Section 3088.5 of said code is amended to read:

Same

3088.5. Payments of aid shall be made promptly and shall be commenced as of the first day of the month in which the application is granted, unless an earlier date is required by Section 3082 or unless otherwise directed by the State Social Welfare Board in cases in which an appeal is taken; aid shall not commence prior to the date of application, unless otherwise directed by the State Social Welfare Board in cases in which an appeal has been taken on the ground that the county has refused to accept a signed application for aid.

An applicant whose application for aid under this chapter has been rejected may not again apply for such aid until the expiration of one year from the date of the previous applica-

tion, except with the consent of the county or an order of the State Department of Social Welfare, or until the condition because of which his application was rejected has been eliminated.

SEC. 6. Section 3474.5 of said code is amended to read:

Same

3474.5 Payments of aid shall be made promptly and shall be commenced as of the first day of the month in which the application is granted, unless an earlier date is required by Section 3082 or unless otherwise directed by the State Social Welfare Board in cases in which an appeal is taken; aid shall not commence prior to the date of application, unless otherwise directed by the State Social Welfare Board in cases in which an appeal has been taken on the ground that the county has refused to accept a signed application for aid.

An applicant whose application for aid under this chapter has been rejected may not again apply for such aid until the expiration of one year from the date of the previous application, except with the consent of the county or an order of the State Department of Social Welfare, or until the condition because of which his application was rejected has been eliminated.

Repeals

SEC. 7. Sections 1551, 2182.1, 3086, 3086.1, and 3473.1 of said code are repealed.

CHAPTER 926

An act to add Section 18105 to, and to amend Sections 18050, 18051, 18052, and 18100 of, the Government Code, relating to vacation and sick leave for state employees.

In effect September 22, 1951

[Approved by Governor June 7, 1951. Filed with Secretary of State June 8, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 18050 of the Government Code is amended to read:

Computation of vacation time

18050. Following completion of six months of continuous service, each state officer and employee who is employed full time shall be allowed seven and one-half working days of credit for vacation with pay. Thereafter, for each calendar month of service, he shall be allowed one and one-quarter days of credit for vacation with pay. For the purpose of computing credit for vacation, each officer or employee shall be considered to work not more than five days each week. The time when vacations shall be taken shall be determined by the appointing power of the officer or employee.

SEC. 2. Section 18051 of said code is amended to read:

Same Civil service employees

18051. The State Personnel Board shall provide by rule for the regulation and accumulation of vacations for civil service employees and may provide for vacations for such employees who are employed less than full time. It shall be within the discretion of the State Personnel Board to count breaks in service of 10 working days or less as continuous service for purposes of

allowing credit for vacation. The State Personnel Board shall prescribe the methods by which employees leaving the employment of one state agency and entering the employment of another state agency may be compensated for, transfer, or otherwise receive proper credit for their accumulated vacation privileges.

SEC. 3. Section 18052 of said code is amended to read:

Same: Other employees

18052. The appointing power of any officer or employee not a member of the civil service may promulgate regulations governing vacations for such officers or employees. In the absence of such regulations, the rules of the State Personnel Board relating to the regulation and methods of accumulation of vacation for civil service employees shall govern.

SEC. 4. Section 18100 of said code is amended to read:

Computation of sick leave Civil service employees

18100. Following completion of six months of continuous service, each state officer and employee who is employed full time shall be allowed six days of credit for sick leave with pay. Thereafter, one day of credit for sick leave with pay shall be allowed for each additional calendar month of service, on the submission of satisfactory proof of the necessity for sick leave as provided by rule of the State Personnel Board. For purposes of computing sick leave, each employee shall be considered to work not more than five days each week. The State Personnel Board shall provide by rule for the regulation and method of accumulation of sick leave for civil service employees, and may provide sick leave for those who work less than full time. It shall be within the discretion of the State Personnel Board to count breaks in service of 10 working days or less as continuous service for purposes of allowing credit for sick leave.

SEC. 5. Section 18105 is added to the Government Code, to read:

Same Other employees

18105. The appointing power of any officer or employee not a member of the civil service shall administer the sick leave authorized by this part for such officers or employees in accordance with the rules of the State Personnel Board.

CHAPTER 927

An act to amend Section 41.5 of the Unemployment Insurance Act, relating to transfer of employers' reserve accounts.

Stats 1935, p 1226, amended

[Approved by Governor June 7, 1951. Filed with Secretary of State June 8, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 41.5 of the Unemployment Insurance Act is amended to read:

Acquisition of business Transfer of account

Sec. 41.5. (a) Whenever any employing unit acquires the organization, trade, or business, or substantially all of the assets thereof, or a distinct and severable portion of such organization, trade, or business of any employer, excepting in such case, any assets retained by such employer incident to the

liquidation of his obligations (whether or not such acquiring employing unit was an "employing unit" within the meaning of Section 8.5 of this act prior to such acquisition), and continues such organization, trade, or business, or such distinct and severable portion thereof without substantial reduction of personnel resulting from such acquisition, an application may be made within 90 days of such acquisition for transfer of reserve account by setting forth the name and address of the predecessor, the date of acquisition, the name of the successor, the number of employees prior to and subsequent to the date of acquisition, and, in case of severable portions, such pay roll data as may be required by the department to determine the proper amount to be transferred, whereupon the separate account, actual contribution and benefit experience and pay rolls of the predecessor or that part thereof, as determined by authorized regulations, which pertains to the organization, trade, or business, or portion thereof acquired, shall be transferred to the successor employer for the purpose of determining its rate of contribution after such acquisition with the same effect for such purpose as if the operations of the predecessor had at all times been carried on by the successor. Such separate account shall be transferred by the commission to such successor employer and, as of the date of such acquisition, shall become the separate account or part of the separate account, as the case may be, of such successor employer, and the benefits thereafter chargeable to such predecessor employer on account of employment relating to such transferred organization, trade, or business or transferred portion thereof prior to the date of such acquisition shall be charged to such separate account. This section shall not apply to any acquisition which is determined by the commission to have been made solely or primarily for the purpose of obtaining a more favorable rate of contributions under Section 39.

Limitation

Application of section

The provisions of this section shall also apply to applications for transfer of reserve accounts made after the 90-day period beginning with the date of acquisition but prior to the cancellation of the reserve account as provided in Section 40 if such reserve account has not been reacquired by the predecessor on re-entering business or, in the case of distinct and severable portions, if the predecessor did not continue in business and, provided further, that any amendment of the contribution rate shall be made as of the first day of the calendar quarter next succeeding the date of such application.

The provisions of this section relating to a specific application for transfer of reserve account shall not apply as to any successor who through error or inadvertence continued to file contribution reports and pay contributions for the account and at the rate determined by the department to apply to the predecessor employer, but such reporting and payment shall be deemed to be in lieu of such application and shall be given the same effect as though a specific application had been filed during the 90-day period beginning with the date of acquisition.

In event of a denial of application for transfer of reserve account, any interested party shall have the right to petition for hearing before the appeals board and the decision of the appeals board, after affording the parties reasonable opportunity for fair hearing, shall be final unless within 60 days after the mailing of the notice of determination of the appeals board any interested party may bring an action against the commission with respect to such determination to require the transfer of the reserve account as required by law. The commission, in writing, at any time prior to the expiration of said 60-day period may extend the time during which such action may be instituted for a period not exceeding two years of the date of mailing of the determination of the appeals board. Hearing before appeals board

(b) The commission may prescribe regulations for the establishment, maintenance, and dissolution of joint accounts by two or more employers, and shall in accordance with such regulations, upon application by two or more employers to establish such account or to merge their several individual accounts in a joint account, maintain such joint account, as if it constituted a single employer's account. Joint accounts

(c) As used herein the term "joint venture" means a separate employing unit which has been organized by two or more employers to accomplish a contract or project or series of contracts or projects and is wholly owned by such employers. As used in this subsection only, "employer" means any individual or type of organization, including any partnership, joint venture, association, trust, estate, joint stock company, insurance company, corporation whether domestic or foreign, and the receiver, trustee in bankruptcy, trustee or successor thereof, and the legal representative of a deceased person. Upon dissolution of a joint venture each participating employer may make application within 90 days for the transfer of his proportionate share of the reserve account whereupon the separate account, actual contribution and benefit experience and pay rolls of such joint venture shall be apportioned among the employers or their successor employers or any subsequent successor employers making such application in the same proportion that assets are distributed among the participating employers, and the portion thereof of each shall be transferred to each such employer or his successor employer or employers or any subsequent successor employers for the purpose of determining its rate of contribution after such dissolution, with the same effect for such purpose as if the applicable portion of the operations of such joint venture had at all times been carried on by such employer or his successor employer or employers or any subsequent successor employer or employers. Such portion of such separate account shall be transferred by the commission to each such employer or his successor employer or employers or any subsequent successor employer or employers and as of the date of such dissolution shall become the separate account or part of the separate account, as the case may be, of such employer or his successor employer or employers or any subsequent suc- "Joint venture" "Employer" Dissolution of joint venture

cessor employer or employers and the benefits thereafter chargeable to such joint venture on account of employment relating to such joint venture prior to the date of such dissolution shall be charged to the separate accounts of such employers or their successor employers or any subsequent successor employers in proportion to their participation in the joint venture. Any such joint venture shall promptly notify the commission of its dissolution.

Application of section

The provisions of this subsection shall apply to dissolutions occurring prior as well as subsequent to the effective date of this subsection as amended in the 1951 Regular Session of the Legislature; provided, that notice of any such prior dissolution shall have been given to the commission within 120 days after the effective date of this subsection as amended in the 1951 Regular Session of the Legislature; and provided further, any transfer in respect to any such prior dissolution shall not affect any rate of contribution for any period prior to January 1, 1952.

Changed contribution rate

(d) A change in contribution rate caused by a transfer of all or a portion of the separate account, actual contribution and benefit experience and pay rolls shall not become effective earlier than the beginning of the calendar quarter next succeeding the effective date of such transfer.

CHAPTER 928

An act to amend Sections 8723, 18461, and 18478 of, and to add Sections 18153, 18402.1, 18431, 18481 to, and to repeal Sections 18479 and 18480 of, the Education Code, all relating to sites for public schools declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor June 7, 1951. Filed with Secretary of State June 8, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 8723 of the Education Code is amended to read:

County high schools

8723. If the governing board of any county high school district deems it expedient to establish and maintain more than one county high school, the additional schools may be established and maintained in the manner prescribed in this chapter for establishing and maintaining a county high school.

SEC. 2. Section 18461 of said code is amended to read:

Change of location

18461. No change of location of any union or joint union school, when once established, shall be made, except in accordance with all the provisions for the original location of the school.

SEC. 3. Section 18478 of said code is amended to read:

Same

18478. Except in high school districts with more than 60,000 average daily attendance, no change of location of any high school where once established, shall be made except in ac-

cordance with the provisions for the original location of the school.

The election shall be called and held, and the returns thereof made to the superintendent of schools, in the same manner as in the case of the election for the formation of the district.

SEC. 4. Section 18153 is added to said code, to read:

Additional schools

18153. The governing board of any school district, whenever in its judgment it is desirable to do so, may establish additional schools in the district.

SEC. 5. Section 18402.1 is added to said code, to read:

Applicable provisions

18402.1. The provisions of Articles 2, 3, 4, and 5 of this chapter apply only to school sites selected during the first two years in a new school district.

SEC. 6. Section 18431 is added to said code, to read:

Establishment of location

18431. In lieu of the unanimous action required by Section 18424, the location or locations of the school or schools of the district will be established if a majority of the trustees agree on the location having the greatest merit as determined by the State Department of Education pursuant to Section 18102(a).

SEC. 7. Section 18481 is added to said code, to read:

Same

18481. In lieu of the unanimous action required by Section 18472, the location or locations of the school or schools of the district will be established if a majority of the trustees agree on the location having the greatest merit as determined by the State Department of Education pursuant to Section 18102(a).

SEC. 8. Sections 18479 and 18480 of said code are repealed.

Repeal

SEC. 9. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Section 1, Article IV of the Constitution and shall, therefore, go into immediate effect. A statement of the facts constituting such necessity is as follows:

Urgency

There are several school districts in the State, particularly in Kern County, which have lost their school sites as a result of condemnation proceedings instituted by the Government of the United States of America. Said school districts must change the location of their school sites immediately and this cannot be accomplished under existing state laws. It is, therefore, necessary that this act take effect immediately.

CHAPTER 929

An act to add Section 39.7 to the Fish and Game Code, relating to the powers of the Fish and Game Commission.

[Approved by Governor June 7, 1951. Filed with Secretary of State June 8, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 39.7 is added to the Fish and Game Code, to read:

Exchange of property

39.7. The commission may, with the approval of the Department of Finance, exchange any portion of the property lying within the boundaries of any area or range referred to in this section for any property within or contiguous to such area or range or may sell any portion of the property within such boundaries and with the proceeds thereof acquire any property within or contiguous to such area or range; providing, that no exchange or sale of property as provided for in this section shall materially reduce the total area of any range or area referred to in this section. A copy of each deed of conveyance executed and delivered by the commission, and of each deed conveying lands to the State, pursuant to this section shall be delivered to the State Lands Commission.

The provisions of this section apply to all of the following:

(a) The Madeline Plains Waterfowl Management Area, consisting of five thousand one hundred seventy-six, (5,176) acres, more or less, located in Lassen County, near the town of Madeline.

(b) The Doyle Deer Winter Range consisting of thirteen thousand four hundred twenty-nine, (13,429) acres, more or less, located in Tehama County, near the town of Doyle.

(c) The Tehama Deer Winter Range, consisting of forty-two thousand eight hundred ninety-six (42,896) acres, more or less, located in Tehama County, near the town of Red Bluff.

(d) The Honey Lake Waterfowl Management Area, consisting of three thousand five hundred nineteen (3,519) acres, more or less, located in Lassen County, near the town of Wendel.

CHAPTER 930

An act to amend Section 1145 of the Agricultural Code, relating to imported egg products.

In effect September 22, 1951

[Approved by Governor June 8, 1951. Filed with Secretary of State June 8, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1145 of the Agricultural Code is amended to read:

Imported egg products

1145. The container in which egg products imported into the State from without the United States are sold in the State shall have the words "frozen eggs (or liquid eggs, dried eggs, or egg products, as the case may be) imported from without the United States" and the name of the country of origin displayed on said case or container in letters not less than two inches high and said container shall bear the name of the manufacturer by whom the product was prepared or manufactured and the country in which the product was prepared or manufactured. All retailers of egg products imported into the State from without the United States shall sell the same from the container in which the retailers received such products and shall

inform each purchaser of the origin of said eggs or egg products. All restaurants, hotels, cafes, bakeries and confectioneries using or serving egg products imported from without the United States must place a sign in letters not less than four inches high in some conspicuous place in their places of business so that the customer entering their places of business can see it, which sign shall read "frozen eggs (or dried eggs, or liquid eggs, or egg products, as the case may be) imported from without the United States used here."

All food products including bakery products and confectionery products containing egg products imported from without the United States shall have stamped on the outside of each individual package or container thereof in plain view and in conspicuous letters not less than one-quarter inch in height the words "made with imported egg products."

Every person selling food products, in the manufacture of which are used egg products imported from without the United States, where such food products are not packed in individual packages or containers, and marked as provided herein, shall display, in a conspicuous place in the place of business where such food products are sold so that a customer entering such place of business can see it, a sign in letters not less than four inches in height reading "imported egg products are used in the manufacture of food products sold here."

CHAPTER 931

An act creating a district to be called "Kings River Conservation District"; providing for its organization, operation, maintenance and government, for the inclusion of lands therein and the exclusion of lands therefrom; providing for the acquisition, construction, maintenance and operation of works and property for the purposes of the district, including the storage, conservation, distribution and sale of water, the development, distribution and sale of electric power, the drainage, reclamation and protection of land and prescribing and defining the powers, duties, purposes and responsibilities of said district.

[Approved by Governor June 8, 1951. Filed with Secretary of State June 8, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. This act may be designated and referred to as the Kings River Conservation District Act, and any reference thereto by such description shall be sufficient for all purposes. Short title

SEC. 2. A district is hereby created to be known and designated as Kings River Conservation District, and the boundaries and territory of said district are as follows: Kings River Conservation District boundaries

All that territory lying and being within the following described boundaries:

Boundaries

Commencing in the middle of the Main Channel of Kings River on the east section line of Section 18, Township 13 South, Range 24 East, M. D. B. & M.; thence running southwesterly along the center of said Main Channel through Section 19 of said township to the point at which the said Main Channel divides into the West and East Channels in the southeast quarter of the northeast quarter of Section 24, Township 13 South, Range 23 East, M. D. B. & M., thence along the center of the said West Channel of Kings River to the intersection with a line 200 feet northerly of and parallel to the northerly-most parts of the diverting dam across the said West Channel of Kings River near the headgate of the Gould Canal; thence westerly across said West Channel of Kings River along said parallel line to the point of intersection of said parallel line with a line 100 feet northwesterly from and parallel with the outside foot of the northwesterly bank of the said Gould Canal; thence parallel with said foot of bank and 100 feet distant therefrom in a general southwesterly direction through Section 25 to the intersection of the last above described line with the center of that certain public road known as Trimmer Springs Road in Section 26; thence southwesterly along the center of the said Trimmer Springs Road to the point of intersection of said center of Trimmer Springs Road with the outside foot of the north bank of the said Gould Canal; thence along said foot of bank northwesterly through said Section 26; thence southwesterly through Section 27 to the intersection with the Enterprise Canal; thence following the outside foot of the northerly or easterly bank of said Enterprise Canal, in a general northwesterly direction through Sections 27, 28, 33, 32, 31, 30, 29, 20, 19 and 18 of said township, Sections 13, 14, 15, 10, 9, 16, 17, 8 and 7 of Township 13 South, Range 22 East, M. D. B. & M., Sections 12, 1 and 2 of Township 13 South, Range 21 East, M. D. B. & M. and Sections 35, 34, 27 and 28 of Township 12 South, Range 21 East, M. D. B. & M., to the west line of Section 28 of the last named township; thence leaving foot of said bank north along section lines about five-eighths of a mile to the east quarter corner of Section 20; thence west one-half mile to the center of Section 20; thence north one-half mile to the north quarter corner of Section 20; thence west along the north line of Section 20 to the intersection with the outside foot of the northerly or easterly bank of the said Enterprise Canal; thence following said foot of bank of canal, in a general westerly direction through Sections 17 and 18 of Township 12 South, Range 21 East, M. D. B. & M. and Sections 13 and 24 of Township 12 South, Range 20 East, M. D. B. & M., to the east and west center line of Section 24 of the last named township; thence leaving said foot of bank of canal, west to the center of Section 23 of last named township; thence south one-half mile to the south quarter corner of said Section 23; thence west along section lines about one and three-eighths miles to the easterly line of Blackstone Avenue; thence southwesterly along the easterly line of Blackstone Avenue to the east and west center line of Section 28 of the last named town-

ship; thence west along half section lines to the top of the easterly bluff of the San Joaquin River; thence following down the top of said bluff in a general westerly direction through Sections 29, 32 and 31 of the last named township, Sections 36, 35, 34, 33, 32 and 31 of Township 12 South, Range 19 East, M. D. B. & M., Section 6 of Township 13 South, Range 19 East, M. D. B. & M., to the west line of said Section 6; thence north along the west line of said Section 6 to the intersection with the south bank of the San Joaquin River; thence following down the said bank, in a general westerly direction through Sections 1 and 2 of Township 13 South, Range 18 East, M. D. B & M., Sections 35 and 34 of Township 12 South, Range 18 East, M. D. B. & M., Sections 3, 4, 9, 8 and 7 of Township 13 South, Range 18 East, M. D. B. & M., Sections 12, 1, 2, 11 and 10 of Township 13 South, Range 17 East, M. D. B. & M. to the west line of Section 10 of the last named township; thence south along section lines to the southwest corner of Section 15; thence west along section lines to the northwest corner of Section 20; thence south along section lines to the southeast corner of Section 31; thence into Township 14 South, Range 17 East, M. D. B. & M., east two miles to the northwest corner of Section 3; thence south two miles to the southwest corner of Section 10; thence east one mile to the northwest corner of Section 14; thence south one mile to the southwest corner of said Section 14; thence east one mile to the northwest corner of Section 24; thence south one mile to the southwest corner of said Section 24; thence east one mile to the northeast corner of Section 25; thence south two miles to the southeast corner of Section 36; thence east along township lines nine miles to the northwest corner of Section 3 of Township 15 South, Range 19 East, M. D. B. & M.; thence in said township south three miles to the southwest corner of Section 15; thence east one mile to the southeast corner of said Section 15; thence south one-half mile to the west quarter corner of Section 23; thence east one mile to the west quarter corner of Section 24; thence south along section lines two and one-half miles to the southwest corner of Section 36 of Township 15 South, Range 19 East, M. D. B. & M.; thence in Township 16 South, Range 19 East to the northwest corner of Section 1; thence south 2 miles along section lines to the southwest corner of Section 12; thence west one mile to the northwest corner of Section 14; thence south two miles along section lines to the southwest corner of Section 23; thence east two miles along section lines to the southeast corner of Section 24 of the last named township and range; thence into Township 16 South, Range 20 East, M. D. B. & M. running east along section lines two miles to the southeast corner of Section 20; thence south along section lines one mile to the southwest corner of Section 28; thence east along section lines three miles to the southeast corner of Section 26; thence north along section lines one mile to the northeast corner of said Section 26; thence east along section lines to the southeast corner of Section 24 of the last named township and range; thence into Township 16 South, Range 21 East, M. D. B. & M. east along

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section lines three miles to the southeast corner of Section 21; thence south along section lines one mile to the southwest corner of Section 27; thence east along section lines two miles to the southeast corner of Section 26; thence south along section lines one mile to the southwest corner of Section 36; thence east along section lines to the southeast corner of Section 36 of the last named township and range; thence into Township 17 South, Range 22 East, M. D. B. & M., east along section lines to the northwest corner of Section 4; thence along the west side of said Section 4 to the southwest corner thereof; thence along the west side of Section 9, Township 17 South, Range 22 East, M. D B. & M., to the southwest corner thereof; thence along the westerly side of Section 16, Township 17 South, Range 22 East, M. D. B. & M., to a point on the northerly bank of Cole Slough; thence westerly along said northerly bank of Cole Slough through Sections 17 and 18 all in Township 17 South, Range 22 East, M. D. B. & M.; thence westerly through Sections 13, 24 and 23 and in Section 23 to the headgate at the intake of the Liberty Canal; thence along the northerly bank of said Liberty Canal through Sections 23, 22, 15, 16, 17, 8 and 7, all in Township 17 South, Range 21 East, M. D. B. & M.; thence through Sections 12, 11, 2 and 3, all in Township 17 South, Range 20 East, M. D. B. & M.; thence through Sections 34, 33, 32 and 31 all in Township 16 South, Range 20 East, M. D. B. & M.; thence through Sections 36, 25, 26, 27, 28, 33, 32, 31 and 30, Township 16 South, Range 19 East, M. D. B. & M.; thence into Township 16 South, Range 18 East, M. D. B. & M. through Section 25 to a point on the westerly line thereof; thence northerly along said line to the southeast corner of Section 23; thence westerly one mile to the southeast corner of Section 22; thence northerly one mile to the northeast corner of said Section 22; thence westerly one mile to the southeast corner of Section 16; thence northerly one mile to the northeast corner of said Section 16; thence westerly two miles to the southeast corner of Section 7; thence northerly one mile to the northeast corner of said Section 7; thence westerly one mile to the northwest corner of Section 7 of the last named township and range; thence into Township 16 South, Range 17 East, M. D. B. & M. to the southeast corner of Section 1; thence on a diagonal line to the northwest corner of said Section 1; thence on a diagonal line to the southwest corner of Section 2; thence north 46 deg. 28 min. east along the center line of McMullen Grade 1479 feet; thence north 22 deg. 49 min. west on a line parallel to and 45 feet southwesterly of the surveyed line of Levee No. 1, 2048.44 feet to the point of beginning of a curve to the left, having a radius of 5684.61 feet; thence northwesterly along said curve 1577.51 feet to the end of said curve; thence N. 38 deg. 43 min. W. on a line tangent to the aforesaid curve 34,642.68 feet to the point of beginning of a curve to the left, having a radius of 11,414.2 feet; thence northwesterly along said curve 2347.44 feet to the end of said curve; thence N. 50 deg. 30 min. W. on a line tangent to aforesaid curve 17,956.29 feet to the point of beginning of a curve to the left

having a radius of 5684.61 feet; thence westerly along said curve 5412.16 feet to the end of said curve; thence S. 74 deg. 53½ min. W. on a line tangent to aforesaid curve 5,209.13 feet to a point in the east line of the right of way of the Hanford and Summit Lake Railway; thence S. 0 deg. 18½ min. W. along said east line of said right of way 890.81 feet; thence S. 31 deg. 05½ min. E. along the west line of Reclamation District No. 1606, 1323.23 feet to the point of beginning of a curve to the left, having a radius of 2864.83 feet; thence southeasterly along said curve 2050 feet to the point of beginning of a curve to the right, having a radius of 5729.61 feet; thence southeasterly along said curve 2516.66 feet to the end of said curve; thence S. 46 deg. 55 min. E. on a line tangent to said curve 1477.72 feet to the point of beginning of a curve to the right, having a radius of 5729.61 feet; thence southeasterly along said curve 3146.67 feet to the end of said curve; thence S. 15 deg. 27 min. E. on a line tangent to said curve 10,360.68 feet; thence S. 15 deg. 26½ min. E. 5499 37 feet to a point in the south line of Section 15, T. 15 S., R. 16 E., M. D. B. & M., distant 4482.75 feet westerly from the southeast corner thereof; thence S. 88 deg. 39½ min. W. 735.25 feet crossing Fresno Slough along said south line of Section 15 to a point on the said south line of Section 15, 216.0 feet east of the southwest corner of said Section 15; thence N. 16 deg. 40 min. W. 1390.8 feet; thence N. 16 deg. 45 min. W. 1391.6 feet; thence N. 15 deg. 43 min. W. 701.4 feet; thence N. 15 deg. 21 min. E. 136.0 feet; thence N. 16 deg. 30 min. W. 814.0 feet; thence N. 17 deg. 03 min. W. 1123.5 feet, to a point on the North line of Section 16, T. 15 S., R. 16 E., M. D. B. & M., 1356.9 feet east of the one-quarter corner on the north side of Section 16; thence N. 15 deg. 32 min. W. 1381.0 feet; thence N. 16 deg. 20 min. W. 1386.0 feet; thence N. 15 deg. 58 min. W. 792.0 feet; thence N. 16 deg. 45 min. W. 593.0 feet; thence N. 20 deg. 36 min. W. 1421.0 feet, to a point on the north line of Section 9, T. 15 S., R. 16 E., M. D. B. & M., 2350.2 feet, East of the N. W. corner of Section 9; thence N. 16 deg. 39 min. W. 1442.6 feet; thence N. 24 deg. 57 min. W. 506.8 feet; thence N. 33 deg. 15 min. W. 174.4 feet; thence N. 53 deg. 20 min. W. 831.3 feet; thence N. 19 deg. 05 min. W. 253.5 feet; thence N. 20 deg. 25 min. W. 951.2 feet; thence N. 56 deg. 55 min. W. 538.2 feet; thence N. 47 deg. 55 min. W. 607.8 feet; thence N. 40 deg. 40 min. E. 1690.0 feet; thence N. 19 deg. 00 min. W. 600.0 feet; thence S. 71 deg. 00 min. W. 150.00 feet; thence S. 19 deg. 00 min. W. 514.6 feet; thence S. 40 deg. 40 min. W. 1604.0 feet; thence N. 46 deg. 51 min. W. 1341.6 feet, to a point on the North line of Section 5, T. 15 S., R. 16 E., M. D. B. & M., 1192.6 feet east of the one-quarter corner on the north side of said Section 5; thence West 48.3 feet; thence N. 54 deg. 17 min. W. 1339.1 feet; thence N. 54 deg. 22 min. W. 436.4 feet; thence N. 65 deg. 14 min. W. 584.3 feet; thence N. 82 deg. 04 min. W. 150.1 feet; thence N. 51 deg. 05 min. W. 761.6 feet; thence N. 63 deg. 57 min. W. 58.2 feet; thence N. 44 deg. 16 min. E. 47.4 feet; thence N. 75 deg. 00 min. E. 275.0 feet; thence N. 19 deg. 41 min. W.

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456.5 feet; thence N. 6 deg. 11 min. E. 619.4 feet; thence N. 78 deg. 03 min. W. 359.5 feet; thence S. 16 deg. 40 min. W. 322.1 feet; thence S. 81 deg. 05 min. W. 216.4 feet; thence N. 75 deg. 35 min. W. 567.0 feet; thence N. 77 deg. 25 min. W. 346.4 feet; thence S. 72 deg. 07 min. W. 183 9 feet; thence S. 56 deg. 32 min. W. 280.0 feet; thence N. 79 deg. 09 min. W. 792.4 feet; thence N. 64 deg. 26 min. W. 1356.9 feet; thence N. 54 deg. 25 min. W. 487 8 feet; thence S. 82 deg. 19 min. W. 215.4 feet; thence N. 46 deg. 27 min. W. 265.7 feet; thence N. 5 deg. 29 min. W. 109.7 feet; thence N. 5 deg. 35 min. W. 1556.0 feet; thence N. 20 deg. 17 min W. 183.7 feet; thence N. 55 deg. 34 min. W. 160.2 feet; thence S. 79 deg. 27 min. W. 199.2 feet; thence S. 69 deg. 25 min. W. 1504.0 feet; thence S. 69 deg. 37 min. W. 1843 8 feet; thence S. 40 deg. 24 min. W. 133 0 feet; thence S. 25 deg. 35 min. W. 516.8 feet; thence S. 22 deg. 47 min. W. 655.2 feet; thence S. 10 deg. 29 min. W. 471.0 feet; thence S. 14 deg. 54 min. W. 403.0 feet; thence West 165.6 feet to the center of Section 36, T. 14 S., R. 15 E., M. D. B. & M.; thence west along the north side of the southwest one-quarter of said section 36 to the one-quarter corner on the west side of Section 36; thence south along the west side of Section 36, 2642.0 feet to the southwest corner of Section 36; thence west 132.7 feet; thence south 21 deg. 48 min. west 1377.6 feet; thence south 21 deg. 06 min. west 779.6 feet; thence south 3 deg. 51 min. east 668.4 feet; thence south 2 deg. 42 min. west 1370.6 feet; thence south 0 deg. 48 min. west 1321.5 feet; thence south 13 deg. 55 min. west 1340.5 feet; thence south 13 deg. 40 min. west 1351.2 feet; thence south 14 deg. 07 min. west 1356.9 feet; thence south 12 deg. 50 min. west 354.0 feet; thence south 21 deg. 15 min. east 564.8 feet; thence south 34 deg. 00 min. east 563.7 feet to a point on the south line of Section 11, Township 15 South, Range 15 East, M. D. B. & M., 1544 6 feet west of the southeast corner of said Section 11; thence south 46 deg. 55 min. east 2114.8 feet to a point on the east line of Section 14, Township 15 South, Range 15 East, M. D. B. & M, 1444.5 feet south of the northeast corner of said Section 14; thence south along the west line of Section 13, Township 15 South, Range 15 East, M. D. B. & M., 3856.3 feet to the southwest corner of said Section 13, thence east 3951.9 feet to the northwest corner of the east one-half of the northeast $\frac{1}{4}$ of Section 24, Township 15 South, Range 15 East, M. D. B. & M.; thence south 26 deg. 35 min. east 2968.8 feet to the $\frac{1}{4}$ corner on the east side of Section 24, Township 15 South, Range 15 East, M D. B & M.; thence south along the west line of the southwest $\frac{1}{4}$ of Section 19, Township 15 South, Range 16 East, M. D. B. & M, 2660 6 feet to the southwest corner of said Section 19; thence south 45 deg. 00 min. east 7536.0 feet to the southeast corner of Section 30, Township 15 South, Range 16 East, M. D. B. & M., said corner being also the northwest corner of Section 32 of the last named township; thence south 0 deg. 46$\frac{1}{2}$ min. west along the west line of said Section 32, 5343.62 feet to the southwest corner thereof; thence south 89 deg. 41 min. east along the south line of said Section 32, 5275.6

feet to the southeast corner thereof; thence south 89 deg 38 min. east along the south line of Section 33, Township 15 South, Range 16 East, M. D. B. & M., 5276.9 feet to the southeast corner thereof; thence south 0 deg. 26½ min. west along the west line of Section 3, Township 16 South, Range 16 East, M. D. B. & M., 2407 feet; thence north 88 deg 29 min. 45 sec. east 2722.08 feet; thence south 0 deg. 26½ min. west 2632.1 feet to the south quarter corner of said Section 3; thence north 88 deg. 57 min. east 2721 65 feet to the southeast corner thereof; thence north 88 deg. 57½ min. east 5541.1 feet along the south line of Section 2, Township 16 South, Range 16 East, M. D. B. & M., to the southeast corner thereof; thence north 88 deg. 57½ min. east along the south line of Section 1, Township 16 South, Range 16 East, M. D. B. & M., 2770.68 feet to the south quarter corner thereof; thence south 0 deg. 6½ min. west along the west line of the north half of the northeast quarter of Section 12, Township 16 South, Range 16 East, M. D. B. & M., 1319.88 feet; thence north 88 deg. 54½ min east along the south line of said north half of the northeast ¼, 2753 48 feet to a point in the east line of said Section 12; thence south 0 deg. 46½ min. west 3955.93 feet to the southeast corner of said Section 12; thence north 89 deg. 54½ min. east along the southerly line of Section 7, Township 16 South, Range 17 East, 2651.07 feet more or less, to the southerly quarter corner of said section; thence northerly along the east line of the southwest quarter of said section to the center of said section; thence easterly along the south line of the northeasterly quarter of said section to the intersection of said line with the official swamp and overflow survey line, said point of intersection being south 89 deg. 52 min. west 1997 45 feet, more or less, from the east quarter corner of said section, measured along the south line of the northeast quarter of said section; thence continuing along said official swamp and overflow survey line south 39 deg. 43 min. east 488 11 feet; thence south 34 deg. 43 min. east, 1311.78 feet; thence south 77 deg. 53 min. east 938.35 feet to a point in the east line of said Section 7; thence continuing along said official swamp and overflow line south 27 deg. 30 min. east 762.3 feet; thence south 58 deg. east 594 feet to the south line of Section 8, in Township 16 South, Range 17 East, M. D. B. & M.; thence west along the south line of said Section 8 to the southwest corner of said Section 8; thence south one mile to the southwest corner of Section 17; thence east one mile to the southeast corner of said Section 17; thence south one mile to the southwest corner of Section 21; thence east one mile to the southeast corner of said Section 21; thence south two miles to the southwest corner of Section 34 of the last named township; thence into Township 17 South, Range 17 East, M. D. B & M. west to the northwest corner of Section 3; thence south along Section lines to the west ¼ corner of Section 10; thence east along the north line of the south ½ of Section 10 to the east ¼ corner of said Section 10; thence south along the section line to the southwest corner of Section 11; thence east along the section line to the southeast corner of said Section 11; thence

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south along the section line to the west ¼ corner of Section 13; thence east along the north line of the southwest ¼ of said Section 13 to the center of said Section 13; thence south along the east line of the southwest ¼ of said Section 13 to the south ¼ corner of said Section 13; thence east along the section line to the southeast corner of said Section 13; thence in Township 17 South, Range 18 East, M. D. B. & M., east along the section line to the southwest corner of Section 17; thence south along the section line to the west ¼ corner of Section 20; thence along the north line of the southwest ¼ of Section 20 to the center of said Section 20; thence south along the east line of the southwest ¼ of Section 20 to the south ¼ corner of said Section 20; thence east along the section line to the southeast corner of Section 20; thence south along the section line to the west ¼ corner of Section 28; thence east along the north line of the southwest ¼ of Section 28 to the center of said Section 28; thence south along the east line of the southwest ¼ of Section 28 to the south ¼ corner of said Section 28; thence east along section lines to the north ¼ corner of Section 34; thence south along the west line of the northeast ¼ of Section 34 to the center of said Section 34; thence east along the south line of the northeast ¼ of Section 34 to the east ¼ corner of said Section 34; thence south along the section line to the southwest corner of the north ½ of the southwest ¼ of Section 35; thence east along the south line of the north ½ of the southwest ¼ of Section 35 to the southeast corner of the north ½ of the southwest ¼ of said Section 35; thence south along the east line of the south ½ of the southwest ¼ of Section 35 to the south ¼ corner of Section 35, Township 17 South, Range 18 East, M. D. B. & M.; thence into Township 18 South, Range 18 East, M. D. B. & M. to the north ¼ corner of Section 2; thence south along the west line of the east half of said Section 2 to the south ¼ corner of said Section 2; thence east along section lines to the southeast corner of Section 1; thence into Township 18 South, Range 19 East, M. D. B. & M. to the southwest corner of Section 6; thence south along the section line to the southwest corner of Section 7; thence east along the section line to the southeast corner of said Section 7; thence south along the section line to the southwest corner of Section 17; thence East along the section line to the southeast corner of said Section 17; thence south along the section line to the southwest corner of Section 21; thence east along the south section line of Section 21 to the point of intersection of said section line and the Government Swamp and Overflow Meander Line; thence southeasterly along the Government Swamp and Overflow Meander Line through Section 28 to the intersection of said meander line and the east section line of said Section 28; thence south along section lines for approximately one and three-fourths miles to the southwest corner of Section 34, Township 18 South, Range 19 East, M. D. B. & M.; thence in Township 19 South, Range 19 East, M. D. B. & M. to the northwest corner of Section 3; thence south along the section line to the southwest corner of Section 3; thence east along the south line

of said Section 3, one mile to the southeast corner of said Section 3; thence easterly three-quarters of a mile along the south line of Section 2 of the last named township and range, to the southwest corner of the southeast one-quarter of the southeast one-quarter of said Section 2; thence southerly one-half mile to the southwest corner of the southeast quarter of the northeast quarter of Section 11; thence southerly along the west line of the east ½ of the southeast ¼ of said Section 11, also being the west line of Lot 5 of said Section 11, to the Southern Pacific Company Railroad line; thence southeasterly along the westerly line of said Lot 5 of said Section 11 to the southeast corner of said Section 11; thence south 2½ miles along the west lines of Sections 13, 24 and 25, Township 19 South, Range 19 East, M. D. B. & M., to the west ¼ corner of said Section 25; thence east 2056 feet along the east-west center line of said Section 25 to a point along the west bank of South Fork of Kings River; thence south 252 feet along said west bank of said South Fork of Kings River to a point which is the junction of the said west bank of South Fork of Kings River and the westerly bank of the Empire West Side Irrigation District's Upper Ditch; thence south 47 degrees and 39 minutes west 2734 feet along the westerly bank of said Empire West Side Irrigation District's Upper Ditch to a point on the west line of said Section 25, which point is 548 feet north of the southwest corner of said Section 25; thence south 47 deg. 39 min. west 320 feet along said westerly bank of said Upper Ditch, in Section 26, Township 19 South, Range 19 East, M. D. B. & M.; thence south 8 deg. 29 min. west 1990.6 feet in Section 26 and 35 of the last named township and range; thence south 18 deg. 40 min. east 1250 feet along the said westerly bank of said Upper Ditch in Section 35, Township 19 South, Range 19 East, M. D. B. & M., to a point; thence south from this point 59 deg. 13 min. east 142 feet along said westerly bank of Upper Ditch to a point which point lies on the east line of said Section 35 and being 224 feet south of the east ¼ corner of said Section 35; thence southerly 2403 feet along the east line of said Section 35 to the southeast corner of said Section 35, also being along the said westerly bank of Upper Ditch; thence southerly 10,723.7 feet along the west lines of Section 1 and 12, Township 20 South, Range 19 East, M. D. B. & M., also along the west bank of said Upper Ditch to the southwest corner of said Section 12; thence westerly 700 feet along the north line of Section 14, last named township and range, to a point on the said westerly bank of Upper Ditch; thence southerly 2680.9 feet along said westerly bank of Upper Ditch; thence easterly 700 feet to the east ¼ corner of said Section 14; thence southerly 6702.2 feet along the west lines of Sections 13 and 24 to the southwest corner of the northwest quarter of the southwest quarter of Section 24, last named township and range; thence easterly 1322 8 feet to the southeast corner of the northwest quarter of the southwest quarter of said Section 24; thence southerly 670.3 feet to the southwest corner of the northwest quarter of the southeast quarter of the southwest quarter of said

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Section 24; thence easterly 1322.8 feet to the southeast corner of the northeast quarter of the southeast quarter of the southwest quarter of said Section 24; thence southerly 670.3 feet to the south quarter corner of said Section 24; thence southerly 207 feet along the westerly bank of the Upper Ditch of the Empire West Side Irrigation District in Section 25, last named township and range; thence south 34 deg. 10 min. west 284 feet along said westerly bank of Upper Ditch; thence south 45 deg. 20 min west 3400 feet along said westerly bank of Upper Ditch to the west quarter corner of said Section 25; thence easterly 982 feet to a point on the westerly bank of Ditch of Empire West Side Irrigation District; thence south 48 deg. 30 min. west 2770 feet along said westerly bank of Ditch through portions of Sections 25 and 26, Township 20 South, Range 19 East, M. D. B. & M.; thence south 36 deg. 30 min. west 2700 feet through portions of Sections 26 and 35 along said westerly bank of Ditch; thence southerly 1340 4 feet to center of said Section 35; thence westerly 1320 feet to the northwest corner of the northeast quarter of the southwest quarter of Section 35, Township 20 South, Range 19 East, M D B. & M.; thence southerly 2681 feet to the southwest corner of the southeast quarter of the southwest quarter of said Section 35, also being the southwest corner of Lot 9 of said Section 35; thence easterly along the south line of said Section 35 to the intersection of said line with the northwesterly bank of the West Side Canal, said point of intersection also being a point on the north line of Section 1, Township 21 South, Range 19 East, M. D. B. & M where said line intersects the northwesterly bank of said West Side Canal; thence southwesterly following the meanderings of said bank of said canal to its intersection with the northern line of Section 15, same township and range; thence westerly along said line of said Section 15 to the north quarter corner of Section 15 in said Township 21 South, Range 19 East; thence southerly $\frac{1}{2}$ mile to the center of said Section 15; thence westerly $\frac{1}{4}$ of a mile to the northwest corner of the east half of the southwest quarter of said Section 15; thence southerly $\frac{1}{2}$ of a mile to the southwest corner of the east half of the southwest quarter of said Section 15; thence westerly along the southern line of said Section 15 and along the southern line of Section 16, same township and range, to the south quarter corner of said Section 16, last said quarter corner being a point on the meander line of Tulare Lake as established by the United States Surveyor General of California in the year 1855; thence along said meander line S. 31 deg. 10 min. W. 77.10 chains, S. 35 deg. 45 min. W. 17.12 chains, S 39 deg. 30 min. W. 72.00 chains, S. 9 deg. 30 min. W. 25.00 chains, S 44 deg. 35 min. W. 28.30 chains and S. 28 deg. W. 68.15 chains to a point on the southern line of Section 31 of said Township 21 South, Range 19 E., M. D. B. & M., last said point being distant S. 89 deg. 26 min. E. 48.00 chains from the southwest corner of said Section 31; thence, leaving said meander line, and along the line between Township 21 South, Range 19 East, and Township 22 South, Range 19 E., M. D. B. & M., north 89

deg. 26 min. W. 8.06 chains to the north quarter corner of Section 6 of said Township 22 South, Range 19 East, M. D. B. & M.; thence southerly along the line dividing the east half and the west half of said Section 6 and along the line dividing the east one-half and the west one-half of Section 7, last said township and range, 2 miles, more or less, to the south quarter corner of said Section 7; thence easterly along the southern line of said Section 7 one-half of a mile, more or less, to the northwest corner of Section 17, last said township and range; thence southerly three-eighths of a mile to the southwest corner of the north one-half of the south one-half of the northwest one-quarter of said Section 17; thence easterly one-half of a mile to the southeast corner of the north one-half of the south one-half of the northwest quarter of said Section 17; thence southerly five-eighths of a mile to the south quarter corner of said Section 17; thence easterly ¼ mile to the northwest corner of the northeast quarter of the northeast quarter of Section 20, last said township and range; thence southerly three-quarters of a mile to the southwest corner of the northeast one-quarter of the southeast one-quarter of said Section 20; thence easterly one-quarter of a mile to the southeast corner of the northeast one-quarter of the southeast one-quarter of said Section 20; thence southerly one-quarter of a mile to the northwest corner of Section 28, last said township and range; thence east one-half of a mile to the north one-quarter corner of said Section 28; thence southerly one mile to the south one-quarter corner of said Section 28; thence east one-half of a mile to the northwest corner of Section 34, last said township and range; thence southerly along the western line of last said Section 34 and continuing along the western line of Section 3, Township 23 South, Range 19 East, M. D B. & M., 1½ miles, more or less, to the west quarter corner of last said Section 3; thence easterly one-quarter of a mile to the northwest corner of the northeast quarter of the southwest quarter of last said Section 3; thence southerly one-quarter of a mile to the southwest corner of the northeast one-quarter of the southwest one-quarter of last said Section 3; thence easterly three-quarters of a mile to the northeast corner of the southeast one-quarter of the southeast one-quarter of last said Section 3; thence southerly one-quarter of a mile to the southeast corner of last said Section 3; thence easterly along the southern line of Sections 2 and 1, last said township and range, 2 miles, more or less, to the northwest corner of Section 7, Township 23 South, Range 20 East, M. D. B. & M., thence southerly one-half of a mile to the west quarter corner of last said Section 7; thence easterly one-half of a mile, more or less, to the center of last said Section 7; thence southerly one-quarter of a mile to the southwest corner of the northwest one-quarter of the southeast one-quarter of last said Section 7; thence easterly one mile to the northwest corner of the southwest one-quarter of the southeast one-quarter of Section 8, last said township and range; thence southerly one-quarter of a mile to the south quarter corner of last said Section 8; thence easterly along the southern

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Boundaries lines of Sections 8, 9, 10, and 11, last said township and range, 3½ miles, more or less, to the northwest corner of Section 13, Township 23 South, Range 20 East, M. D. B. & M.; thence southerly along the western lines of Sections 13, 24, 25, and 36, last said township and range, 4 miles to the southwest corner of last said Section 36; thence easterly one mile to the northwest corner of Section 6, Township 24 South, Range 21 East, M. D. B. & M.; thence southerly one mile to the southwest corner of last said Section 6; thence easterly 85.81 chains, more or less, to the northwest corner of Section 8, last said township and range; thence southerly three-quarters of a mile to the southwest corner of the northwest one-quarter of the southwest one-quarter of last said Section 8; thence easterly along the southern lines of the north half of the south half of Sections 8, 9, and 10, last said township and range, 3 miles, more or less, to the southeast corner of the northeast quarter of the southeast quarter of last said Section 10; thence northerly three-quarters of a mile to the southwest corner of Section 2, last said township and range; thence easterly along the southern lines of Sections 2 and 1, last said township and range, 2 miles, more or less, to the southeast corner of last said Section 1; thence southerly one-half of a mile to the east one-quarter corner of Section 12, last township and range; thence easterly along the east and west center lines of Sections 7 and 8, Township 24 South, Range 22 East, M. D. B. & M.; one and one-half miles more or less to the center of last said Section 8; thence northerly one-half of a mile to the south quarter corner of Section 5, last said township and range; thence easterly along the southern lines of 5, 4 and 3, last said township and range, two and one-half miles more or less to the southwest corner of Section 2, Township 24 South, Range 22 East, M. D. B. & M.; thence east, along the southern line of last said Section 2, 11.94 chains to its intersection with the meander line of Tulare Lake as surveyed in 1880 and shown on the township plat of last said township approved by the United States Surveyor General of California on February 9th, 1881; thence along last said meander line north 55 degrees E. 55.00 chains, north 60 degrees E. 15.00 chains; north 56 degrees 30 minutes E. 31.62 chains and north 56 degrees 30 minutes E. 61.86 chains to a point on the north line of Section 1, Township 24 South, Range 22 East, M. D. B. & M., distance thereon west 29.00 chains from the northeast corner of last said Section 1; thence northeasterly along the meander or shore line in 1880 of Tulare Lake through Section 36, Township 23 South, Range 22 East, M. D. B. & M., to a point on the western line of Section 31, Township 23 South, Range 23 East, M. D. B. & M., distant thereon north 21.00 chains from the southwest corner of last said Section 31; thence continuing along the meander or shore line of Tulare Lake as surveyed in 1880 and shown on the township plat of last said township approved by the United States Surveyor General of California on February 9, 1881, the following courses and distances: North 52 degrees E. 50.00 chains, N. 56 degrees E. 17.00 chains, N. 52 degrees E. 30.20 chains, N. 52 degrees

30 minutes E. 11.40 chains, N. 43 degrees E. 23.00 chains, N. Boundaries
44 degrees E. 35.00 chains, N. 49 degrees E. 45.06 chains, N. 45 degrees E. 5.65 chains, N. 41 degrees E. 52.00 chains, N. 35 degrees E. 10.00 chains, N. 38 degrees E. 36.24 chains, N. 22 degrees E. 22.00 chains, N. 26 degrees E. 8.00 chains, N. 23 degrees E. 16.10 chains and N. 15 degrees 30 minutes E. 40.00 chains to a point on the north line of Section 15, Township 23 South, Range 23 East, M. D. B. & M., distant thereon west 68.00 chains from the northeast corner of said Section 15; thence leaving last said meander line, and along the northern lines of Sections 15, 16, last said township and range westerly 91.78 chains to the southeast corner of Section 8, last said township and range; thence northerly one-half mile to the east quarter corner of said Section 8; thence westerly one mile to the west quarter corner of said Section 8; thence southerly one-half mile to the southwest corner of said Section 8; thence westerly 86.17 chains to the northwest corner of Section 18, last said township and range, said corner of said Section 18 being also the southeast corner of Section 12, Township 23 South, Range 22 East, M. D. B. & M.; thence north one mile to the northeast corner of Section 12, last named township and range; thence north along range line 12 miles to the northeast corner of Section 12, Township 21 South, Range 22 East, M. D. B. & M.; thence west two and one-half miles along section lines to the south one-quarter corner of Section 3, last named township and range; thence northerly one-half mile to the center of said Section 3; thence westerly one-half mile to the west one-quarter corner of said Section 3; thence north one-half mile to the northwest corner of said Section 3, thence east 3 miles along township line to the northeast corner of Section 1, Township 21 South, Range 22 East, M D. B. & M.; thence east 383 feet along said township correction line to a point on the south line of Section 36, Township 20 South, Range 22 East, M. D. B. & M. which point is also on center line of Lakelands Canal and Irrigation Company Canal; thence N. 21 deg. 45 min. W. a distance of 6388 feet along center line of said canal; thence N. 62 deg. 45 min. W. a distance of 711 feet along center line of said canal to a point on the west line of Section 25 last named township and range, said point being 1278 feet north of the southwest corner of said Section 25; thence north on section line to the west one-quarter corner of said Section 25; thence east to the southeast corner of the southwest one-quarter of the northwest one-quarter of said Section 25; thence north to the southeast corner of the northwest one-quarter of the northwest one-quarter of said Section 25; thence east to the southeast corner of the northeast one-quarter of the northwest one-quarter of said Section 25; thence north to the north one-quarter corner of said Section 25; thence east to the northeast corner of said Section 25; thence north along range line to the northeast corner of southeast one-quarter of the southeast one-quarter of Section 12, Township 20 South, Range 22 East; thence west to the northwest corner of the southeast one-quarter of the southwest one-quarter of said Section 12;

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thence south to the southwest corner of the southeast one-quarter of the southwest one-quarter of said Section 12; thence west along the section lines to the northeast corner of Section 16, Township 20 South, Range 22 East, M. D. B. & M.; thence west three miles along the north line of Sections 16, 17 and 18 to the northwest corner of Section 18 last named township and range; thence west one-half mile along section line to the south one-quarter corner of Section 12, Township 20 South, Range 21 East; thence northerly along the north-south center line of last named Section 12 to the north one-quarter corner of said Section 12; thence west one and one-half miles along section lines to the northwest corner of Section 11 last named township and range; thence northerly one mile along section line to the northwest corner of Section 2 last named township and range; thence northerly three miles along the west lines of Sections 35, 26 and 23, Township 19 South, Range 21 East, M. D. B. & M. to the northwest corner of Section 23; thence east one mile along section line to the northeast corner of said Section 23; thence northerly one mile along section line to the northwest corner of Section 13 last named township and range; thence east one mile along section line to the northeast corner of said Section 13; thence east four miles along section lines to the northeast corner of Section 15, Township 19 South, Range 22 East, M. D. B. & M.; thence north one mile along section line to the northwest corner of Section 11 last named township and range; thence east one mile along section line to the southeast corner of Section 2 last named township and range; thence north one mile to the northeast corner of said Section 2; thence north two miles along section lines to the northwest corner of Section 25, Township 18 South, Range 22 East, M. D. B. & M.; thence one-half mile east along section line to the south one-quarter corner of Section 24, last named township and range; thence north one mile along north-south center line of Section 24 last named township and range to the north one quarter corner of said Section 24; thence west one-half mile along section line to the northeast corner of said Section 24; thence north two miles along section lines to the northwest corner of Section 12 last named township and range; thence northerly along the west line of Section 1, Township 18 South, Range 22 East, M. D. B. & M., to the point of intersection of the said west line with the north bank of the slough used as part of the ditch known as the Settlers Ditch; thence running upstream along the north bank of said slough and said Settlers Ditch through Sections 6 and 5, Township 18 South, Range 23 East, M. D. B. & M., Sections 33, 34, 27, 26, and 25, Township 17 South, Range 23 East, M. D. B. & M., Sections 30 and 19, Township 17 South, Range 24 East, M. D. B. & M., to the most easterly intersection of the north bank of the said slough and the south line of said Section 19 in the southeast quarter of said Section 19; thence east to the southeast corner of said Section 19; thence north to the east quarter corner of said Section 19; thence east along east and west center section lines through Sections 20 and 21 to the west quarter corner of Section 22; thence

southeasterly along the meander line between swamp land and high land to a point on the east section line of said Section 22 a distance of twenty-seven chains and 50 links north of the southeast corner of said Section 22; thence south to the southeast corner of said Section 22; thence east along the south section lines of Sections 23 and 24 of the last named township; thence east along the south section lines of Sections 19, 20, and 21, Township 17 South, Range 25 East, M. D. B. & M., to the south quarter corner of said Section 21; thence north along north and south center section lines through Sections 21, 16, and 9 to the north quarter corner of said Section 9; thence east along the south section lines of Sections 4, 3, 2, and 1 to the south quarter corner of said Section 1; thence north along the north and south center section line to the north quarter corner of said Section 1; thence west to the southeast corner of Section 35, Township 16 South, Range 25 East, M. D. B. & M.; thence north along the east line of said Section 35 to the point of intersection of the said east line of Section 35 and the east bank of the Sontag Ditch as originally constructed, said Sontag Ditch being the continuance of the East Branch of the Alta Main Canal; thence northwesterly along said east bank of said Sontag Ditch as was originally constructed to a point where the Sontag Ditch is known as the East Branch of Alta Main Canal; thence continuing northwesterly along the east bank of said East Branch of Alta Main Canal as originally constructed to the point where the said East Branch of Alta Main Canal intersects the Alta Main Canal; thence continuing northwesterly along the east bank of the Alta Main Canal to the main headgate of Alta Main Canal located in Section 2, Township 14 South, Range 23 East, M. D. B. & M.; thence upstream along the east bank of said Alta Main Canal formerly known as 76 canal, sometimes also known as the Back Channel of Kings River, in a northeasterly direction to a point where the south bank of said Alta Main Canal intersects the south bank of Kings River; thence upstream along the south bank of said Kings River to a point where said south bank intersects the section line between Sections 17 and 18 in Township 13 South, Range 24 East, M. D. B. & M.; thence north along said section line to the point of beginning. Boundaries

Also beginning at a point on the east bank of La Hacienda spillway in Section 13, Township 24 South, Range 21 East, M. D. B. & M, said point being one-half mile south of the north line of said Section 13, and running thence northeasterly in a direct line to the northwest corner of the southwest quarter of the northwest quarter of Section 18, Township 24 South, Range 22 East, M. D. B. & M., thence easterly one and three-quarters miles, more or less, to the northeast corner of the southwest quarter of the northeast quarter of Section 17, last said township and range; thence southerly one-quarter of a mile to the southeast corner of the southwest quarter of the northeast quarter of said Section 17; thence easterly one-half of a mile to the southwest corner of the southeast quarter of the northwest quarter of Section 16, last said township and range; thence

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northerly one-half of a mile to the northwest corner of the northeast quarter of the northwest quarter of said Section 16; thence easterly three-quarters of a mile to the southwest corner of Section 10, last said township and range; thence northerly one-quarter of a mile to the northwest corner of the south half of the southwest quarter of said Section 10; thence easterly one-half of a mile to the northeast corner of the south one-half of the southwest quarter of said Section 10; thence southerly one-eighth of a mile to the southeast corner of the north one-half of the southeast quarter of the southwest quarter of said Section 10; thence westerly one-quarter of a mile to the southwest corner of the north half of the southeast quarter of the southwest quarter of said Section 10; thence southerly one-eighth of a mile to the southeast corner of the southwest quarter of the southwest quarter of said Section 10; thence westerly one-quarter of a mile to the northeast corner of Section 16, last said township and range; thence southerly one-quarter of a mile to the southeast corner of the northeast quarter of the northeast quarter of said Section 16; thence westerly one-quarter of a mile to the southwest corner of the northeast quarter of the northeast quarter of said Section 16; thence southerly one-half of a mile to the northwest corner of the southeast quarter of the southeast quarter of said Section 16; thence easterly one-half of a mile to the northeast corner of the southwest quarter of the southwest quarter of Section 15, last said township and range; thence northerly one-half of a mile to the northwest corner of the southeast quarter of the northwest quarter of said Section 15; thence easterly one-quarter of a mile to the northeast corner of the southeast quarter of the northwest quarter of said Section 15; thence northerly one-eighth of a mile to the northwest corner of the south half of the northwest quarter of the northeast quarter of said Section 15; thence easterly one-quarter of a mile to the northeast corner of the south half of the northwest quarter of the northeast quarter of said Section 15; thence northerly one-eighth of a mile to the northwest corner of the northeast quarter of the northeast quarter of said Section 15; thence easterly one-quarter of a mile to the northeast corner of said Section 15; thence southerly one mile to the southeast corner of said Section 15; thence westerly along the southern boundary lines of said Sections 15 and 16, two miles to the northeast corner of Section 20 last said township and range; thence southerly one-half of a mile to the east quarter corner of said Section 20; thence westerly along the east and west center lines of Sections 20 and 19, last said township and range, and continuing along the east and west center line of Section 24, Township 24 South, Range 21 East, M. D. B. & M., a distance of two and three-quarters miles, more or less, to a point on the east bank of La Hacienda spillway in said Section 24; thence northerly along said bank of said spillway one mile to the point of beginning.

Exceptions

Excepting therefrom the lands embraced within the present boundaries of the following cities:

1. The City of Clovis and additions situated in Township 13 South, Range 21 East, M. D. B. & M.; Exceptions

2. The City of Fresno and additions situated in Township 13 South, Range 20 East, M. D. B. & M., Township 13 South, Range 21 East, M. D. B. & M., Township 14 South, Range 20 East, M. D. B. & M., and Township 14 South, Range 21 East, M. D. B. & M.;

3. The City of Kerman and additions situated in Township 14 South, Range 17 East, M. D. B. & M., and Township 14 South, Range 18 East, M. D. B. & M.;

4. The City of Selma and additions situated in Township 15 South, Range 22 East, M. D. B. & M., and Township 16 South, Range 22 East, M. D. B. & M.;

5. The City of Kingsburg and additions situated in Township 16 South, Range 22 East, M. D. B. & M.;

6. The City of Fowler and additions situated in Township 15 South, Range 21 East, M. D. B. & M.;

7. The City of Sanger and additions situated in Township 14 South, Range 22 East, M. D. B. & M.;

8. The City of Hanford and additions situated in Township 18 South, Range 21 East, M. D. B. & M.;

9. The City of Corcoran and additions being all of Section 14 and the north half of the north half of Section 23 in Township 21 South, Range 22 East, M. D. B. & M.;

10. The City of Lemoore and additions situated in Township 19 South, Range 20 East, M. D. B. & M.;

And further excepting therefrom the lands embraced within the limits of the townsites as listed below: Same

1. The Town of Biola as shown in Record of Surveys Number 8, Pages 32 and 33 in the office of the County Recorder of the County of Fresno, State of California;

2. The Town of Del Rey and additions described as follows: The east half and the east half of northwest quarter of the northeast quarter of Section 5, and Swansons First and Second Additions to Town of Del Rey, described as follows: Commencing at the east quarter corner of said Section 5; thence west 950 feet; thence south 725 feet; thence east 950 feet; thence north 725 feet to point of beginning; all in Township 15 South, Range 22 East, M. D. B. & M.;

3. The Town of Bowles as shown in Record of Surveys Number 2, Page 87, and Number 8, Page 24, in the office of the County Recorder of the County of Fresno, State of California;

4. The Town of Parlier and additions as recorded in Official Records Volume 1910 Page 411 in the office of the County Recorder of the County of Fresno, State of California;

5. The Town of Monmouth as shown in Record of Surveys Number 4 Page 43 in the office of the County Recorder of the County of Fresno, State of California;

6. The Town of Caruthers as recorded in Official Records Volume 2670, Page 275 in the office of the County Recorder of the County of Fresno, State of California;

Same

7. The Town of Laton as shown in Record of Surveys Number 1, Page 76 in the office of the County Recorder of the County of Fresno, State of California;

8. The Town of Lanare as shown in Record of Surveys Number 7, Page 52 in the office of the County Recorder of the County of Fresno, State of California;

9. The Town of Riverdale described as follows: The north half of the northeast quarter of the northwest quarter of Section 25, Township 17 South, Range 19 East, M. D. B. & M.; also that part of Section 24, Township 17 South, Range 19 East, M. D. B. & M., described by metes and bounds, as follows: Beginning at the south quarter corner of Section 24, Township 17 South, Range 19 East, M. D. B. & M.; thence west 1760 feet along the south line of Section 24; thence north 1155 feet; thence east 1060 feet; thence south 190 feet; thence east 183 feet; thence south 180 feet; thence east 720 feet; thence south 120 feet; thence east 300 feet; thence south 385 feet; to the south line of Section 24; thence west 1208 feet along the south line of Section 24 to the point of beginning;

10. The Town of Helm as shown in Plat Book Volume 7, Page 97 in the office of the County Recorder of the County of Fresno, State of California;

11. The Town of San Joaquin as shown in Plat Book Volume 7, Pages 83, 84 and 85 in the office of the County Recorder of the County of Fresno, State of California;

12. The Town of Armona as shown in Map book page 3, Map book page 12, Map book page 17, and Map book page 30 of Kings County; and in Licensed Surveyors Plats Volume 1 page 44; Volume 1 page 84; Volume 2 page 40; Volume 2 page 56; Volume 2 page 66; Volume 2 page 72; Volume 2 page 73; Volume 3 page 48; Volume 4 page 17 in the office of the County Recorder of Kings County, State of California;

13. The Town of Stratford as shown in Licensed Surveyors Plats Volume 2 page 1 and Volume 2 page 57 in the office of the County Recorder of Kings County, State of California;

Same

And further excepting therefrom the lands embraced within the limits of the following described areas:

1. Hammer Field being all of Section 29 and the east ½ of Section 30, Township 13 South, Range 21 East, M. D. B. & M.;

2. Selma Sewer Farm being the north half of the northeast quarter of Section 31, Township 16 South, Range 22 East, M. D. B. & M.;

3. Clotho Station being a portion of Section 18, Township 14 South, Range 22 East, M. D. B. & M., consisting of a strip of land 350 feet wide lying on the south side of S. P. R. R. track westerly from east line of said Section 18;

4. All portions of that certain mountain known as Smith Mountain, including the small hill forming the southern extremity thereof, over which water will not flow by gravity from East Branch of the Alta Main Canal, all located in Sections 26, 27, 28, 33, 34 and 35 in Township 15 South, Range 24

East, M. D. B. & M., and in Sections 3 and 10 in Township 16 South, Range 24 East, M. D. B. & M. Same

5. Fresno Municipal Farm being the west half of Section 21, Township 14 South, Range 19 East, M. D. B. & M., and the northwest quarter of Section 21, Township 14 South, Range 19 East, M. D. B. & M., the east half of Section 21, Township 14 South, Range 19 East, M. D. B. & M., the northwest quarter portion of the north half of the northwest quarter of the southwest quarter of Section 22, Township 14 South, Range 19 East, M. D. B. & M., the northwest quarter Section 27, Township 14 South, Range 19 East, M. D. B. & M., and the northeast quarter of Section 28, Township 14 South, Range 19.

6. That portion of land used as a garbage fill and reclaimed by the City of Fresno being the north half of lots 13 and 14, Union Colony, in Section 19, Township 14 South, Range 20 East, M. D. B. & M., and portion of northeast quarter of Section 19, Township 14 South, Range 20 East, M. D. B. & M.

SEC. 3. Said district is hereby divided into six divisions, which shall be numbered and denominated Division One, Division Two, Division Three, Division Four, Division Five, and Division Six. Division boundaries

Division One shall comprise all that territory of the district included within the following described boundaries:

Commencing in the middle of the Main Channel of Kings River on the section line between Sections 17 and 18 in Township 13 South, Range 24 East, M. D. B. & M.; thence running south along said section line to the left bank of said river; thence running downstream along the said left bank of said river to the head of the ditch formerly known as 76 Canal and now known as the Alta Main Canal; thence running downstream along the left bank of said Alta Main Canal to the main headgate in said Canal located in Section 2, Township 14 South, Range 23 East, M. D. B. & M., said Alta Main Canal down to this headgate being sometimes known as the Back Channel of said River; thence running downstream along the left bank of said Alta Main Canal and along the left bank of the continuance of said Main Canal known as the East Branch of said Alta Main Canal as said East Branch was originally constructed, and along the left bank of the continuance of said East Branch, known as the Sontag Ditch, as said Sontag Ditch was originally constructed, to the east line of Section 35 in Township 16 South, Range 25 East, M. D. B. & M.; thence running south to the southeast corner of said Section 35; thence running east to the quarter section corner on the north boundary line of Section 1 in Township 17 South, Range 25 East, M. D. B. & M.; thence running south to the southeast corner of the southwest quarter of said Section 1; thence running west on section lines 3 miles to the quarter section corner between Sections 4 and 9 in Township 17 South, Range 25 East, M. D. B. & M.; thence running south to the quarter section corner between Sections 21 and 28 in Township 17 South, Range 25 East, M. D. B. & M.; thence running west to the southeast corner of Section 22 in Township

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17 South, Range 24 East, M. D. B. & M.; thence running north 27 chains and 50 links to the meander line between swampland and highland; thence running in a northwesterly direction on the said meander line to the quarter section corner on the west boundary line of Section 22 in Township 17 South, Range 24 East, M. D. B. & M.; thence running west to the quarter section corner between Sections 19 and 20 in Township 17 South, Range 24 East, M. D. B. & M.; thence running south to the southeast corner of Section 19, Township 17 South, Range 24 East, M. D. B. & M.; thence running west to the right bank of the slough used as part of the ditch known as the Settlers Ditch; thence running downstream along the right bank of said slough and said Settlers Ditch to the point where it crosses the section line on the west boundary of Section 1 in Township 18 South, Range 22 East, M. D. B. & M.; thence running north along the section lines to the left bank of the ditch known as the Peoples Ditch near the southwest corner of Section 13 in Township 17 South, Range 22 East, M. D. B. & M.; thence running upstream along the left bank of said Peoples Ditch to said Kings River; thence running north to the center of the Main Channel of said river; thence running upstream along the center of the Main Channel of said river to the section line on the west side of the northwest quarter of Section 10 in Township 15 South, Range 23 East, M. D. B. & M.; thence running north on section lines to the center of the Main Channel of Kings River where the same crosses the west line of Section 3 in Township 14 South, Range 23 East, M. D. B. & M.; thence running up and along said channel to the place of beginning.

Division Two shall comprise all that territory of the district included within the following described boundaries:

Beginning at the center of Section 7, Township 14 South, Range 23 East, M. D. B. & M.; thence east one-half mile more or less to the bluff of Kings River bottom; thence northeasterly along the bluff of said Kings River bottom through Sections 8, 5 and 4 to a point where the county road runs along said bluff on the north side of said section 4; thence into Township 13 South, Range 23 East, M. D. B. & M., northeasterly along the center line of said county road through Section 33, and 34 to a point 100 feet southerly from the outside foot of the southerly bank of the Fresno Canal along that portion known as the "Long Cut"; thence parallel with the said foot of bank 100 feet distant therefrom in a general northeasterly direction to the intersection with a line 100 feet southerly from and parallel with the southerly-most parts of the diverting dam across Kings River near the headgate of the said Fresno Canal in the NW $\frac{1}{4}$ of Sec. 35, Township 13 South, Range 23 East, M. D. B. & M.; thence easterly to the center of the Main Channel Kings River; thence running downstream along the said center of the Main Channel of Kings River to west line of Section 3, Township 14 South, Range 23 East, M. D. B. & M.; thence south along section lines to the intersection of the west side of the northwest quarter of Section 10, Township 15 South, Range 23 East, M. D. B. & M.,

and the said center of the Main Channel of Kings River; thence Boundaries
running downstream along said center line of Main Channel of Kings River to the intersection of a line along left bank of Peoples Ditch produced, and the center line of Kings River; thence southwesterly along said center line of Main Channel of Kings River to Old River Channel; thence along center line of Old River Channel through Sections 1, 12, 13, 14, 15, 22, 21, 20, 29 and 30 in Township 17 South, Range 22 East, M. D. B. & M.; thence into Township 17 South, Range 21 East through Sections 25 and 26 to the intersection with the center line of the main Kings River in the vicinity of the northeast corner of Section 27, Township 17 South, Range 21 East, M. D. B. & M.; thence northerly and easterly along the center line of said Kings River through Section 23 to its intersection with the north bank of a branch of Kings River known as Cole Slough; thence northeasterly along said north bank through said Section 23 and Section 13 of the last above named township and range; thence into Township 17 South, Range 22 East, M. D. B. & M., through Sections 18, 17 to a point on the west line of Section 16; thence north along section lines to the northwest corner of Section 4; thence west along section lines to the southwest corner of Section 36, Township 16 South, Range 21 East, M. D. B. & M.; thence north along section lines to the northwest corner of said Section 36; thence west along section lines to the southwest corner of Section 27; thence north along section lines to the northwest corner of said Section 27; thence west along section lines to the southwest corner of Section 19 of the last named township and range; thence into Township 16 South, Range 20 East, M. D. B. & M. west to southwest corner Section 24; thence south to the southeast corner of Section 26; thence west along section lines to the southwest corner of Section 28; thence north along section lines to the northwest corner of said Section 28, thence west along section lines to the southwest corner of Section 19 of the last named township and range; thence into Township 16 South, Range 19 East, M. D. B. & M. west to the southwest corner of Section 23; thence north along section lines to the northwest corner of Section 14; thence east along section lines to the northeast corner of said Section 14; thence north along section lines to the northwest corner of Section 1 of the last named township and range; thence into Township 15 South, Range 19 East, M. D. B. & M. north to the west quarter corner of Section 24; thence east along the east-west center line of said Section 24 to the east quarter corner of said Section 24, thence north one and one-half miles along section lines to the northeast corner of Section 13 of last named township; thence into Township 15 South, Range 20 East, M. D. B. & M., east 3 miles along section lines to the southeast corner of Section 9; thence south one mile to the southwest corner of Section 15; thence east 3 miles to the southeast corner of Section 13; thence into Township 15 South, Range 21 East, M. D. B. & M., north two miles to the southwest corner of Section 6; thence east one and seven-eighths miles more or less to easterly boundary of right of way

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of the Southern Pacific Railroad; thence southeasterly along the said easterly right of way line of the Southern Pacific Railroad to the east and west center line of Section 9; thence east to the southwest corner of the southeast quarter of the northeast quarter of said Section 9; thence north one-quarter mile; thence east one-quarter mile; thence north one-quarter mile to the northeast corner of Section 9; thence east one-half mile to the south quarter corner of Section 3; thence north one-half mile to the center of Section 3; thence west three-eighths of a mile; thence north one-quarter of a mile; thence east one-eighth of a mile; thence north one-eighth of a mile; thence west one-eighth of a mile; thence north one-eighth of a mile; thence east three-eighths of a mile to the north quarter corner of said Section 3; thence into Township 14 South, Range 21 East, M. D. B. & M., north two miles to the north quarter corner of Section 27; thence east along the north line of said Section 27 to the intersection with the east bank of Briggs Ditch; thence northeasterly along said bank of Briggs Ditch to the center line running east and west of Section 22; thence east along said line and into Section 23 three-quarters of a mile; thence north three-quarters of a mile; thence east one-quarter of a mile to east line of Section 14; thence east three-quarters of a mile; thence north one-quarter of a mile; thence east one-quarter of a mile to the east quarter corner of Section 13, thence into Township 14 South, Range 22 East, M. D. B. & M., east one mile to the east quarter corner of Section 18; thence north one-half mile to northeast corner of said Section 18; thence east along the south line of Sections 8, 9 and 10 to the south quarter corner of Section 10; thence north one-quarter mile; thence east one-half mile; thence north one-quarter mile; thence east three-quarters of a mile, more or less, to the easterly bank of the Fowler Switch Canal; thence northeasterly along said easterly bank of Fowler Switch Canal one mile, more or less, to its intersection with the north boundary line of Section 12; thence east to the north quarter corner of Section 12; thence south one-half mile to the center of Section 12; thence east one-half mile to the east quarter corner of Section 12; thence into Township 14 South, Range 23 East, M. D. B. & M., east one-half mile more or less, along the east-west center line to the point of beginning.

Division Three shall comprise all that territory of the district included within the following described boundaries:

Commencing at the point of intersection of the outside foot of the north bank of the Gould Canal and the center of the County Road in Section 26, Township 13 South, Range 23 East, M. D. B. & M., thence along said foot of bank northwesterly through said Section 26; thence southwesterly through Section 27 to the intersection with the Enterprise Canal; thence following the outside foot of the northerly or easterly bank of said Enterprise Canal, in a general northwesterly direction through Sections 27, 28, 33, 32, 31, 30, 29, 20, 19 and 18 of said Township, Sections 13, 14, 15, 10, 9, 16, 17, 8 and 7 of Township 13 South, Range 22 East, M. D. B. & M., Sections 12, 1 and 2 of Township

13 South, Range 21 East, M. D. B. & M. and Sections 35, 34, 27 and 28 of Township 12 South, Range 21 East, M D. B. & M., to the west line of Section 28 of last named township; thence leaving foot of said bank north along section lines about five-eighths of a mile to the east ¼ corner of Section 20; thence west ½ mile to the center of Section 20; thence north one-half mile to the north quarter corner of Section 20; thence west along the north line of Section 20 to the intersection with the outside foot of the northerly or easterly bank of the said Enterprise Canal; thence following said foot of bank of canal, in a general westerly direction through Sections 17 and 18 of Township 12 South, Range 21 East, M. D. B. & M and Sections 13 and 24 of Township 12 South, Range 20 East, M. D. B. & M., to the east and west center line of Section 24 of the last named township; thence leaving said foot of bank of canal, west to the center of Section 23 of last named township; thence south one-half mile to the south quarter of said Section 23; thence west along section lines about one and three-eighths miles to the easterly line of Blackstone Avenue; thence southwesterly along the easterly line of Blackstone Avenue to the east and west center line of Section 28 of the last named township; thence west along half section lines to the top of the easterly bluff of the San Joaquin River; thence following down the top of said bluff in a general westerly direction through Sections 29, 32, and 31 of the last named township, Sections 36, 35, 34, 33, 32 and 31 of Township 12 South, Range 19 East, M. D. B. & M., Section 6 of Township 13 South, Range 19 East, M. D. B. & M., to the west line of said Section 6; thence north along the west line of said Section 6 to the intersection with the south bank of the San Joaquin River; thence following down the said bank, in a general westerly direction through Sections 1 and 2 of Township 13 South, Range 18 East, M. D. B. & M., Sections 35 and 34 of Township 12 South, Range 18 East, M. D. B. & M., Sections 3, 4, 9, 8 and 7 of Township 13 South, Range 18 East, M. D. B. & M., Sections 12, 1, 2, 11 and 10 of Township 13 South, Range 17 East, M. D. B. & M. to the west line of Section 10 of the last named township; thence south along section lines to the southwest corner of Section 15; thence west along section lines to the northwest corner of Section 20; thence south along section lines to the southeast corner of Section 31; thence into Township 14 South, Range 17 East, M. D. B & M, east two miles to the northwest corner of Section 3; thence south two miles to the southwest corner of Section 10; thence east one mile to the northwest corner of Section 14; thence south one mile to the southwest corner of said Section 14; thence east one mile to the northwest corner of Section 24; thence south one mile to the southwest corner of said Section 24; thence east one mile to the northeast corner of Section 25; thence south two miles to the southeast corner of Section 36; thence east along township lines nine miles to the northwest corner of Section 3 of Township 15 South, Range 19 East, M. D B & M.; thence in said township south three miles to the southwest corner of Section 15; thence east one mile to the southeast corner of said Section 15; thence south

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one-half mile to the west quarter corner of Section 23; thence east two miles to the east quarter corner of Section 24; thence north one and one-half miles along section lines to the northeast corner of Section 13 of last named township; thence into Township 15 South, Range 20 East, M. D. B. & M., east 3 miles along section lines to the southeast corner of Section 9; thence south one mile to the southwest corner of Section 15; thence east 3 miles to the southeast corner of Section 13; thence into Township 15 South, Range 21 East, M. D. B. & M., north two miles to the southwest corner of Section 6; thence east one and seven-eighths miles more or less to easterly boundary of right of way of the Southern Pacific Railroad; thence southeasterly along the said easterly right of way line of the Southern Pacific Railroad to the east and west center line of Section 9; thence east to the southwest corner of the southeast quarter of the northeast quarter of said Section 9; thence north one-quarter mile; thence east one-quarter mile; thence north one-quarter mile to the northeast corner of Section 9; thence east one-half mile to the south quarter corner of Section 3; thence north one-half mile to the center of Section 3; thence west three-eighths of a mile; thence north one-quarter of a mile; thence east one-eighth of a mile; thence north one-eighth of a mile; thence west one-eighth of a mile; thence north one-eighth of a mile; thence east three-eighths of a mile to the north quarter corner of said Section 3; thence into Township 14 South, Range 21 East, M. D. B. & M., north two miles to the north quarter corner of Section 27; thence east along the north line of said Section 27 to the intersection with the east bank of Briggs Ditch; thence northeasterly along said bank of Briggs Ditch to the center line running east and west of Section 22; thence east along said line and into Section 23 three-quarters of a mile; thence north three-quarters of a mile; thence east one-quarter of a mile to east line of Section 14; thence east three-quarters of a mile; thence north one-quarter of a mile; thence east one-quarter of a mile to the east quarter corner of Section 13; thence into Township 14 South, Range 22 East, M. D. B. & M.; east one mile to the east quarter corner of Section 18; thence north one-half mile to northeast corner of said Section 18; thence east along the south line of Sections 8, 9 and 10 to the south quarter corner of Section 10; thence north one-quarter mile; thence east one-half mile; thence north one-quarter mile; thence east three-quarters of a mile, more or less, to the easterly bank of the Fowler Switch Canal; thence northeasterly along said easterly bank of Fowler Switch Canal one mile, more or less, to its intersection with the north boundary line of Section 12; thence east to the north quarter corner of Section 12; thence south one-half mile to the center of Section 12; thence east one-half mile to the east quarter corner of Section 12; thence into Township 14 South, Range 23 East, M. D. B. & M., east one mile more or less, through the center of Section 7 to the bluff of Kings River bottom; thence northeasterly along the bluff of said Kings River bottom through Sections 8, 5 and 4 to a point where the county road runs along said bluff on the north side of said Sec-

tion 4; thence into Township 13 South, Range 23 East, M. D. B. & M., northeasterly along the center line of said county road through Sections 33, and 34 to a point 100 feet southerly from the outside foot of the southerly bank of the Fresno Canal along that portion known as the "Long Cut," thence parallel with the said foot of bank 100 feet distant therefrom in a general northeasterly direction to the intersection with a line 100 feet southerly from and parallel with the southerly-most parts of the diverting dam across Kings River near the headgate of the said Fresno Canal in the NW ¼ of Section 35, Township 13 South, Range 23 East, M. D. B. & M.; thence easterly across Kings River along said line to the intersection with a line 100 feet easterly from and parallel with the east side of said dam; thence northerly along said line to the intersection with a line 300 feet distant from and parallel with the northerly-most parts of said dam; thence westerly along said line to the center of the Main Channel of the Kings River; thence northeasterly along the said center of the Main Channel of the Kings River to the junction of the West and East Channels of the Kings River; thence northeasterly along the center of the said East Channel of the Kings River to the point at which the Main Channel of the Kings River divides into the East and West Channels of the Kings River in the southeast quarter of the northeast quarter of Section 24, Township 13 South, Range 23 East, M. D. B. & M.; thence southwesterly along the center of the said West Channel to the point of intersection of the center of the said West Channel of the Kings River with a line 200 feet northerly of and parallel to the northerly-most part of the diverting dam across the said West Channel of the Kings River near the headgate of the said Gould Canal; thence westerly along said parallel line to the point of intersection of the last above described parallel line with a line 100 feet northwesterly from and parallel with the outside foot of the northwesterly bank of the said Gould Canal; thence parallel with said foot of bank and 100 feet distant therefrom in a general southwesterly direction to the intersection with the center of the county road; thence southwesterly about 130 feet to the point of beginning. Boundaries

Division Four shall comprise all that territory of the district included within the following described boundaries:

Commencing at the headgate at the intake to the Liberty Canal in that certain branch of the Kings River known as the Cole Slough in Section 22, Township 17 South, Range 21 East, M. D. B. & M.; thence running along the northerly bank of said Liberty Canal through Sections 22, 15, 16, 17, 8 and 7, all in Township 17 South, Range 21 East, M. D. B. & M.; thence through Sections 12, 11, 2 and 3, all in Township 17 South, Range 20 East, M. D. B. & M.; thence through Sections 34, 33, 32 and 31 all in Township 16 South, Range 20 East, M. D. B. & M.; thence through Sections 36, 25, 26, 27, 28, 33, 32, 31 and 30, Township 16 South, Range 19 East, M. D. B. & M.; thence into Township 16 South, Range 18 East, M. D. B. & M. through Section 25 to a point on the westerly line thereof; thence northerly

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along said line to the southeast corner of Section 23; thence westerly one mile to southeast corner of Section 22; thence northerly one mile to the northeast corner of said Section 22; thence westerly one mile to the southeast corner of Section 16; thence northerly one mile to the northeast corner of said Section 16; thence westerly two miles to the southeast corner of Section 7; thence northerly one mile to the northeast corner of said Section 7; thence westerly one mile to the northwest corner of Section 7 of the last named township and range; thence into Township 16 South, Range 17 East, M. D. B. & M. to the southeast corner of Section 1; thence on a diagonal line to the northwest corner of said Section 1; thence on a diagonal line to the southwest corner of Section 2; thence north 46 deg. 28 min. east along the center line of McMullen Grade 1479 feet; thence north 22 deg. 49 min. west on a line parallel to and 45 feet southwesterly of the surveyed line of Levee No. 1, 2048 44 feet to the point of beginning of a curve to the left, having a radius of 5684.61 feet; thence northwesterly along said curve 1577.51 feet to the end of said curve; thence N. 38 deg. 43 min. W. on a line tangent to the aforesaid curve 34,642 68 feet to the point of beginning of a curve to the left, having a radius of 11,414.2 feet; thence northwesterly along said curve 2347.44 feet to the end of said curve; thence N 50 deg. 30 min W. on a line tangent to aforesaid curve 17,956.29 feet to the point of beginning of a curve to the left having a radius of 5684 61 feet; thence westerly along said curve 5412.16 feet to the end of said curve; thence S. 74 deg. 53½ min. W. on a line tangent to aforesaid curve 5,209.13 feet to a point in the east line of the right of way of the Hanford and Summit Lake Railway; thence S. 0 deg. 18½ min. W. along said east line of said right of way 890.81 feet; thence S. 31 deg. 05½ min. E. along the west line of Reclamation District No. 1606, 1323.23 feet to the point of beginning of a curve to the left, having a radius of 2864 83 feet; thence southeasterly along said curve 2050 feet to the point of beginning of a curve to the right, having a radius of 5729.61 feet; thence southeasterly along said curve 2516 66 feet to the end of said curve; thence S. 46 deg. 55 min. E. on a line tangent to said curve 1477.72 feet to the point of beginning of a curve to the right, having a radius of 5729 61 feet; thence southeasterly along said curve 3146.67 feet to the end of said curve; thence S. 15 deg. 27 min. E. on a line tangent to said curve 10,360.68 feet; thence S. 15 deg. 26½ min. E. 5499.37 feet to a point in the south line of Section 15, T. 15 S., R. 16 E., M. D. B. & M., distant 4482.75 feet westerly from the southeast corner thereof; thence S. 88 deg. 39½ min. W. 735.25 feet crossing Fresno Slough along said south line of Section 15 to a point on the said south line of Section 15, 216.0 feet east of the southwest corner of said Section 15; thence N. 16 deg. 40 min. W. 1390.8 feet; thence N. 16 deg. 45 min. W. 1391.6 feet; thence N. 15 deg. 43 min. W. 701.4 feet; thence N. 15 deg. 21 min. E. 136 0 feet; thence N. 16 deg. 30 min. W. 814.0 feet; thence N. 17 deg. 03 min. W. 1123.5 feet, to a point on the north line of Section 16, T. 15 S., R. 16 E., M. D. B. & M., 1356.9 feet

east of the ¼ corner on the north side of Section 16; thence N. 15 deg. 32 min. W. 1381.0 feet; thence N. 16 deg. 20 min. W. 1386.0 feet; thence N. 15 deg. 58 min. W. 792.0 feet; thence N. 16 deg. 45 min. W. 593.0 feet; thence N. 20 deg. 36 min. W. 1421.0 feet, to a point on the north line of Sec. 9, T. 15 S., R. 16 E., M. D. B. & M., 2350.2 feet east of the N.W. corner of Section 9; thence N. 16 deg. 39 min. W. 1442.6 feet; thence N. 24 deg. 57 min. W. 506.8 feet; thence N. 33 deg. 15 min. W. 174.4 feet; thence N. 53 deg. 20 min. W. 831.3 feet; thence N. 19 deg. 05 min. W. 253 5 feet; thence N. 20 deg. 25 min. W. 951.2 feet; thence N. 56 deg. 55 min. W. 538.2 feet; thence N. 47 deg. 55 min. W. 607.8 feet; thence N. 40 deg. 40 min. E. 1690.0 feet; thence N. 19 deg. 00 min. W. 600.0 feet; thence S. 71 deg. 00 min. W. 150.00 feet; thence S. 19 deg. 00 min. W. 514 6 feet; thence S. 40 deg. 40 min. W. 1604.0 feet; thence N. 46 deg. 51 min. W. 1341.6 feet, to a point on the north line of Section 5, T. 15 S., R. 16 E., M. D. B. & M., 1192.6 feet east of the ¼ corner on the north side of said Section 5; thence West 48.3 feet; thence N. 54 deg. 17 min. W. 1339.1 feet; thence N. 54 deg 22 min. W. 436.4 feet; thence N. 65 deg. 15 min W. 584.3 feet; thence N. 82 deg. 04 min. W. 150.1 feet; thence N. 51 deg 05 min. W. 761.6 feet; thence N. 63 deg. 57 min. W. 58.2 feet; thence N. 44 deg. 16 min. E. 47.4 feet; thence N. 75 deg 00 min. E 275 0 feet; thence N. 19 deg. 41 min. W. 456.5 feet; thence N. 6 deg. 11 min. E. 619.4 feet; thence N. 78 deg. 03 min W. 359.5 feet; thence S. 16 deg. 40 min. W. 322.1 feet; thence S. 81 deg. 05 min. W. 216.4 feet; thence N. 75 deg. 35 min W. 567 0 feet; thence N 77 deg. 25 min. W. 346.4 feet; thence S. 72 deg. 07 min. W. 183.9 feet; thence S. 56 deg. 32 min. W. 280 0 feet; thence N. 79 deg. 09 min. W. 792.4 feet; thence N. 64 deg. 26 min. W. 1356.9 feet; thence N. 54 deg. 25 min. W. 487.8 feet; thence S. 82 deg. 19 min. W. 215.4 feet; thence N. 46 deg. 27 min. W. 265.7 feet; thence N. 5 deg. 29 min. W. 109 7 feet; thence N. 5 deg. 35 min. W. 1556.0 feet; thence N. 20 deg. 17 min. W. 183.7 feet; thence N. 55 deg. 34 min. W. 160.2 feet; thence S. 79 deg. 27 min. W. 199.2 feet; thence S. 69 deg 25 min. W. 1504.0 feet; thence S. 69 deg. 37 min. W. 1843.8 feet; thence S 40 deg. 24 min. W. 133.0 feet; thence S. 25 deg. 35 min. W. 516.8 feet; thence S. 22 deg. 47 min. W. 655.2 feet; thence S. 10 deg. 29 min. W. 471.0 feet; thence S. 14 deg. 54 min. W. 403.0 feet; thence West 165.6 feet to the center of Section 36, T. 14 S., R 15 E., M. D. B. & M.; thence west along the north side of the southwest ¼ of said Section 36 to the ¼ corner on the west side of Section 36; thence south along the west side of Section 36, 2642 0 feet to the southwest corner of Section 36; thence west 132.7 feet; thence south 21 deg. 48 min. west 1377.6 feet; thence south 21 deg. 06 min. west 779.6 feet; thence south 3 deg. 51 min. east 668 4 feet; thence south 2 deg. 42 min. west 1370 6 feet; thence south 0 deg. 48 min. west 1321.5 feet; thence south 13 deg. 55 min. west 1340.5 feet; thence south 13 deg. 40 min. west 1351.2 feet; thence south 14 deg. 07 min. west 1356 9 feet; thence south 12 deg. 50 min. west 354.0 feet; thence south 21 deg. 15 min. east 564.8 feet; Boundaries

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east quarter corner of said section, measured along the south line of the northeast quarter of said section; thence continuing along said official swamp and overflow survey line south 39 deg. 43 min. east 488.11 feet; thence south 34 deg. 43 min. east, 1311.78 feet; thence south 77 deg. 53 min. east 938.35 feet to a point in the east line of said Section 7; thence continuing along said official swamp and overflow line south 27 deg. 30 min. east 762.3 feet; thence south 58 deg. east 594 feet to the south line of Section 8, in Township 16 South, Range 17 East, M. D. B. & M.; thence west along the south line of said Section 8 to the southwest corner of said Section 8; thence south one mile to the southwest corner of Section 17; thence east one mile to the southeast corner of said Section 17; thence south one mile to the southwest corner of Section 21; thence east one mile to the southeast corner of said Section 21; thence south two miles to the southwest corner of Section 34 of the last named township; thence into Township 17 South, Range 17 East, M. D. B & M. west to the northwest corner of Section 3; thence south along section lines to the west $\frac{1}{4}$ corner of Section 10; thence east along the north line of the south $\frac{1}{2}$ of Section 10 to the east $\frac{1}{4}$ corner of said Section 10; thence south along the section line to the southwest corner of Section 11; thence east along the section line to the southeast corner of said Section 11; thence south along the section line to the west $\frac{1}{4}$ corner of Section 13; thence east along the north line of the southwest $\frac{1}{4}$ of said Section 13 to the center of said Section 13; thence south along the east line of the southwest $\frac{1}{4}$ of said Section 13 to the south $\frac{1}{4}$ corner of said Section 13; thence east along the section line to the southeast corner of said Section 13; thence in Township 17 South, Range 18 East, M. D. B & M., east along the section line to the southwest corner of Section 17; thence south along the section line to the west $\frac{1}{4}$ corner of Section 20; thence along the north line of the southwest $\frac{1}{4}$ of Section 20 to the center of said Section 20; thence south along the east line of the southwest $\frac{1}{4}$ of Section 20 to the south $\frac{1}{4}$ corner of said Section 20; thence east along the section line to the southeast corner of Section 20; thence south along the section line to the west $\frac{1}{4}$ corner of Section 28; thence east along the north line of the southwest $\frac{1}{4}$ of Section 28 to the center of said Section 28; thence south along the east line of the southwest $\frac{1}{4}$ of Section 28 to the south $\frac{1}{4}$ corner of said Section 28; thence east along section lines to the north $\frac{1}{4}$ corner of Section 34; thence south along the west line of the northeast $\frac{1}{4}$ of Section 34 to the center of said Section 34; thence east along the south line of the northeast $\frac{1}{4}$ of Section 34 to the east $\frac{1}{4}$ corner of said Section 34; thence south along the section line to the southwest corner of the north $\frac{1}{2}$ of the southwest $\frac{1}{4}$ of Section 35; thence east along the south line of the north $\frac{1}{2}$ of the southwest $\frac{1}{4}$ of Section 35 to the southeast corner of the north $\frac{1}{2}$ of the southwest $\frac{1}{4}$ of said Section 35; thence south along the east line of the south $\frac{1}{2}$ of the southwest $\frac{1}{4}$ of Section 35 to the south $\frac{1}{4}$ corner of Section 35; Township 17 South, Range 18 East, M. D. B. & M.; thence into Township 18 South, Range 18 East, M. D. B. & M. to the north $\frac{1}{4}$ corner of Section 2; Boundaries

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thence south along the west line of the east half of said Section 2 to the south ¼ corner of said Section 2; thence east along section lines to the southeast corner of Section 1; thence into Township 18 South, Range 19 East, M. D. B. & M. to the southwest corner of Section 6; thence east along section lines to the south quarter corner of Section 5; thence north along the north-south center line of said Section 5 to the point of intersection of said center line with the north foot of bank of the Crescent Canal; thence along the north foot of bank of Crescent Canal, S. 56 deg. 00 min. E. 460 feet; S. 47 deg. 00 min. E. 1320 feet; S. 78 deg. 10 min. E. 900 feet; S. 37 deg. 50 min. E. 170 feet to a point in the center line of Boggy or Fish Slough; thence southerly along the center of Boggy or Fish Slough through Sections 5 and 8 to San Jose Slough; thence southeasterly along the center of San Jose Slough through Sections 8, 9, 16, 21, 22, 27, 34 and 35 to a point in said Section 35 where the said San Jose Slough intersects Clarks Fork of Kings River; thence northeasterly along the north bank of Clarks Fork of Kings River through Sections 35, 26, 25 and 24 to a point in the east line of Section 24; thence in Township 18 South, Range 20 East, continuing along the north bank of Clarks Fork of Kings River through Sections 19 and 20 to a point where said bank intersects the north bank of South Fork of Kings River; thence northeasterly along the north bank of South Fork of Kings River through Sections 20, 17, 16, 15, 10, 11 and 2 to a point where said bank intersects the north bank of Kings River; thence northeasterly along the north bank of Kings River through Sections 2 and 1 to a point in the north line of said Section 1; thence in Township 17 South, Range 20 East, M. D. B. & M., and continuing northeasterly along the north bank of Kings River through Sections 36 and 25 to a point in the east line of said Section 25; thence in Township 17 South, Range 21 East, M. D. B. & M., and continuing northeasterly along the north bank of Kings River through Sections 30, 29, 28 and 27 to a point in the vicinity of the northeast corner of said Section 27 where the center line of the Old River Channel produced intersects the said north bank of Kings River; thence southeasterly along the said produced center line to the intersection with the center line of the main Kings River; thence northerly and easterly along the center line of said Kings River through Section 23 to the point of intersection of the said center line of the main Kings River produced with the north bank of a branch of Kings River known as Cole Slough; thence southwesterly along the north bank of said Cole Slough to the point of beginning.

Division Five shall comprise all that territory of the district included within the following described boundaries:

Beginning at the southwest corner of Section 6, Township 18 South, Range 19 East, M. D. B. & M.; thence south along the section line to the southwest corner of Section 7; thence east along the section line to the southeast corner of said Section 7; thence south along the section line to the southwest corner of Section 17; thence east along the section line to the southeast

corner of said Section 17; thence south along the section line to the southwest corner of Section 21; thence east along the south section line of Section 21 to the point of intersection of said section line and the Government Swamp and Overflow Meander Line; thence southeasterly along the Government Swamp and Overflow Meander Line through Section 28 to the intersection of said meander line and the east section line of said Section 28; thence south along section lines for approximately one and three-fourths miles to the southwest corner of Section 34, Township 18 South, Range 19 East, M. D. B. & M.; thence in Township 19 South, Range 19 East, M. D. B. & M. to the northwest corner of Section 3; thence south along the section line to the southwest corner of Section 3; thence east along the south line of said Section 3, one mile to the southeast corner of said Section 3; thence easterly three-quarters of a mile along the south line of Section 2 of the last named township and range, to the southwest corner of the southeast one-quarter of the southeast one-quarter of said Section 2; thence southerly one-half mile to the southwest corner of the southeast quarter of the northeast quarter of Section 11; thence southerly along the west line of the east ½ of the southeast ¼ of said Section 11, also being the west line of Lot 5 of said Section 11, to the Southern Pacific Company Railroad line; thence southeasterly along the westerly line of said Lot 5 of said Section 11 to the southeast corner of said Section 11; thence south 2½ miles along the west lines of Sections 13, 24, and 25, Township 19 South, Range 19 East, M. D. B. & M., to the west ¼ corner of said Section 25; thence east 2056 feet along the east-west center line of said Section 25 to a point along the west bank of South Fork of Kings River; thence south 252 feet along said west bank of said South Fork of Kings River to a point which is the junction of the said west bank of South Fork of Kings River and the westerly bank of the Empire West Side Irrigation District's Upper Ditch; thence south 47 degrees and 39 minutes west 2734 feet along the westerly bank of said Empire West Side Irrigation District's Upper Ditch to a point on the west line of said Section 25, which point is 548 feet north of the southwest corner of said Section 25; thence south 47 deg. 39 min. west 320 feet along said westerly bank of said Upper Ditch, in Section 26, Township 19 South, Range 19 East, M. D. B. & M.; thence south 8 deg. 29 min. west 1990 6 feet in Section 26 and 35 of the last named township and range; thence south 18 deg. 40 min. east 1250 feet along the said westerly bank of said Upper Ditch in Section 35, Township 19 South, Range 19 East, M. D. B. & M., to a point; thence south from this point 59 deg. 13 min. east 142 feet along said westerly bank of Upper Ditch to a point which point lies on the east line of said Section 35 and being 224 feet south of the east ¼ corner of said Section 35; thence southerly 2403 feet along the east line of said Section 35 to the southeast corner of said Section 35; also being along the said westerly bank of Upper Ditch; thence southerly 10,723.7 feet along the west lines of Section 1 and 12, Township 20 South, Range 19 East, M. D. B.

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& M., also along the west bank of said Upper Ditch to the southwest corner of said Section 12; thence westerly 700 feet along the north line of Section 14, last named township and range, to a point on the said westerly bank of Upper Ditch; thence southerly 2680.9 feet along said westerly bank of Upper Ditch; thence easterly 700 feet to the east ¼ corner of said Section 14; thence southerly 6702.2 feet along the west lines of Sections 13 and 24 to the southwest corner of the northwest quarter of the southwest quarter of Section 24, last named township and range; thence easterly 1322.8 feet to the southeast corner of the northwest quarter of the southwest quarter of said Section 24, thence southerly 670.3 feet to the southwest corner of the northwest quarter of the southeast quarter of the southwest quarter of said Section 24; thence easterly 1322.8 feet to the southeast corner of the northeast quarter of the southeast quarter of the southwest quarter of said Section 24; thence southerly 670.3 feet to the south quarter corner of said Section 24; thence southerly 207 feet along the westerly bank of the Upper Ditch of the Empire West Side Irrigation District in Section 25, last named township and range; thence south 34 deg. 10 min. west 284 feet along said westerly bank of Upper Ditch; thence south 45 deg. 20 min. west 3400 feet along said westerly bank of Upper Ditch to the west quarter corner of said Section 25; thence easterly 982 feet to a point on the westerly bank of Ditch of Empire West Side Irrigation District; thence south 48 deg. 30 min. west 2770 feet along said westerly bank of Ditch through portions of Sections 25 and 26, Township 20 South, Range 19 East, M. D. B. & M.; thence south 36 deg. 30 min west 2700 feet through portions of Section 26 and 35 along said westerly bank of Ditch; thence southerly 1340.4 feet to center of said Section 35; thence westerly 1320 feet to the northwest corner of the northeast quarter of the southwest quarter of Section 35, Township 20 South, Range 19 East, M. D. B. & M.; thence southerly 2681 feet to the southwest corner of the southeast quarter of the southwest quarter of said Section 35, also being the southwest corner of Lot 9 of said Section 35; thence easterly along the south line of said Section 35 to the intersection of said line with the northwesterly bank of the West Side Canal, said point of intersection also being a point on the north line of Section 1, Township 21 South, Range 19 East, M. D. B. & M. where said line intersects the northwesterly bank of said West Side Canal; thence east along the north line of said Section 1 to the northeast corner of said Section 1 last named township and range; thence east along northern lines of Sections 6 and 5, Township 21 South, Range 20 East, M. D B. & M. to the northwest corner of Section 4 last named township and range; thence southerly along the western lines of Sections 4 and 9 one and one-half miles more or less to the west one-quarter corner of Section 9 last named township and range; thence east along the east and west center lines of Sections 9, 10, 11 and 12, last named township and range 4 miles more or less to the east one-quarter corner of Section 12; thence northerly one and one-half miles

to the northeast corner of Section 1 last named township and range; thence easterly along the northern lines of Section 6, Township 21 South, Range 21 East, M. D. B. & M., 39.66 chains more or less to a point on northern line of said Section 6, said point being at the northwest corner of 154 acre tract of land in said Section 6 now or formerly belonging to S. J. Hill; thence southerly along the westerly line of said 154 acre tract 33.16 chains more or less to the southwest corner of said 154 acre tract; thence easterly along southern line of said tract 46.44 chains more or less to the southeast corner of said tract also being a point on east line of said Section 6; thence southerly along east line of said Section 6 a distance of 21.84 chains more or less to a point on said east line of Section 6, last named township and range, said point being 26.05 chains northerly from the southeast corner of said Section 6; thence south 72 deg. E. 42.06 chains to a point on the west line of the east half of Section 5, last named township and range; thence northerly along the west line of the east half of said Section 5 a distance of 68.00 chains to the north one-quarter corner of said Section 5; thence easterly along northern line of said Section 5 a distance of 27.20 chains to point of intersection of the northern line of said Section 5 and the meander or shore line of Tulare Lake surveyed May 17, 1884 and shown on township plat of Township 21 South, Range 21 East, M. D. B. & M., approved by the United States Surveyor General of California on October 14, 1884, said point of intersection being 12.80 chains westerly from the northeast corner of said Section 5; thence easterly and southeasterly along last said meander line through Sections 5 and 4 to the point of intersection of last said meander line and the west line of the east half of the east half of Section 4, last named township and range; thence northerly along said west line of the east half of the east half to the northwest corner of the southeast one-quarter of the northeast one-quarter of said Section 4; thence easterly one-quarter of a mile to the northeast corner of the southeast one-quarter of the northeast quarter of said Section 4; thence southerly three-quarters of a mile to the northwest corner of Section 10, Township 21 South, Range 21 East, M. D. B. & M.; thence easterly one mile to the northeast corner of last said Section 10; thence southerly 2 miles to the southwest corner of Section 14, last said township and range; thence easterly one-half mile to the south one-quarter corner of said Section 14; thence northerly one-half mile to center of said Section 14; thence easterly one-half mile to the east one-quarter corner of said Section 14; thence southerly one-half mile to the northwest corner of Section 24, last named township and range; thence easterly one-half mile to the north one-quarter corner of said Section 24; thence southerly one-half mile to the center of last said Section 24; thence easterly one-half mile to the east one-quarter corner of said Section 24; thence southerly 2½ miles along the eastern boundary line of Township 21 South, Range 21 East to the southeast corner of last said township and range; thence southerly one-half mile, more or less, to the west quarter

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of said Section 12; thence west along the section lines to the northeast corner of Section 16, Township 20 South, Range 22 East, M. D. B. & M.; thence west three miles along the north line of Sections 16, 17 and 18 to the northwest corner of Section 18 last named township and range; thence west one-half mile along section line to the south one-quarter corner of Section 12, Township 20 South, Range 21 East, M. D. B. & M.; thence northerly along the north-south center line of last named Section 12 to the north one-quarter corner of said Section 12; thence west one and one-half miles along section lines to the northwest corner of Section 11 last named township and range; thence northerly one mile along section line to the northwest corner of Section 2 last named township and range; thence northerly three miles along the west lines of Sections 35, 26 and 23, Township 19 South, Range 21 East, M. D. B. & M. to the northwest corner of Section 23; thence east one mile along section line to the northeast corner of said Section 23; thence northerly one mile along section line to the northwest corner of Section 13 last named township and range; thence east one mile along section line to the northeast corner of said Section 13; thence east four miles along section lines to the northeast corner of Section 15, Township 19 South, Range 22 East, M. D. B. & M.; thence north one mile along section line to the northwest corner of Section 11 last named township and range; thence east one mile along section line to the southeast corner of Section 2 last named township and range; thence north one mile to the northeast corner of said Section 2; thence north two miles along section lines to the northwest corner of Section 25, Township 18 South, Range 22 East, M. D. B & M.; thence one-half mile east along section line to the south one-quarter corner of Section 24, last named township and range; thence north one mile along north-south center line of Section 24 last named township and range to the north one-quarter corner of said Section 24; thence west one-half mile along section line to the northwest corner of said Section 24; thence north two miles along section lines to the northwest corner of Section 12 last named township and range; thence northerly along the west line of Section 1, Township 18 South, Range 22 East, M. D. B. & M., to the point of intersection of the said west line with the north bank of the slough used as part of the ditch known as the Settlers Ditch; thence running north along the section lines to the left bank of the ditch known as the Peoples Ditch near the southwest corner of Section 13 in Township 17 South, Range 22 East, M. D. B. & M.; thence running north along the said left bank of Peoples Ditch to the center of the Main Channel of Kings River; thence southwesterly along said center line of Main Channel of Kings River to Old River Channel; thence along center line of Old River Channel through Sections 1, 12, 13, 14, 15, 22, 21, 20, 29 and 30 in Township 17 South, Range 22 East, M. D. B. & M.; thence into Township 17 South, Range 21 East through Sections 25 and 26 to intersection with the north bank of the main Kings River in the vicinity

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of the northeast corner of Section 27, Township 17 South, Range 21 East, M. D. B. & M.; thence along said north bank of the main Kings River in a southwesterly direction through Sections 27, 28, 29 and 30 in Township 17 South, Range 21 East, M. D. B. & M.; thence into Township 17 South, Range 20 East, M. D. B. & M., continuing southwesterly along said north bank through Sections 25 and 36; thence into Township 18 South, Range 20 East, M. D. B. & M., continuing southwesterly along said north bank through Sections 1 and 2 to a point where said north bank projected intersects the north bank of the South Fork of Kings River; thence along said north bank of the South Fork of Kings River in a southwesterly direction through Sections 2, 11, 10, 15, 16, 17 and 20 in the last named township and range to a point where said north bank joins the north bank of Clark's Fork of Kings River; thence continuing southwesterly along the north bank of Clark's Fork of Kings River through Sections 20 and 19 of the last named township and range; thence into Township 18 South, Range 19 East, M. D. B. & M., along said north bank southwesterly through Sections 24, 25, 26 and 35 to a point where said north bank projected intersects the center of San Jose Slough; thence along the center line of said San Jose Slough in a westerly and northwesterly direction through Sections 35, 34, 27, 22, 21, 16, 9 and 8 to a point where said center line intersects the center line of Boggy or Fish Slough; thence northwesterly along the center line of Boggy or Fish Slough through Sections 8 and 5 to a point where said center line is intersected by a line commencing at the point of intersection of the north-south center line of Section 5, Township 18 South, Range 19 East, M. D. B. & M. with the north foot of bank of the Crescent Canal and running thence South 56 deg. 00 min. E. 460 feet; S. 47 deg. 00 min. E. 1320 feet; S. 78 deg. 10 min. E. 900 feet; S. 37 deg. 50 min. E. 170 feet to its intersection with the aforesaid center line of Boggy or Fish Slough; thence retracing the above described line to its point of beginning at the intersection of the north-south center line of said Section 5 and the north foot of bank of the Crescent Canal; thence south along the north-south center line of Section 5 to the south quarter corner of Section 5; thence west along section lines to the southwest corner of Section 6 which is the point of beginning.

Division Six shall comprise all that territory of the district included within the following described boundaries:

Beginning at the northeast corner of Section 1, Township 21 South, Range 19 East, M. D. B. & M., and running thence westerly along the north line of said Section 1 to its intersection with the northwesterly bank of the West Side Canal; thence southwesterly following the meanderings of said bank of said canal to its intersection with the northern line of Section 15, same township and range; thence westerly along said line of said Section 15 to the north quarter corner of Section 15 in said Township 21 South, Range 19 East, thence southerly one-half mile to the center of said Section 15; thence westerly

one-quarter of a mile to the northwest corner of the east half Boundaries
of the southwest quarter of said Section 15; thence southerly one-half of a mile to the southwest corner of the east half of the southwest quarter of said Section 15; thence westerly along the southern line of said Section 15 and along the southern line of Section 16, same township and range, to the south quarter corner of said Section 16, last said quarter corner being a point on the meander line of Tulare Lake as established by the United States Surveyor General of California in the year 1855; thence along said meander line S. 31 degrees 10 minutes W. 77.10 chains, S. 35 degrees 45 minutes W. 17.12 chains, S. 39 degrees 30 minutes W. 72.00 chains, S. 9 degrees 30 minutes W. 25.00 chains, S. 44 degrees 35 minutes W. 28.30 chains and S. 28 degrees W. 68.15 chains to a point on the southern line of Section 31 of said Township 21 South, Range 19 E., M. D. B. & M., last said point being distant S. 89 degrees 26 minutes E. 48.00 chains from the southwest corner of said Section 31; thence, leaving said meander line, and along the line between Township 21 South, Range 19 East, and Township 22 South, Range 19 E., M. D. B. & M., north 89 degrees 26 minutes W. 8.06 chains to the north quarter corner of Section 6 of said Township 22 South, Range 19 East, M. D. B. & M.; thence southerly along the line dividing the east half and the west half of said Section 6 and along the line dividing the east one-half and the west one-half of Section 7, last said township and range, two miles, more or less, to the south quarter corner of said Section 7; thence easterly along the southern line of said Section 7 one-half of a mile, more or less, to the northwest corner of Section 17, last said township and range; thence southerly three-eighths of a mile to the southwest corner of the north one-half of the south one-half of the northwest one-quarter of said Section 17; thence easterly one-half of a mile to the southeast corner of the north one-half of the south one-half of the northwest quarter of said Section 17; thence southerly five-eighths of a mile to the south quarter corner of said Section 17; thence easterly one-quarter of a mile to the northwest corner of the northeast quarter of the northeast quarter of Section 20, last said township and range; thence southerly three-quarters of a mile to the southwest corner of the northeast one-quarter of the southeast one-quarter of said Section 20; thence easterly one-quarter of a mile to the southeast corner of the northeast one-quarter of the southeast one-quarter of said Section 20; thence southerly one-quarter of a mile to the northwest corner of Section 28, last said township and range; thence east one-half of a mile to the north one-quarter corner of said Section 28; thence southerly one mile to the south one-quarter corner of said Section 28; thence east one-half of a mile to the northwest corner of Section 34, last said township and range; thence southerly along the western line of last said Section 34 and continuing along the western line of Section 3, Township 23 South, Range 19 East, M. D. B. & M., 1½ miles, more or less, to the west quarter corner of last said Section 3; thence easterly

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one-quarter of a mile to the northwest corner of the northeast quarter of the southwest quarter of last said Section 3; thence southerly one-quarter of a mile to the southwest corner of the northeast one-quarter of the southwest one-quarter of last said Section 3; thence easterly three-quarters of a mile to the northeast corner of the southeast one-quarter of the southeast one-quarter of last said Section 3; thence southerly one-quarter of a mile to the southeast corner of last said Section 3; thence easterly along the southern line of Sections 2 and 1, last said township and range, 2 miles, more or less, to the northwest corner of Section 7, Township 23 South, Range 20 East, M. D. B. & M., thence southerly one-half of a mile to the west quarter corner of last said Section 7; thence easterly one-half of a mile, more or less, to the center of last said Section 7; thence southerly one-quarter of a mile to the southwest corner of the northwest one-quarter of the southeast one-quarter of last said Section 7; thence easterly one mile to the northwest corner of the southwest one-quarter of the southeast one-quarter of Section 8, last said township and range; thence southerly one-quarter of a mile to the south quarter corner of last said Section 8; thence easterly along the southern lines of Sections 8, 9, 10, and 11, last said township and range, 3½ miles, more or less, to the northwest corner of Section 13, Township 23 South, Range 20 East, M. D. B & M.; thence southerly along the western lines of Sections 13, 24, 25, and 36, last said township and range, 4 miles to the southwest corner of last said Section 36; thence easterly one mile to the northwest corner of Section 6, Township 24 South, Range 21 East, M. D. B & M.; thence southerly one mile to the southwest corner of last said Section 6, thence easterly 85.81 chains, more or less, to the northwest corner of Section 8, last said township and range; thence southerly three-quarters of a mile to the southwest corner of the northwest one-quarter of the southwest one-quarter of last said Section 8; thence easterly along the southern lines of the north half of the south half of Sections 8, 9, and 10, last said township and range, 3 miles, more or less, to the southeast corner of the northeast quarter of the southeast quarter of last said Section 10; thence northerly three-quarters of a mile to the southwest corner of Section 2, last said township and range; thence easterly along the southern lines of Sections 2 and 1, last said township and range, 2 miles, more or less, to the southeast corner of last said Section 1; thence southerly one-half of a mile to the east one-quarter corner of Section 12, last township and range; thence easterly along the east and west center lines of Sections 7 and 8, Township 24 South, Range 22 East, M. D B. & M.; one and one-half miles more or less to the center of last said Section 8; thence northerly one-half of a mile to the south quarter corner of Section 5 last said township and range; thence easterly along the southern lines of 5, 4, and 3, last said township and range, two and one-half miles more or less to the southwest corner of Section 2, Township 24 South, Range 22 East, M. D. B. & M.; thence east, along the southern

line of last said Section 2, 11.94 chains to its intersection with the meander line of Tulare Lake as surveyed in 1880 and shown on the township plat of last said township approved by the United States Surveyor General of California on February 9, 1881; thence along last said meander line North 55 degrees East 55.00 chains, North 60 degrees East 15.00 chains; North 56 degrees 30 minutes East 31.62 chains and North 56 degrees 30 minutes East 61 86 chains to a point on the north line of Section 1, Township 24 South, Range 22 East, M. D. B. & M., distance thereon west 29.00 chains from the northeast corner of last said Section 1; thence northeasterly along the meander or shore line in 1880 of Tulare Lake through Section 36, Township 23 South, Range 22 East, M. D. B & M, to a point on the western line of Section 31, Township 23 South, Range 23 East, M. D. B. & M., distant thereon, north 21.00 chains from the southwest corner of last said Section 31; thence continuing along the meander or shore line of Tulare Lake as surveyed in 1880 and shown on the township plat of last said township approved by the United States Surveyor General of California on February 9, 1881, the following courses and distances: North 52 degrees E. 50.00 chains, N. 56 degrees E. 17.00 chains, N. 52 degrees E. 30.20 chains, N. 52 degrees 30 minutes E. 11.40 chains, N. 43 degrees E. 23.00 chains, N. 44 degrees E. 35.00 chains, N. 49 degrees E. 45.06 chains, N. 45 degrees E. 5 65 chains, N. 41 degrees E. 52.00 chains, N. 35 degrees E. 10.00 chains, N. 38 degrees E. 36 24 chains, N. 22 degrees E. 22.00 chains, N. 26 degrees E. 8.00 chains, N. 23 degrees E. 16.10 chains and N. 15 degrees 30 minutes E. 40.00 chains to a point on the north line of Section 15, Township 23 South, Range 23 East, M. D. B. & M., distant thereon West 68.00 chains from the northeast corner of said Section 15; thence leaving last said meander line, and along the northern lines of Sections 15, 16, last said township and range, westerly 91.78 chains to the southeast corner of Section 8, last said township and range; thence northerly one-half mile to the east quarter corner of said Section 8; thence westerly one mile to the west quarter corner of said Section 8; thence southerly one-half mile to the southwest corner of said Section 8; thence westerly 86.17 chains to the northwest corner of Section 18, last said township and range, said corner of said Section 18 being also the southeast corner of Section 12, Township 23 South, Range 22 East, M. D. B. & M; thence north one mile to the northeast corner of Section 12, last named township and range; thence westerly along the northern lines of Sections 12 and 11, last said township and range, 2 miles, more or less to the southeast corner of Section 3, last said township and range; thence northerly one mile, more or less, to the northeast corner of last said Section 3; thence westerly, along the northern line of last said Section 3, 73.15 chains, more or less, to the southeast corner of Section 33, Township 22 South, Range 22 East, M. D. B. & M.; thence northerly one mile to the northeast corner of last said Section 33; thence westerly one-half mile to the south quarter cor-

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ner of Section 28, last said township and range; thence northerly one mile to the north quarter corner of last said Section 28; thence westerly along the northern lines of Sections 28 and 29, last said township and range, one mile to the south quarter corner of Section 20, Township 22 South, Range 22 East, M. D B. & M.; thence northerly along the north and south center lines of the Sections 20, 17, 8 and 5, last said township and range, 3½ miles to the center of last said Section 5; thence westerly along the east and west center lines of Sections 5 and 6, last said township and range, to the west quarter corner of last said Section 6; thence northerly one-half of a mile, more or less, to the southeast corner of Township 21 South, Range 21 East, M. D. B. & M.; thence northerly along the eastern boundary line of last said township and range 2½ miles to the east quarter corner of Section 24, Township 21 South, Range 21 East, M. D. B. & M.; thence westerly one-half of a mile to the center of last said Section 24, thence northerly one-half of a mile to the north quarter corner of said Section 24; thence westerly one-half of a mile to the northwest corner of said Section 24; thence northerly one-half of a mile to the east quarter corner of Section 14, last said township and range; thence westerly one-half of a mile to the center of said Section 14; thence southerly one-half mile to the south quarter corner of said Section 14; thence westerly one-half mile to the southwest corner of said Section 14; thence northerly 2 miles to the northeast corner of Section 10, last said township and range; thence westerly one mile to the northwest corner of last said Section 10; thence northerly three-quarters of a mile to the northeast corner of the southeast one-quarter of the northeast quarter of Section 4, last said township and range; thence westerly one-quarter of a mile to the northwest corner of the southeast one-quarter of the northeast one-quarter of said Section 4; thence southerly along the west line of the east half of the east half of said Section 4 to its intersection with the meander or shore line of Tulare Lake surveyed May 17, 1884, and shown on the township plat of Township 21 South, Range 21 East, M. D. B. & M., approved by the United States Surveyor General of California on October 14, 1884; thence westerly and northwesterly along last said meander line through Sections 4 and 5, last said township and range, to its intersection with the northern line of said Section 5 at a point distant thereon 12.80 chains westerly from the northeast corner of said Section 5; thence westerly along said northern line of said Section 5 a distance of 27.20 chains, more or less, to the north quarter corner of said Section 5; thence southerly along the west line of the east half of said Section 5, a distance of 68.00 chains; thence North 72 degrees West 42.06 chains to a point on the east line of Section 6, last said township and range, distant thereon 26.05 chains northerly from the southeast corner of said Section 6; thence northerly along said east line of said Section 6, a distance of 21.84 chains, more or less, to the southeast corner of the 154.0 acre tract of land in said Sec-

tion 6 now or formerly belonging to S. J. Hill; thence westerly along the southerly line of said tract 46.44 chains, more or less, to the southwest corner of said 154.0 acre tract; thence northerly along the westerly line of said tract 33.16 chains, more or less, to a point on the northern line of said Section 6, said point being at the northwest corner of said 154.0 acre tract; thence westerly along the northern line of said Section 6, 39.66 chains, more or less, to the northeast corner of Section 1, Township 21 South, Range 20 East, M. D. B. & M.; thence southerly one and one-half miles to the east quarter corner of Section 12, last said township and range; thence westerly along the east and west center lines of Sections 12, 11, 10 and 9, last said township and range, 4 miles, more or less, to the west quarter corner of last said Section 9; thence northerly along the western lines of Sections 9 and 4, last said township and range, one and one-half miles, more or less, to the northwest corner of last said Section 4; thence westerly along the northern lines of Sections 5 and 6, last said township and range, 2 miles, more or less, to the northeast corner of Section 1, Township 21 South, Range 19 East, M. D B. & M., and the point of beginning. Boundaries

Also beginning at a point on the east bank of La Hacienda spillway in Section 13, Township 24 South, Range 21 East, M D. B. & M., said point being one-half mile south of the north line of said Section 13, and running thence northeasterly in a direct line to the northwest corner of the southwest quarter of the northwest quarter of Section 18, Township 24 South, Range 22 East, M. D. B. & M., thence easterly one and three-quarters miles, more or less, to the northeast corner of the southwest quarter of the northeast quarter of Section 17, last said township and range; thence southerly one-quarter of a mile to the southeast corner of the southwest quarter of the northeast quarter of said Section 17, thence easterly one-half of a mile to the southwest corner of the southeast quarter of the northwest quarter of Section 16, last said township and range; thence northerly one-half of a mile to the northwest corner of the northeast quarter of the northwest quarter of said Section 16; thence easterly three-quarters of a mile to the southwest corner of Section 10, last said township and range; thence northerly one-quarter of a mile to the northwest corner of the south half of the southwest quarter of said Section 10; thence easterly one-half of a mile to the northeast corner of the south one-half of the southwest quarter of said Section 10; thence southerly one-eighth of a mile to the southeast corner of the north one-half of the southeast quarter of the southwest quarter of said Section 10; thence westerly one-quarter of a mile to the southwest corner of the north half of the southeast quarter of the southwest quarter of said Section 10; thence southerly one-eighth of a mile to the southeast corner of the southwest quarter of the southwest quarter of said Section 10; thence westerly one-quarter of a mile to the northeast corner of Section 16, last said township and range; thence southerly one-quarter of a mile to the southeast corner

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of the northeast quarter of the northeast quarter of said Section 16; thence westerly one-quarter of a mile to the southwest corner of the northeast quarter of the northeast quarter of said Section 16; thence southerly one-half of a mile to the northwest corner of the southeast quarter of the southeast quarter of said Section 16; thence easterly one-half of a mile to the northeast corner of the southwest quarter of the southwest quarter of Section 15, last said township and range; thence northerly one-half of a mile to the northwest corner of the southeast quarter of the northwest quarter of said Section 15; thence easterly one-quarter of a mile to the northeast corner of the southeast quarter of the northwest quarter of said Section 15; thence northerly one-eighth of a mile to the northwest corner of the south half of the northwest quarter of the northeast quarter of said Section 15; thence easterly one-quarter of a mile to the northeast corner of the south half of the northwest quarter of the northeast quarter of said Section 15; thence northerly one-eighth of a mile to the northwest corner of the northeast quarter of the northeast quarter of said Section 15; thence easterly one-quarter of a mile to the northeast corner of said Section 15; thence southerly one mile to the southeast corner of said Section 15; thence westerly along the southern boundary lines of said Sections 15 and 16, two miles to the northeast corner of Section 20 last said township and range; thence southerly one-half of a mile to the east quarter corner of said Section 20; thence westerly along the east and west center lines of Sections 20 and 19, last said township and range, and continuing along the east and west center line of Section 24, Township 24 South, Range 21 East, M. D. B. & M., a distance of two and three-quarters miles, more or less, to a point on the east bank of La Hacienda spillway in said Section 24; thence northerly along said bank of said spillway one mile to the point of beginning.

Legislative finding and determination

SEC. 4. The legislature hereby finds and determines that the territory comprising said district and the lands thereof will be benefited by the formation of said district; that the water problems in the district require the formation of the district; that these problems are not general or statewide; that many owners of rights to the waters of the Kings River and its tributaries, including irrigation districts, reclamation districts, mutual water companies and other public and private corporations and individual owners have entered into agreements for the distribution of waters from said river and its tributaries and that the distribution of such waters to a considerable extent is made in accordance with such agreements; that the effective distribution and conservation of such waters may be aided by the acquisition of storage space in the Pine Flat Reservoir created by the Pine Flat Dam now being constructed by the United States of America; that matters affecting the distribution, use and storage of the waters of the Kings River and its tributaries, the future conservation and use thereof and the protection, drainage and reclamation of lands within the district

can be most appropriately handled by the district herein provided for, and it is necessary to have a political entity embracing the areas having rights to said waters created in order to protect such rights and to meet the various problems affecting such water supply, including those hereinabove set forth.

Investigation having shown that conditions in the area comprising said district to be peculiar to it, it is hereby declared that a general law cannot be made applicable to said district and that the enactment of this special law is necessary for the conservation, development, control, distribution and use of said waters of the Kings River and its tributaries and power developed thereby for the public good, for the protection, drainage and reclamation of lands within the district, for the protection and preservation of rights to water therein and for the purpose of meeting the various problems affecting such water supply, including those hereinabove set forth.

Definitions

SEC. 5. As used in this act the following words shall have the following meanings unless by the context otherwise indicated, and the definition of a word applies to any of its variants:

(a) "District" means Kings River Conservation District.

(b) "Board" means the board of directors of the district.

(c) "President" means the president of the board.

(d) "Secretary" means the secretary of the board.

(e) "General district election" means the election required to be held in the district on the second Tuesday in April in every even-numbered year.

(f) "Special district election" means any district election other than a general district election.

(g) "Elector," "voter," and "precinct board" have, respectively, the same meanings as in the Elections Code, but an elector or voter shall also be a resident of the district and, when required, of a division thereof.

(h) "Property" embraces all real and personal property.

(i) "Works" includes conduits, canals, embankments, dams, reservoirs, wells, pumps, tunnels, power houses, power generating equipment, power lines, and other appliances and other facilities useful in the control, conservation, drainage, diversion and transmission of waters and in the generation, control and transmission of electrical power, and all land, property, franchises, easements, rights of way and privileges necessary or useful to maintain any of the foregoing.

(j) "Conduits" includes canals, laterals, ditches, flumes, pipes and their appurtenances.

(k) "Operate" includes use, maintenance and repair.

(l) "Street" includes road, alley, avenue, highway and public way.

(m) "United States" includes the United States of America and all bureaus, commissions, divisions, departments, boards, agencies and officers of the United States of America.

(n) "State of California" includes the State of California and all bureaus, commissions, divisions, departments, agencies and officers of the State of California.

Powers

SEC. 6. Kings River Conservation District is hereby declared to be and is a body politic and corporate and as such shall have, among others, the powers enumerated in this act and such other powers as the law may provide.

Public use

SEC. 7. The use of all water and electrical energy required for the purposes of the district, together with all property for carrying out the purposes and business of the district, is a public use, and the district is a public agency of the State of California to carry out this public use.

Directors

SEC. 8. The powers of the district shall, except as otherwise provided, be exercised by a board of seven directors, six of whom shall be elected by divisions and one shall be elected at large by the entire district; provided, however, that the first directors shall be appointed as herein provided.

Same
Appointment and qualifications

SEC. 9. Within 30 days after the effective date of this act the Governor shall appoint seven directors to serve as such until the first general district election, each of whom must be an elector, landowner, and resident of the district. At least one director shall be appointed from each division and be a resident, landowner, and elector thereof. Within 30 days after such appointment, the first directors, and thereafter within 30 days after each general district election, the directors shall meet and organize as a board.

Organization

SEC. 10. The board shall choose from its members a president and a vice president, who shall act as president during his absence or inability to act, and provide for the time and place of holding meetings and the manner in which its special meetings may be called. All legislative sessions of the board, whether regular or special, shall be open to the public. A majority of the board shall constitute a quorum for the transaction of business. The board shall also establish rules for its proceedings.

Action of board

SEC. 11. The board shall act only by ordinance, resolution or motion, and, except where action shall be taken by the unanimous vote of all directors present and voting, the ayes and noes taken upon the passage of all ordinances, resolutions and motions shall be entered upon the minutes of the board. No ordinance, resolution or motion shall be passed or become effective without the affirmative vote of at least a majority of the members of the board. The enacting clause of all ordinances passed by the board shall be in these words: "Be it ordained by the Board of Directors of Kings River Conservation District as follows:". All ordinances shall be signed by the president and attested by the secretary.

Compensation

Each director shall receive the sum of twenty dollars ($20) for each meeting of the board attended by him, not exceeding five meetings in any calendar month, and such additional compensation as shall be fixed and allowed by the board for his services while otherwise employed by the authority of the board in the business of the district. He shall also be allowed, with the approval of the board, all traveling and other expenses reasonably incurred by him in such employment.

Officers, etc Appointment, term, compensation

SEC. 12. The board shall, at its first meeting or as soon thereafter as practicable, appoint a general manager, a secretary, and an auditor. No director shall be eligible to the office of general manager, secretary or auditor. The general manager, secretary and auditor shall receive such compensation as the board shall determine, and each shall serve at the pleasure of the board The same person may be appointed as general manager and secretary or as secretary and auditor. The board may at any time also appoint an assistant secretary and appoint or employ and prescribe the authorities and duties of such other officers and employees, attorneys and engineers as may be necessary or convenient for the business of the district, each of whom shall serve at the pleasure of the board. The general manager, secretary, auditor and other employees and assistants of the district who may be required to do so by the board shall each give such bond to the district conditioned for the faithful performance of his duties as the board may provide. Any member of the board and the secretary may administer oaths when necessary in the performance of his official duties.

Same Duties

SEC. 13. The president or vice president shall sign, and the secretary or assistant secretary shall countersign, all deeds and instruments in writing which have been first approved or authorized by the board, unless the board directs some other officer or officers to execute the same. The president, vice president, secretary and assistant secretary shall perform such other duties as may be imposed by the board The general manager, subject to the control and approval of the board, shall have full charge and control of the maintenance, operation and construction of the works and property of the district and shall have full power and authority to employ and discharge all employees and assistants, prescribe their duties and fix and alter their compensation He shall perform such other duties as may be imposed by the board and report to the board in accordance with such rules and regulations as it may adopt. The auditor shall install and maintain a system of auditing and accounting that shall completely and at all times show the financial condition of the district. He shall draw warrants, which must be countersigned by the president or vice president, to pay demands made against the district when such demands have been approved or authorized by the board. The board shall also designate a depository or depositories to have custody of the funds of the district, all of which depositories shall give security sufficient to secure the district against possible loss and who shall pay the warrants drawn by the auditor for demands against the district under such rules as the directors may prescribe.

Liability for acts, etc., of employees

SEC. 14. No director shall be liable for any act or omission of any appointee or employee appointed or employed by him in his official capacity, whether such employment or appointment was made singly or in conjunction with other members of the board, and no officer, agent or employee of the district shall be liable for any act or omission of any agent or employee

appointed or employed by him except when the director or the officer or agent making such appointment or employment knew or had actual notice that the person appointed or employed was inefficient or incompetent to perform or render the services for which he was appointed or employed, or shall retain such inefficient or incompetent person after knowledge or notice of such inefficiency or incompetency.

Damage claims Limitation

SEC. 15. Whenever it is claimed that any property has been taken, injured, damaged or destroyed as a result of any dangerous or defective condition of any property, equipment or facilities owned, operated or controlled by the district or its directors, officers, agents or employees or by any act or omission of any director, officer, agent or employee of the district, a verified claim for damages shall be presented in writing and filed with such director, officer, agent or employee and with the secretary of the board within 90 days after such accident, injury, taking, damage, or destruction has occurred. Whenever it is claimed that any person has been injured or damaged as a result of any dangerous or defective condition of any property, equipment or facilities owned, operated or controlled by the district or its directors, officers, agents or employees or by any act or omission of any director, officer, agent or employee of the district, a verified claim for damages shall be presented in writing and filed with such director, officer, agent or employee and with the secretary of the board within 180 days after such injury or damage has occurred Each claim filed for the purpose of complying with this section shall specify the name and address of the claimant, the date and place of the accident, injury, taking, damage, or destruction, and the nature and extent of the injury or damage claimed. The foregoing shall be a condition precedent to the filing or maintaining of any action for such injury or damage. The district may employ counsel to defend any action brought against it or any of its directors, officers, agents or employees on account of any such injury, taking, damage, or destruction, and the fees and expenses involved therein shall be a lawful charge against the district.

Construction

SEC. 16. Nothing contained in Sections 14 and 15 shall be considered as creating any liability or responsibility unless the same would have existed without the enactment of said sections, nor shall the provisions of said sections or either or any of them be deemed to amend, modify or repeal the provisions of Chapter 6, Division 4, Title 1 of the Government Code.

Payment of judgment by district

SEC. 17. If a director, officer, agent, or employee of the district shall be held liable for any act or omission in his official capacity, except in case of actual fraud or actual malice, and any judgment shall be rendered thereon, the district shall pay such judgment without obligation for repayment thereof by such director, officer, agent, or employee.

Personal interest of director prohibited

SEC. 18. No director shall in any manner be interested directly or indirectly in any contract awarded or to be awarded by the board or in the profits to be derived therefrom, and for

any violation of this provision such party shall be guilty of a misdemeanor, and upon conviction thereof he shall be punished by a fine not exceeding five hundred dollars ($500) or by imprisonment in a county jail not exceeding six months, or by both such fine and imprisonment, and such conviction shall by operation of law work a forfeiture of his office; provided, that this section shall not be construed to apply to any contract made with a corporation for the general benefit of such corporation where such director is a minority stockholder therein.

Organization election

SEC. 19. Within 30 days after the organization of the board appointed by the Governor, it shall by resolution provide for the holding of a special district election for the purpose of submitting to the voters the question of whether the organization of the district as provided herein shall be ratified and confirmed, and shall fix a date upon which such special district election shall be held, which date shall be not less than 30 nor more than 40 days after the adoption of such resolution. Such special district election shall be called and held in accordance with the provisions of Section 24 hereof insofar as the same may be applicable, but in addition to the matters and things required to be set forth in the proclamation therein provided for, such proclamation shall likewise set forth the proposition to be submitted to the voters. The proposition shall be submitted in substantially the following form: "Shall the organization of Kings River Conservation District as provided in the act adopted by the Legislature at its last regular session, known as Kings River Conservation District Act, be ratified and confirmed?" Opposite shall be the word "Yes" followed by a square wherein to mark the cross, and also opposite shall be the word "No" followed by a square wherein to mark the cross. The returns of the election shall be made to and the votes canvassed by the board on the first Tuesday which is six or more days after the election, and the results of the election shall be ascertained and declared in accordance with the provisions of Section 24 hereof. If such proposition is approved by a majority of the voters voting thereon at such election, the president and secretary of the board shall file, or cause to be filed, with the Secretary of State, and shall record, or cause to be recorded in the office of the county recorder of each county within which any portion of the district lies, a certificate stating the result of such election, the formation of the district under the provisions thereof, and its boundaries. Upon receipt of the certificate, the Secretary of State shall, within 10 days, issue his certificate reciting that the district has been duly incorporated. A copy of this certificate shall be transmitted to and filed with the county clerk of each county within which any portion of the district lies.

Election results Formation

Same Dissolution

In the event a majority of the votes cast on the proposition are against the proposition, then the board appointed by the Governor shall wind up the affairs of the district and enter an order dissolving the same, as hereinafter provided, but shall not exercise any powers herein granted except to the extent required to wind up such affairs and dissolve the district, nor

shall any general or special district elections be called or held. The board shall dispose of and sell any property belonging to the district and shall, pursuant to Sections 37, 38, and 39, cause a tax to be levied sufficient to pay the expenses and claims against the district, including the estimated cost and expense of winding up the affairs of the district. When all the obligations of the district have been paid, the board by resolution shall so declare and shall also declare that the district is dissolved, and thereupon the district shall be deemed duly and regularly dissolved. Any funds remaining on hand at the time of the dissolution shall be paid by the board into the general funds of each county in which any portion of the district lies in the proportion that the assessed valuation of lands within the district within each county bears to the total assessed valuation of the lands within the district. Any delinquent taxes from any levy made by the board and not collected prior to the dissolution of the district shall be retained by the county collecting the same and paid into its general funds.

Description of boundaries

SEC. 20. In the event the formation of the district is ratified and confirmed at the election, as soon thereafter as practicable and at least three months prior to the first general election the secretary shall file with the county recorder of each county within which any portion of the district lies a description of the boundaries of the divisions of the district, designating each by its number as provided in Section 3 hereof, together with a plat or map showing the boundaries of such divisions.

Relocation of boundaries

SEC. 21. Whenever any land is added to the district, the board, by ordinance, shall include it or any part thereof in such division or divisions as the board may determine, giving consideration to the location thereof and the interests of its inhabitants with respect to power and water and the sources of water supply therein; and the board shall relocate the boundary lines of the division or divisions to which such territory is added accordingly. Whenever any territory is excluded from the district, the board, by ordinance, shall relocate the boundary lines of the division or divisions within which such territory lies so as to exclude it from such division or divisions. No such change in a division or divisions may be made within three months immediately preceding a general election, nor shall such change work a forfeiture of office of any director. A certified copy of such ordinance, together with a map or plat showing the boundaries of such division or divisions as relocated thereby shall be filed with the county recorder of each county within which any portion of the district lies.

Terms of office

SEC. 22. The board appointed by the Governor shall also, by lot, divide the divisions into two groups, the first group to consist of three divisions and the second group to consist of three divisions. Each director elected at the first general district election from the divisions in the first group and the director elected at large from the entire district shall serve four years or until the election and qualification of his successor, and each director elected from divisions constituting the second group

shall serve two years or until the election and qualification of his successor. The term of office of each director elected after the first general district election shall be four years or until the election and qualification of his successor.

Vacancies

SEC. 23. All vacancies occurring in the office of director shall be filled by appointment by the remaining directors, and if a person appointed or elected fails to qualify, the office shall be filled as if there were a vacancy in the office. An appointment to fill the vacancy in the office of director shall be for the unexpired term for the office in which the vacancy exists. Before entering upon the duties of his office, each director shall take and subscribe the official oath and file it with the secretary. The oath of office may be taken before the secretary, any member of the board or any officer authorized by law to administer oaths.

Election procedure

SEC. 24. Except as herein otherwise provided, the provisions of the Elections Code relating to the qualifications of voters, the manner of voting, the duties of election officers, the canvassing of returns and all other particulars with respect to the management of general elections so far as may be applicable shall govern all district elections; provided, however, that to the extent that the provisions of the Elections Code pertaining to the conduct of local elections are inconsistent with the provisions of that code pertaining to general elections, the provisions of the Elections Code pertaining to local elections shall control. The election of directors shall be held on the second Tuesday in April in even-numbered years, and each director must be an elector, landowner and resident of the division by which he is elected, except the director elected at large who may be an elector, landowner and resident of any division. The mode of nomination and election of all directors to be voted for at any general district election shall be as follows:

Verification deputies

(1) A candidate or five voters may appoint verification deputies to secure the signatures to nominations. The appointment of verification deputies shall be in writing and filed with the secretary at or before the time the certificate of nomination is left with him for filing or for examination and shall be in substantially the following form:

FORM OF APPOINTMENT

The undersigned hereby appoint___ the following voters of Kings River Conservation District as verification deputies to obtain signatures to a certificate of nomination nominating _____ as a candidate for the office of director of said district at an election to be held in said district on the _____ day of _____, 19___.

Name	Address
_____	_____
_____	_____
_____	_____

Dated this _____ day of _____, 19___.

_____ _____
Residence Signature

Certificate of nomination

(2) The certificate of nomination shall be signed by not less than 25 voters of the division from which the candidate is to be elected, or in the event any division shall have less than 100 voters resident therein, such certificate shall be signed by not less than 25 percent of the voters of such division. In the case of the director at large, the certificate of nomination shall be signed by not less than 25 voters of the district. The certificate of nomination may consist of one or more parts and shall read substantially as follows:

CERTIFICATE OF NOMINATION

We, the undersigned, certify that we do hereby join in a certificate of nomination of _____, whose residence is at _____, for the office of director of Kings River Conservation District from Division _____, (or at large) to be voted for at the election to be held in said district on the _____ day of _____, 19___, and each of us further certifies that he is a voter residing within said Division _____ (or said district) and is not at this time a signer of any other certificate nominating any other candidate for the above-named office and that his residence and occupation are as hereinafter stated.

Signatures	Residence	Occupation	Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Verification Deputy's Affidavit

STATE OF CALIFORNIA }
COUNTY OF _____ } ss.

I, _____, solemnly swear that I have been appointed according to the provisions of the Kings River Conservation District Act as a verification deputy to secure signatures to a certificate of nomination of _____ as a candidate for election to the office of director of Kings River Conservation District; that all the signatures on this section of the certificate were made in my presence and that to my knowledge and belief each of the signatures is a genuine signature of the person whose name it purports to be.

_____
Verification Deputy

Subscribed and sworn to before me
this _____ day of _____, 19___.

_____
Notary Public (or other officer)

The certificate of nomination of which this section forms a part shall, if found insufficient, be returned to the verification deputy at _____ (address), California.

Forms (3) The secretary shall furnish upon application a reasonable number of forms of the certificate of nomination and the form of appointment. All certificates of nomination shall be of uniform size as determined by the secretary

Rules governing signers (4) No person shall at the time of the signing of the certificate of nomination have his name signed to any other certificate nominating any other candidate for the same office.

Same (5) If a voter signs two or more conflicting certificates, all his signatures shall be rejected.

Withdrawing signature (6) Any signer of a certificate of nomination may withdraw his name from it by filing with the secretary a written revocation of his signature before the certificate is filed by the secretary, and not otherwise. He may then sign a certificate for another candidate for the same office.

Secretary's duties (7) The certificate of nomination may be presented to the secretary not earlier than 45 days nor later than 30 days before the election. He shall endorse on the certificate the date when it was presented to him and shall forthwith examine it and determine if it conforms to the provisions hereof. If the certificate does not conform to the provisions hereof, the secretary shall immediately designate in writing on it the defect, omission, or reason why it cannot be filed and return it to the person therein designated. The certificate may be amended and again presented to the secretary as in the first instance, and he shall forthwith examine it. If necessary, the board shall provide extra help to enable the secretary to perform satisfactorily and promptly the duties imposed by this section. If either the original or amended certificate of nomination is sufficiently signed, the secretary shall file it in his office 25 days before the date of election. After such filing the certificate shall not be withdrawn or added to. The secretary shall preserve in his office for a period of two years after the filing thereof all certificates of nomination filed under this section.

Withdrawing nomination (8) Any person who has been nominated as a candidate may, not later than 30 days before the election, withdraw his name from nomination by filing with the secretary a written request for withdrawal, and his name shall not be printed upon the ballot.

Election procedure (9) Immediately after the certificates of nomination are filed, the secretary shall enter the names of the candidates in a list with the offices to be filled and shall, not later than 20 days before the election, certify the list to the board as the list of candidates nominated. The board shall publish the list of names and the offices to be filled in a proclamation calling the election at least once a week for two successive weeks before the date of the election in one newspaper of general circulation printed and published in each county within which any portion of the

district lies and designated by the board. The election proclamation shall conform to the provisions of the Elections Code governing the conduct of general elections applicable thereto except as otherwise provided in this section. The board shall designate therein the election officers, polling places, election precincts, the time during which the polls will be open, and may consolidate precincts. The description of precincts and consolidated precincts may be made by reference to the order or orders of the boards of supervisors of the several counties in which the district is situated establishing precincts or by reference to a previous order or ordinance of the district establishing precincts or by a detailed description of such precincts

Ballots

(10) The secretary shall provide all ballots and other supplies required for holding the election. All ballots printed shall be precisely the same size, quality, tint of paper, kind of type and color of ink so that without the number it would be impossible to distinguish one ballot from another, and the names of all candidates printed upon the ballot shall be in type of the same size and style A column may be provided on the right-hand side of the ballot for questions permitted to be voted upon at general district elections. Ballots shall be provided for each of the divisions, and the names of the candidates to be elected from such division and at large shall be arranged in alphabetical order; and nothing on the ballot shall be indicative of the source of the candidacy or of the support of any candidate. The secretary shall cause the ballots to be printed, bound and numbered as provided in the Elections Code, except as otherwise required in this section, and the ballots furnished the precinct boards in each division shall bear only the names of candidates to be elected from such division and at large, which names shall be as published in the proclamation. The ballots shall be in substantially the following form:

"General (or Special) District Election Kings River Conservation District

Held_____ 19 __

Instructions to Voters: To vote, stamp or write a cross (+) opposite the name of the candidate for whom you desire to vote. All marks otherwise made are forbidden All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the inspector of election and obtain another."

The ballot shall also contain the following instructions: "For director from Division _____ , vote for one"; and when applicable: "For director at large, vote for one"; and a half inch square shall be provided to the right of the name of each candidate wherein to mark the cross. A half-inch space shall be left below the printed names of candidates wherein

the voter may write the name of any person for whom he wishes to vote.

(11) The secretary shall cause to be printed sample ballots identical with the ballots to be used at the election and shall furnish copies thereof to voters at his office at least five days before the election and shall mail one sample ballot for the respective divisions to each voter entitled to vote in such division at least three whole days before the election. Sample ballots

(12) The candidate receiving the highest number of votes cast in the division for the office of director therefrom shall be declared elected. The candidates for the office of director at large receiving the highest number of votes cast in the district shall be declared elected. Election results

(13) The board shall meet as a canvassing board and canvass the returns and declare the results on the first Tuesday after any district election. The secretary shall immediately make and deliver to each person elected a certificate of election signed by the secretary and authenticated with the seal of the district. A candidate is not required to file a statement of expenditures used in aid of his campaign. Canvass of returns

(14) No irregularity or informality in the conduct of a district election shall invalidate the election if fairly conducted. Effect of irregularity, etc

(15) If on the twentieth day prior to a general district election one person only has been nominated for the position of director from any division and either no director at large is to be elected or one person only has been nominated for such office and a petition signed by 5 percent of the voters of such division or of the district as to the director at large, requesting that the election be held therein has not been filed with the secretary, the election shall not be held in such division or for the office of director at large. In such case the proclamation calling the election shall, instead of providing and calling an election in such division, state that no election is to be held therein, but that the board will appoint the persons nominated for the position of director at large and director from such division, and the board shall thereupon appoint such persons as directors, who shall qualify, take office and serve exactly as if elected at a general district election; provided, however, if matters other than the election of directors are submitted at such election, the election shall be held in such division with respect to such matters Procedure in event of single nominee

SEC. 25. Every incumbent in the office of director, whether elected by popular vote for a full term or appointed, may be recalled by the voters in accordance with the recall provisions of Chapter 2 of Division 13 of the Elections Code applicable to officers of counties Recall

SEC. 26. The district shall have the following powers, including those necessarily implied therefrom: Powers of district

(1) To have perpetual succession

(2) To sue and be sued except as otherwise provided herein or by law in all actions and proceedings in all courts and tribunals of competent jurisdiction.

Powers of district

(3) To adopt a seal and alter it at pleasure.

(4) To do any and every lawful act necessary to be done to furnish water and electrical energy in the district for any present or future beneficial use or uses, including, without limiting the generality of the foregoing, irrigation, domestic, fire protection, municipal, power and other beneficial uses.

(5) To take by grant, purchase, gift, devise, lease, either with or without the privilege of purchase, or otherwise, and to hold, use, enjoy, and to lease and dispose of real and personal property of every kind within or without the district necessary to the full exercise of its powers

(6) To construct, purchase, lease, or otherwise acquire water works and other works and machinery, canals, conduits, and reservoirs and to purchase, lease or otherwise acquire water rights, storage rights, storage sites, water sheds, lands, rights and privileges useful or necessary to convey, supply, store or otherwise make use of water for any purposes authorized by this act and to operate and maintain the same for the benefit of the district.

(7) To construct, purchase, lease or otherwise acquire works for the generation, transmission, distribution, sale and lease of electric power, including the sale and disposition thereof to municipalities, districts, corporations or persons and to do all necessary and proper acts for the construction and operation of such electric power works.

(8) To appropriate, acquire and conserve water and water rights for any useful purpose, and to store and conserve water for future use.

(9) To commence, maintain, intervene in and compromise in the name of the district and to assume the costs of any action or proceeding involving or affecting the ownership or use of water or water rights within the district used or useful for any purpose of the district; to commence, maintain, intervene in, defend and compromise actions and proceedings to prevent interference with or diminution of the natural flow of any stream or natural underground supply of waters used or useful for any purpose of the district or a common benefit to lands within the district or its inhabitants; and to commence, maintain and defend actions and proceedings to prevent any interference with such waters as may endanger the inhabitants or lands of the district or as may impair, damage or threaten the exercise of any right to waters belonging to the district or a common benefit to lands within the district or to its inhabitants.

(10) To sell water or the use thereof for any useful purposes and, when there is a surplus, to sell and otherwise dispose of the same to municipalities, public agencies or to consumers or users, including publicly and privately owned utilities, mutual water companies, corporations and persons without the boundaries of the district.

(11) To sell, dispose of and distribute electric power for any useful purpose, and, when there is a surplus, to sell or otherwise dispose of the same to consumers or users including

public and private corporations without the boundaries of the district. Powers of district

(12) To acquire by condemnation and in the manner and to the extent now prescribed in Title 7, Part 3 of the Code of Civil Procedure, all property necessary or convenient for carrying out the purposes of this act except that the district shall not have power to acquire by condemnation any property held or used for the development, storage, or distribution of water for public use.

(13) To borrow money and incur indebtedness and to issue bonds or other evidences of indebtedness; also to refund and retire any indebtedness or lien that may exist against the district or the property thereof.

(14) To make contracts, employ labor and do all acts necessary for the full exercise of the powers of the district. The board may cause construction or other work to be performed or carried out by contract or by the district under its own superintendence.

(15) To sell or lease any lands belonging to the district for oil, gas, or other hydrocarbon substances or other minerals when deemed by the board to the best interest of the district, subject, however, to the provisions of Chapter 5, Part 2, Division 6, of the Public Resources Code.

(16) To cooperate, act in conjunction and contract with the United States, State of California, municipalities, public and private corporations of any kind and persons in the construction of any works for storing, conserving or distributing waters of the district or belonging to any inhabitant or owner of land or water rights therein or for the control of flood and storm waters, the draining or reclaiming of lands, the protection of property, water sheds, water courses, underground supplies, highways or life or for the purpose of conserving, storing, salvaging, recapturing, distributing, or transporting such waters for beneficial use or uses of the district or of the owners of rights to water therein, and for the use, operation, management and control of such works; to make and perform any agreement with the United States, the State of California, any public or private corporation of any kind and any person, or any of them, for the joint acquisition, disposition or operation of any property or works of a kind which might be acquired, disposed of or operated by the district.

(17) To cooperate and contract with the United States under the Federal Reclamation Act of June, 1902, and all acts amendatory thereof or supplementary thereto or any other act of Congress heretofore enacted authorizing or permitting such cooperation or contract for the purpose of construction of works, whether for irrigation, drainage, flood control or for the development of electric or other power, or for the acquisition, purchase, extension, operation or maintenance of such works, or for a water supply, or for the assumption as principal or guarantor of indebtedness to the United States and to carry out and perform the terms of any contract so made, and for said purposes the

Powers of district

district shall have all powers, rights and privileges possessed by irrigation districts and, except as herein otherwise provided, shall exercise such powers, rights and privileges in the same manner and subject to the same restrictions and limitations as irrigation districts, all as provided in Chapter 2 of Part 6 of Division 11 of the Water Code, as such provisions now exist; provided, however, that in any such contract made by the district and the United States, the land which may be charged with any taxes or assessments under such contract shall be designated and described, and the contract shall not include any lands which will not be benefited by the works or system contemplated under such contract, nor shall it impair, restrict, or provide for the control of any right in or to water or the use thereof without the consent of the owner of such right. Such contract may exempt from tax or assessment any land benefited by the works or system contemplated by such contract if such land, or any agency on its behalf, has paid to the district or to the United States its proper share of the construction costs of such works or system. Such contract may provide for the release of the land described therein, or any portion thereof, from any tax or assessment upon payment to the district or the United States of its proper share of the construction cost of such works or system. Nothing herein contained shall prevent the district, whether pursuant to any such contract or otherwise, from levying taxes or assessments for the cost of the operation and maintenance of any such works or system, subject, however, to the limitations provided in Section 37 of this act. The proceedings for voting at an election upon a proposal to enter into such contract with the United States shall be had, insofar as applicable, in the manner provided in the case of the issuance of district bonds; provided, however, that in the event the board shall determine that all liabilities of the district incurred under the provisions of such contract can be repaid and liquidated as to both principal and interest from revenues from the works or system contemplated under such contract and payments made to the district by public or private corporations or persons pursuant to written contracts providing for the payment of whatever amounts may be necessary to amortize the portion of said cost which may under said contracts be underwritten by such corporation or persons, then upon the adoption of such resolution the board shall have power on behalf of the district, without the necessity of an election, to enter into such repayment contracts with the United States, subject to all provisions of this act applicable to such contracts except provisions requiring an election to authorize such contracts; provided further, however, no such contract shall charge any land with any tax or assessment for the payment of the cost of constructing the works or system contemplated in such contract. In the event that the revenues of the district from the works contemplated by any contract approved at an election shall be, or in the judgment of the board are likely to be, inadequate to pay all charges payable to the United States under such contract and all charges

for construction, acquisition, operation and maintenance of the works acquired or constructed under such contract, a tax shall be levied for the payment of such charges on the land in the portion of the district designated and described in such contract as the territory to be charged therewith. Powers of district

(18) To conserve and store water, including storm and flood waters, by means of any works authorized in this act and by spreading and sinking the same in any underground basin or basins or the gravels and detritus thereof by any means appropriate therefor, which storage and conservation, whether surface or underground, may be made by the district on its own behalf or on behalf of any owner of the right to the water so stored or conserved on such terms and conditions as may be fixed by the board and the owner; and the district or the owner in whose behalf it acted, when waters are so stored and conserved, may recapture and use the same for any beneficial purpose or use or may permit the recapture and use thereof by others under such terms and conditions as may be fixed by the board or by such owner and the board if conserved and stored on behalf of the owner; and the district may contract with others for the use of any property, conduits, canals, ditches, reservoirs or reservoir sites or dams or other facilities for the purpose of conserving, storing, spreading, or sinking, transporting or distributing such waters.

(19) To control flood and storm waters within the district and flood and storm waters of streams or watercourses outside of the district which flow into the district and conserve such waters by storage either surface or underground, to divert and transport such waters for beneficial uses within the district and otherwise to reduce the waste of water and protect life and property from floods within the district.

(20) To drain and reclaim lands within the district either by surface or underground works or both; and to divert, store, conserve, transport and dispose of water resulting from such operations for any beneficial use.

SEC. 27. The district shall have power to construct works along, under or across any road, street, alley, avenue or highway or across any stream of water, water course, railway, canal, ditch or flume which the route of said works may intersect or cross, but provided such works are constructed in such manner as to afford security for life and property, and the district shall restore any such crossings and intersections to their former state as near as may be or in a manner not to have impaired unnecessarily their usefulness, and shall comply with all lawful rules and regulations of the owner or agency in charge thereof. Every person and corporation, either public or private, whose right of way shall be intersected or crossed by said works, shall unite with the district in forming said intersections and crossings and grant such rights therefor as may be agreed upon between them and the district. The right of way is hereby given, dedicated and set apart to locate, construct and maintain said works over and through any of the Construction along, etc., roads, etc.

lands which are now or may be hereafter the property of the State of California, and the district shall have the same rights and privileges thereto appertaining as heretofore or as may be granted to municipalities within the State, except that where such land is already devoted to public use, any expense necessary to permit the joint use of such land shall be borne by the district.

Service rates etc

SEC. 28. The board shall fix all water and power rates and all other charges for services or work done by the district and shall, through the general manager, collect the same. The board may establish suitable rules and regulations for the sale, distribution, and use of water and power and other services which may be rendered by the district and made therein and may provide that water, power or such services shall not be furnished to those against whom there are delinquent rates or charges.

The board may prescribe methods for the construction of works and the furnishing of materials, equipment and supplies and for the letting of contracts therefor; provided, however, that any such contract requiring the expenditure of ten thousand dollars ($10,000), or more, shall be subject to competitive bidding, after advertisement therefor, and awarded to the lowest responsible bidder, except where the construction or work is to be done or performed by the district with its own forces upon force account.

Bonded indebtedness

SEC. 29. Whenever the board deems it necessary for the district to incur a bonded indebtedness, it shall by resolution so declare and state in said resolution the purpose for which the proposed debt is to be incurred and the amount thereof, and shall by said resolution fix a time and place for a hearing by the board on the question as to whether the whole district or only a portion thereof will be benefited by the accomplishment of said purpose, and if only a portion thereof will be so benefited, what portion thereof will be so benefited. Notice of such hearing shall thereupon be given by the secretary by publication of a copy of said resolution in one newspaper of general circulation, printed and published in each county within which any portion of the district lies at least once a week for two weeks prior to the hearing. Said copy of said resolution so published shall be accompanied by a notice subscribed by the secretary to the effect that the hearing referred to in said resolution will be had at the time and place specified in said resolution and that at said time any person interested, including all persons owning property in said district will be heard upon the question stated in said resolution.

Hearing

At the time and place fixed in said resolution for said hearing or at such time and place to which said hearing may be adjourned, the board may proceed with the hearing, and any person interested, including any and all persons owning property within the district, may appear and present any and all such matters material to the question as he may desire. Upon the conclusion of the hearing, the board shall by resolution determine

whether the whole of the district will be benefited by the accomplishment of the purpose stated; and if it determines that the whole of the district will not be so benefited by the accomplishment of such purpose, it shall state what portion of the district will be so benefited; and that portion of the district so described shall thereupon constitute and be known as Improvement District No. —— of Kings River Conservation District; and the proceedings thereafter, for the purpose of the bond election within said improvement district and for the purpose of taxation for the payment of said bonds and interest, shall be limited and apply only to said improvement district. The determination of the board on this question shall be final and conclusive. Improvement districts

If the board by such resolution determines that only a portion of the district will be benefited and creates an improvement district as heremabove provided, it shall adjourn the hearing for not less than 40 nor more than 70 days Within 10 days after such order of adjournment, the secretary shall publish once in one newspaper of general circulation, printed and published in each county within which any portion of the improvement district lies, a notice stating the time and place fixed for the adjourned hearing, and that at or prior to such hearing any person owning land in said improvement district may file written protest to the incurring of the proposed bonded indebtedness by such improvement district, and at the time and place fixed any person interested may appear and be heard on the question of whether such bonded indebtedness should be incurred by such improvement district. If at or prior to the adjourned hearing written objections to the incurring of the proposed bonded indebtedness by such improvement district, signed by the owners of the majority of the acreage of land within such improvement district are filed with the secretary, then the board, by resolution adopted at the hearing, shall abandon proceedings for the proposed bond issue. The last equalized assessment roll of each county containing land within such improvement district is prima facie evidence of ownership of land in that county. If the proceedings are not abandoned as hereinabove provided, the board, if it deem it necessary to incur such bonded indebtedness, shall by a resolution so declare and state the purpose for which the proposed debt is to be incurred, whether or not the whole of the district is to be benefited thereby or only a portion thereof, and if only a portion thereof a description of such portion sufficient for identification and the designation thereof, all in accordance with the determination of the board as expressed in its previous resolution, the amount of the debt to be incurred, the maximum term the bonds to be issued shall run before maturity, which shall not exceed 40 years, and the amount or rate of interest to be paid, which shall not exceed 5 percent, payable annually or semiannually, and the proposition to be submitted to the voters of the district or of the improvement district, as the case may be. Same· Hearing

The board shall fix a date upon which an election shall be held for the purpose of authorizing said bonded indebtedness Bond election

to be incurred, and shall provide for the holding of such special election on the date so fixed. Such special election may be held concurrently with a general district election Such special election shall be called and held in accordance with the provisions of Section 24 hereof insofar as the same may be applicable, but in addition to the matters and things required to be set forth in the proclamation therein provided for, such proclamation shall likewise contain a copy of the resolution declaring the necessity to incur such bonded indebtedness hereinabove referred to. The returns of the election shall be made to and the votes canvassed by the board on the first Tuesday which is six or more days after the election, and the results of the election shall be ascertained and declared in accordance with the provisions of Section 24 hereof. As soon as the result is declared, the secretary shall enter in the records of the board his statement of the result. No irregularity or informality in the conduct of the election shall invalidate the election if fairly conducted.

Issuance and sale

If from such returns it appears that more than two-thirds of the votes cast at such election were in favor of incurring the indebtedness, the board may by resolution at such time or times as it deems proper provide for the form and execution of such bonds and for the issuance of any part thereof and may sell or dispose of the bonds so issued at such times and in such manner as the board deems to be to the public interest.

Refunding bonds

SEC. 30. The board may by resolution submit to the voters of the district a measure to issue new bonds to refund any or all of the district bonds outstanding or submit to the voters of any improvement district a measure to issue new bonds to refund any improvement district bonds outstanding, which measure may be voted on at any general or special district election, and the procedure upon such election shall be in accordance so far as is applicable with the procedure upon an original issue of bonds, except that no hearing need be held upon the question whether the bond issue will benefit the entire district or only a portion thereof, and the vote of a majority of the voters voting upon the measure shall be sufficient to authorize the issuance of refunding bonds. The refunding bonds shall not bear a higher rate of interest than the bonds to be refunded and may be issued and sold in the manner and form prescribed for an original issue of bonds. Refunding bonds may, if the holders of bonds of an original issue and the board so agree, be exchanged for original bonds. The face value of refunding bonds exchanged for original bonds shall not exceed the face value of original bonds. The board may raise money by water or power rates or taxes to pay principal and interest of the refunding bonds in the same manner as prescribed for the payment of bonds of an original issue.

Callable bonds

SEC. 31. Any bonds, original or refunding, issued by the district, may be made callable by a resolution of the board adopted at or prior to the time of issuing such bonds, which may provide for the calling and redemption of such bonds in numerical order or by lot on any interest payment date prior to their

fixed maturity at not exceeding the par value thereof and accrued interest or on such other terms as may be provided therein. If any such bonds are so made callable, a statement to that effect shall be set forth on the face of the bond. Notice of any such call or redemption shall be published in one newspaper of general circulation, printed and published in each county within which any portion of the district lies. The first publication of such notice shall not be less than 30 nor more than 90 days prior to the date fixed for such redemption. After the date fixed for such redemption, if the district shall have provided funds available for the payment of the principal and interest for the bonds so called, interest on such bonds shall thereafter cease.

District

SEC. 32. The Kings River Conservation District is hereby declared to be a district within the meaning of that term as used in Section 13 of Article XI and Section 1¾ of Article XIII of the Constitution of the State of California and Section 20003 of the Water Code.

Bonds as legal investments

Bonds of the district shall be legal investments for all trust funds and for the funds of all insurance companies, banks, both commercial and savings, trust companies, and for school funds. Whenever any money or funds may by law now or hereafter enacted be invested in bonds of cities, cities and counties, counties, school districts, or municipalities in the State of California, such money or funds may be invested in bonds of the district, issued in accordance with the provisions of this act. Whenever bonds of cities, cities and counties, counties, school districts, or municipalities may by any law now or hereafter enacted be used as security for the performance of any act, the bonds of the district may be so used.

"Construction"

SEC. 33. The term "construction" or any of its variants when used in this section, unless the context otherwise requires, means and includes the physical construction, reconstruction, renewal, extension, or repair of works; also the acquisition or control of works or any right therein or thereto by purchase, lease, contract, or in or by any manner whereby any right, title or interest in or to property is capable of being acquired or transferred. For the purpose of providing money and funds to pay the cost and expense of the construction of any works authorized hereunder, the board may issue revenue bonds. The board, if it deems it necessary to issue such revenue bonds, shall by resolution so declare and state the purpose or purposes for which the revenue bonds are proposed to be issued, the principal amount of the bonds to be issued therefor, the maximum amount of interest to be paid on such bonds, which shall not exceed 5½ percent, payable annually or semiannually, and the proposition to be submitted to the voters of the district, and said resolution shall also state that such bonds are to be revenue bonds, the principal and interest of which are payable only from the revenues from the use or operation of the works for the construction of which such bonds are to be issued and are not to be secured by the taxing power of the district. The

Revenue bonds

board shall fix a date upon which an election shall be held for the purpose of authorizing the issuance of such revenue bonds. Notice of the election shall be given, the election held and the result determined substantially in the manner provided for the incurring of a bonded indebtedness as provided in Section 29 hereof. If from the returns it appears that more than two-thirds of the votes cast at such election were in favor of the issuance of such revenue bonds, the board may by resolution provide for the issuance thereof. Such bonds shall be issued in the name of the district and shall be designated as "Kings River Conservation District Revenue Bonds." In the resolution providing for the issuance of such bonds, the board may limit, restrict, and regulate the holding, deposit, investment and application of money consisting of the proceeds from the sale of the bonds or the revenue received from the operation of the works or project to be financed thereby, and such provisions shall constitute a contract with the holders of the bonds and be binding upon the district as long as the bonds are outstanding; and while any bonds remain outstanding, the powers, duties or existence of the district or any official thereof shall not be diminished or impaired in any manner that will adversely affect the interest and rights of the holders of the bonds. Any holder of any bond may by mandamus or other appropriate proceeding require and compel the performance of any of the duties imposed upon the district or any official thereof with respect to the construction of the works or project and the collection, deposit, application and disbursement of all revenues derived from the use and operation thereof and the deposit and disbursement of the proceeds received from the sale of such bonds. In addition thereto the holders of bonds may exercise or prosecute any other rights or remedies which they may have.

Interim bonds, etc

Temporary or interim bonds, certificates or receipts of any denominations and with or without coupons attached thereto may be issued and delivered until definitive bonds are executed and available for delivery. Any expense incurred by the district for advertising, engraving, printing, clerical, legal or other services necessary to properly perform the services and duties relating to the sale and issuance of such bonds shall be paid from the proceeds of the sale of such bonds.

Recital

Such bonds shall contain a recital on the face thereof that the payment or redemption of the bonds and the payment of interest thereon is secured by a first and direct charge and lien upon the revenues of any nature whatever received from the operation of the works for the construction of which the bonds are issued and that neither the payment of the principal, or any part thereof, nor any interest thereon constitutes a liability or obligation of the district except to the extent that such payment can be made from such revenues. The payment of both principal and interest of all such bonds shall be secured only by the rates, charges and revenues established or accrued for the use and operations of the works for the construction of which bonds are issued and shall be made from such revenues. Both redemption and interest payments shall

constitute a first and direct charge and lien on all revenues received from the operation of such works, on all interest accrued from such revenues, and on all sinking funds created out of such revenues. The collection of revenue shall be continued until all bonds, with interest thereon, are fully redeemed and paid.

Form etc., of bonds

The board shall determine the form, conditions and denominations of all bonds and the dates which the bonds shall bear. It shall determine the interest rate on all bonds, which shall not exceed 5½ percent per annum; provided, however, that bonds of the same issue may bear different rates of interest. Principal and interest on bonds shall be payable at such place or places as may be fixed and determined by the board and such bonds may contain provisions for registration thereof as to principal only or as to both principal and interest. The bonds shall be issued in coupon form with interest payable at such times as may be determined by the board and shall mature at such times and in such amount as the board prescribes. The board may provide for the retirement of such bonds at any time or times prior to their maturity and in such manner and upon payment of such premiums as may be fixed and determined in the proceedings providing for the issuance thereof. Such bonds may be issued and sold from time to time and in such amounts as may be necessary in the judgment of the board to provide sufficient funds for the construction of the works and to pay all costs and expenses, including interest due and payable, prior to and during the period of actual construction thereof and for a period of one year after completion thereof, and the proceeds from the bonds are hereby made available for this purpose. Such bonds may be sold below the par or face value thereof, but the selling price shall not be less than that which will yield the purchaser not to exceed 5½ percent per annum according to the standard tables of bond values, and the sale price shall include the interest which has accrued thereon up to the date of the delivery of the bonds. Successive issues of bonds shall have equal preference with respect to the redemption thereof and the payment of interest thereon, but the district may fix different maturity dates serially or otherwise for successive issues. All such bonds are hereby declared to be negotiable instruments. All bonds issued and sold shall be sold on sealed proposals to the highest and best bidder after such advertising for bids as the board deems proper, except that the board may reject all bids and thereafter sell the bonds at private sale under such terms and conditions as the board deems most advantageous, but not at a price below that of the best bid which was rejected.

Selling price

Negotiability

Disposition of proceeds

The proceeds from the sale of such bonds shall be deposited by the district in a depository authorized by law to receive such deposits of the district, to the credit of the construction fund for the construction of such works, and the proceeds shall be paid out solely for the construction of the works, surveys and preparation of plans and specifications therefor, the payment

of all other costs and expenses prior to and during construction, the acquisition of the necessary water, water rights, rights of way, easements, lands, electric power, power resources and facilities, other property of every kind and description and any appurtenances to any such property necessary for such works and project, the payment of interest becoming due and payable on bonds prior to and during the period of actual construction and for the period of one year after the completion of such construction, and all costs and expenses during the period of one year after such completion as the need therefor shall arise. The district may agree with the purchasers of bonds upon any conditions or limitations restricting the disbursement of the proceeds that may be deemed advisable for the purpose of assuring the proper application thereof. From the money deposited in the construction fund, the board shall transfer to the place or places of payment named in the bonds the sums required to pay interest as it becomes due on all bonds sold and outstanding for the construction of the works during the period of actual construction and during the period of one year after completion thereof, and thereafter shall transfer from the revenue fund into which shall be paid all revenues accruing from the use and operation of said works to the place or places named in the bonds the sum required to pay interest on the bonds and redeem the principal thereof, as such interest payments and bond redemptions fall due for all bonds issued and sold. All funds transferred for the payment of principal and interest on such bonds shall be segregated and applied solely for the payment of principal and interest.

Contract to underwrite, etc

Any person or public or private corporation may, by contract with the district, underwrite or assume the payment in whole or in part of the cost of the construction of any such works, and in the event such contract shall be made, all payments received thereunder shall be deemed to be revenues of such works and shall be subject to the terms and provisions of this section respecting the revenues thereof.

Surplus

Any surplus which exists in the construction fund shall be applied to the retirement of bonds issued for the construction of the works by purchase or call; provided, however, that in the event the bonds cannot be purchased at a price satisfactory to the board and are not by their terms callable prior to maturity, such surplus shall be paid into the fund applicable to the payment of principal and interest of the bonds and shall be used for that purpose; provided further, however, the proceedings authorizing the issuance of bonds may provide limitations and conditions upon the time and manner of applying such surplus to the purchase and call of outstanding bonds. The terms upon which the bonds shall be purchased or called and the conditions provided for in the proceedings authorizing their issuance shall be followed and observed in the application and use of such surplus.

Revenue refunding bonds

In like manner the board may issue any revenue bonds to refund and pay outstanding revenue bonds; provided, how-

ever, that such bonds shall not be for a higher rate of interest than the bonds proposed to be refunded, and the purchase price paid therefor shall not be less than the total amount of interest and principal accrued upon the bonds to be refunded, and the board may provide for the exchange of refunding bonds for the original bonds; provided, the face value of the refunding bonds so exchanged shall not exceed the face value of the original bonds.

Execution of bonds

SEC. 34. Each bond, whether a general obligation or revenue bond, shall be signed by the president and secretary then in office at any time between the date of the bond and its delivery to a purchaser from the district, and the seal of the district shall be impressed thereon The interest coupons shall be signed by the secretary, and the signature of the secretary may be made by facsimile.

Investment of funds

SEC. 35. Any money in any sinking fund established for the payment of any bonded or other indebtedness and any money of the district not required for the immediate necessities of the district may be invested in bonds issued by the district, bonds issued by any school district, any part of which is in a county containing any part of the district, bonds issued by the State, bonds and certificates issued by the United States, and registered warrants issued by the State. The investment may be made by the purchase of the bonds, certificates or warrants at the original sale or by purchase after they have been issued and may, from time to time, be sold and the proceeds reinvested. Sales thereof shall be made in season so that the proceeds may be applied to the purposes for which the money with which the same were purchased was allocated

Tax levy

SEC. 36. If the revenues of the district are, or in the judgment of the board will probably be, inadequate for any cause to pay the principal or interest on any bond, other than revenue bonds, or any payment or charge provided in any contract approved by the voters, as it becomes due, the board shall cause a tax to be levied as herein provided, sufficient to pay the amount of such principal, interest, payment, or charge as the same becomes due, which tax shall be known as Kings River Conservation District bond tax. Taxes for the payment of said Kings River Conservation District bond tax shall be levied on the land within the district or improvement district therein, as determined by the board in the resolution declaring the necessity to incur the debt, or on the land charged with the tax under the terms of any contract approved by the voters.

Same

SEC. 37. If the revenues of the district are, or in the judgment of the board will probably be, inadequate for any cause to pay any other expenses and claims against the district, the board shall cause a tax to be levied as herein provided sufficient to pay such expenses and claims, which tax shall be known as Kings River Conservation District tax and shall be levied on all land in the district. The tax levied for such purposes during any year shall not exceed two and one-half mills

(0.0025) on each one hundred cents of the assessed values of the lands within the district.

Determination of tax rate

SEC. 38. The board shall determine the amount necessary to be raised by taxation for the payment of principal and interest on any bond and payments or charges under any contract approved by the voters, and shall fix the rate of tax to be levied and the land or lands chargeable therewith which will raise the amount of money required therefor, and shall likewise determine the amount necessary to be raised by taxation to pay other expenses and claims against the district and fix the rate to be levied on land within the district to raise an amount sufficient to pay such other expenses and claims.

Certification of rate

SEC. 39. Within a reasonable time previous to the time when the boards of supervisors of the counties within which the district or any portion of the district lies, are required by law to fix the tax rate thereof, the board shall certify to each board of supervisors of each such county the rate or rates so fixed and the land or lands on which the same shall be levied, with direction that at the time and in the manner required by law for the levying of taxes for county purposes, each such board of supervisors shall levy and collect a tax in addition to such other tax as may be levied by such board at the rate or rates so fixed and determined and on the land or lands so certified; and it is made the duty of the officer or body having the authority to levy taxes within each such county to levy the tax so required It shall be the duty of all county officers having the duty of collecting taxes to collect such tax in the time, form and manner as county taxes are collected, and when collected to pay the same to the district Such taxes shall be a lien on said land or lands and of the same force and effect as other liens for taxes, and their collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

Tax of mineral interest prohibited

SEC. 39.1. No tax or assessment shall be levied or assessed against any mineral interest which has a separate valuation on the assessment roll, but such tax shall be levied and assessed against the land exclusive of such mineral interest.

Filing boundary description

SEC. 40. It shall be the duty of the board to file, or cause to be filed, on or before the first of February, with each assessor whose roll is used for the levy of district taxes and with the State Board of Equalization, a statement of the creation of the district or the creation of an improvement district therein or the change of the boundaries of either thereof, setting forth the legal description of the boundaries of the district or improvement district so created, or as the same have been changed, together with a map or plat indicating such boundaries, and in all other respects to comply with the provisions of Sections 54900 to 54903, inclusive, of the Government Code.

Addition of land

SEC. 41. Any portion of a county or of any municipality, or both, consisting of lands susceptible to service of water or power from the works of the district or which will be benefited by its inclusion within the district and which may consist of

several parcels which need not be contiguous with each other or with the boundaries of the district, may be added to the district in the following manner.

Petition

A petition, which may consist of any number of separate instruments, shall be filed with the secretary, signed by voters residing within the boundaries of the area proposed to be annexed, equal in number to at least 10 per centum of the number of such voters voting for all candidates for the office of Governor of this State at the last general election prior to the filing of such petition. Such petition shall set forth and describe the boundaries of the area proposed to be annexed and shall contain a prayer that such area be annexed to the district. Within 10 days after the filing of the petition, the secretary shall examine the same and ascertain whether it is signed by the required number of voters, and he may employ persons especially for that purpose in addition to persons regularly employed in his office. When the secretary has completed his examination, he shall attach to the petition his certificate, properly dated, showing the result thereof; and if he shall find that said petition is signed by the requisite number of voters, or is not so signed, he shall certify that the same is sufficient or insufficient, as the case may be. If it be found to be insufficient, he shall also certify the number of voters required to make such petition sufficient, and it may be amended by filing a supplemental petition or petitions within 10 days of the date of such certificate. The secretary shall, within 10 days after the filing of such supplemental petition or petitions, make like examination of the same and certify to the result thereof, as hereinabove provided.

Same Insufficiency

If a certificate shall show such petition or such petition as amended to be insufficient, it shall be filed by him with the board and kept as a public record, without prejudice however, to the filing of a new petition to the same effect But if the petition, or petition as amended, is shown by said certificate to be sufficient, the secretary shall present the same to the board without delay. The sufficiency or insufficiency of such petition shall not be subject to review by the board. The secretary shall fix the time when he will present the same to the board and shall cause the text of such petition, together with a notice stating the time of the meeting at which he will present the same, to be published once a week for at least two weeks before the time at which he will present the same in one newspaper of general circulation, printed and published in each county within which any portion of the district lies. When contained in one or more instruments, one copy only of such petition need be published, and no more than five of the names attached thereto need appear in said publication, but the number of signers shall be stated.

Same Sufficiency

Same Board action

The petition may be granted by ordinance of the board, and in granting such petition the board may fix in said ordinance the terms and conditions upon which such annexation may occur, and such terms and conditions may provide, among other things,

for the levy by the district of special taxes upon the lands within such annexed area or areas in addition to the taxes elsewhere in this act authorized to be levied, and as a part of such conditions, said board may, in its discretion, provide that the lands, or any portion thereof so added shall be added to and form a part of any improvement district then existing within the district or shall constitute one or more additional improvement district or districts, and may provide for the incurring of a bonded indebtedness by such or any additional improvement district or districts as a condition for such annexation, and may provide for the submission of the proposition of incurring such bonded indebtedness at the election held with respect to such annexation, and may further provide, that, if such bonded indebtedness shall not be authorized, the proposition for annexation of the area contained in such improvement district or districts shall likewise fail. Such conditions may also provide for priority of right to water for the lands theretofore in the district or for the payment of special rates for water or power served the area proposed to be annexed or for such other conditions as to the board seem just. In the event the board should provide for the levy of special taxes, it shall specify the aggregate amount to be raised by such special taxes and the number of years within which the same shall be raised and that substantially equal annual levies will be made for the purpose of raising such sum over the period so prescribed.

Submission to vote

If such petition is granted, the proposition of such annexation, subject to the terms and conditions so fixed, shall be submitted to the vote of the voters in the area proposed to be annexed at an election called by the board and held as herein provided within 70 days after the effective date of such ordinance. Notice of such election shall be given by publication in one newspaper of general circulation, printed and published in each county within which any portion of the area proposed to be annexed lies once a week for three successive weeks prior to the date fixed for such election. Such notice shall describe the boundaries of the area or areas proposed to be annexed and shall designate such territory by some appropriate name or other words of identification by which such territory may be referred to and indicated upon the ballot to be used at the election at which the question of such annexation is submitted, and shall also contain the substance of the terms and conditions fixed by the board as herein provided and may also, in the event the incurring of a bonded indebtedness is one of the conditions of the granting of such petition, submit the proposition of incurring such bonded indebtedness to the voters within the area in which such bonded indebtedness is to be incurred as prescribed by the board. The proposition so submitted at such election shall be stated on the ballot substantially as follows: "Shall (giving name or other designation of the territory proposed to be annexed as stated in the notice of election) be annexed to Kings River Conservation District, subject to the terms and conditions fixed by the

Notice, etc., of election

Ballot proposition

Board of Directors of said District?" At the right of such proposition shall be printed the words "Yes" and "No" with voting squares. In the event the question of incurring a bonded indebtedness is to be submitted, the same shall be submitted in like manner as herein provided for the submission of the incurring of a bonded indebtedness by the district or an improvement district therein. The board shall canvass the votes cast at such election, and if such proposition is approved by a majority of voters voting thereon at such election, the president and the secretary of the board shall certify that fact to the Secretary of State and to the county recorder of each county within which any portion of said district is located; provided, however, that if said area, or any portion thereof, proposed to be annexed is required to incur a bonded indebtedness, then, unless such bonded indebtedness be authorized by a two-thirds vote of the voters thereof, such area so failing to incur such bonded indebtedness shall be excluded from the certificate submitted to the Secretary of State and to the county recorder and shall not be certified as having been annexed to the district. Upon receipt of the certificate, the Secretary of State shall, within 10 days, issue his certificate reciting the passage of the ordinance and the addition of the area or areas to the district. A copy of said certificate shall be transmitted to and filed with the county clerk of each county in which any portion of the district is situated. From and after the date of such certificate the area or areas named therein shall be deemed added to and shall form a part of the district with all the rights, privileges and powers set forth in this act and necessarily incident thereto, and the taxable property therein shall be subject to taxation thereafter for the purposes of the district, including the payment of bonds and other obligations of such district at the time authorized or outstanding, except bonds for indebtedness previously incurred by an improvement district, unless such liability therefor is imposed by the board as a condition to such annexation. The board shall be empowered to do all things necessary to enforce and make effective the terms and conditions of annexation fixed as hereinabove authorized.

Canvass of election

Time of inclusion

SEC. 42. Any territory within the district and not substantially benefited by being within the district or to continued inclusion therein, may be excluded by order of the board upon the verified petition of the owner or owners in fee of lands whose assessed valuation is in excess of one-half of the assessed valuation of all lands held in private ownership in such territory as shown by the last equalized assessment roll.

Exclusion of land

The petition shall describe the territory sought to be excluded and shall set forth that such territory is not substantially benefited by being in the district or its continued inclusion therein and shall pray that such territory be excluded and taken from said district. It shall be filed with the secretary and accompanied by a deposit with the secretary of the sum of five hundred dollars ($500), to meet expenses of advertising and costs incident to the proceedings, any unconsumed balance to be returned to the petitioner or petitioners.

Petition

Investigation

Upon the filing of the petition, the secretary shall transmit a copy thereof to the Department of Public Works, Division of Water Resources, which acting by and through the State Engineer shall make an investigation and determine whether the lands proposed to be excluded, or some portion thereof, will not be substantially benefited by their continued inclusion in the district. In making a determination upon any such petition for exclusion of lands the State Engineer shall exercise his own independent judgment as to whether the lands described in the petition for exclusion will be substantially benefited by remaining in the district, and the State Engineer shall not be bound by the findings of the Legislature in this act with respect thereto. Upon completing such investigation, the department shall file its report with the secretary, which shall describe specifically the lands, if any, which will not be so benefited. The cost and expense of such investigation and report shall be a charge against the district and against the deposit made by the petitioners.

Report

Upon the filing of the report, the secretary shall fix a time when the petition and report will be presented to the board, which shall be not less than 25 days nor more than 50 days after the filing of the report, and shall cause a notice of the filing thereof to be published once a week for at least two weeks in one newspaper of general circulation printed and published in each county within which any portion of the district lies. Such notice shall also state the date of the filing of the petition and the date of the filing of the report and the time when he will

Hearing

present them to the board and that they will come on for hearing before the board at such time and shall state the place where the board will meet for the purpose of holding such hearing. Any landowner or taxpayer or other person interested within the district shall have the right to appear at said hearing either in behalf of or in opposition to the granting of said petition. If upon such hearing the board determines that the petition complies with the provisions of this section and determines either that it is for the best interests of the district that the lands mentioned in the petition, or some portion thereof, be excluded from the district or if it determines that such lands, or some portion thereof, will not be substantially benefited by their continued inclusion in the district (and lands which the report of the Department of Public Works states will not be so benefited shall be included as such lands by the board in making its determination), the board shall make an order that such lands,

Exclusion order

or such portion thereof, be excluded from the district, such order to describe specifically the land so excluded. From the time of making such order, the lands so excluded shall be deemed no longer included in the district, but such order of exclusion shall not invalidate in any manner any taxes or assessments theretofore levied or assessed against the lands so excluded, nor shall it in any way limit the authority of the board to levy taxes for the payment of principal and interest under the terms of

any contract approved by the voters or of bonds theretofore voted or issued by the district or any improvement district embracing such lands so excluded. The president and secretary of the board shall certify that such order has been adopted to the Secretary of State and to the county recorder of each county within which any portion of said district is located Upon receipt of the certificate, the Secretary of State shall, within 10 days, issue his certificate reciting the adoption of such order and the exclusion of the area from the district. A copy of such certificate shall be transmitted to and filed with the county clerk of each county in which any portion of the district is situated.

Effect of finding of sufficiency, etc

SEC. 43. A finding by the secretary in favor of the genuineness and sufficiency of any petition for annexation or a finding by the board in favor of the sufficiency of any petition for exclusion of land from the district or in favor of the sufficiency of the notice of hearing of such petition shall be final and conclusive against all persons, except the State of California, upon suit by the Attorney General. Any such suit must be commenced within six months after the adoption of the ordinance or order adding land to or excluding land from the district, and not thereafter.

Taxation of district property

SEC. 44. No property of the district used for the purpose of the district and belonging to it shall be taxed or assessed for state, county, municipal or any district purposes.

Declaration of legislative intent

SEC. 45. The establishment of the district or anything in this act contained shall not affect, restrict, nor supersede the existence, property, right or power of any municipality, public district or public agency now or hereafter established in or partially within the boundaries of the district. The Legislature, because of conditions special to the district hereby created, declares its intent to permit within its limits the existence of more than one district and/or municipality having similar powers over similar territory It is not the purpose of this act to allow the district to claim any underground waters lying within the boundaries of any incorporated municipality therein or to control the use thereof.

Vested rights

SEC. 46. The formation of the district or the enactment of this act or any provision hereof shall not impair the vested right of any person, association, corporation, municipality or public district in or to water or power or the use thereof

Action to determine legality of district

SEC 47. The district, in order to determine the legality of its existence in addition to any other remedy it may have for that purpose, may institute a suit therefor in the superior court of any county within which any portion of its territory is situated, by filing a complaint setting forth its name and exterior boundaries, the date of its organization and a prayer that it be adjudged a legal district formed under this act and shall be entitled "Kings River Conservation District, plaintiff, vs. All Persons, defendants." The summons in such proceedings shall be served by publishing a copy thereof once a week for

four successive weeks in some newspaper of general circulation published in the county where such action is pending. Within 30 days after the last publication of said summons shall have been completed, any property owner or resident or elector in the district or any person interested may appear and answer said complaint, in which case said answer shall set forth the facts relied upon to show the invalidity of the district and shall be filed in such proceeding. Such proceeding is hereby declared to be a proceeding in rem, and the judgment rendered therein shall be conclusive against all persons whomsoever and against the State of California Appeals may be taken from said judgment in the same manner as in other civil cases. The procedure provided in this section shall be cumulative and not exclusive.

Bond validation procedure

SEC. 48. The district may at any time after the authorization or issuance of any bonds bring an action in the superior court of any county within which any portion of its territory is situated to determine the validity of any such bonds. Such action shall be in the nature of a proceeding in rem, and jurisdiction of all parties interested may be had by publication of summons for at least once a week for three successive weeks in some newspaper of general circulation published in the county where such action is pending, such newspaper to be designated by the court having jurisdiction of the proceedings. Jurisdiction shall be complete upon the expiration of 10 days after the full publication of such summons in the manner herein provided. Any person interested may at any time before the expiration of said 10 days appear and contest the validity of such bonds. The judgment rendered in such proceeding shall be conclusive against all persons whomsoever and against the State of California. Appeals may be taken from said judgment in the same manner as in other civil cases. The procedure provided in this section shall be cumulative and not exclusive.

Contract validation procedure

SEC. 49. The district may submit any contract or proposed contract providing for the issuance of revenue bonds or for the levy of taxes upon any lands within the district or for the payment of funds accruing to the district from the operation of works of the district or under the terms of any contract to which the district is a party to the superior court of any county within which any portion of its territory is situated to determine the validity thereof, the authority of the district to make the contract and the authority for and validity of the bonds, the levy of taxes or the payment of such funds The validation proceedings shall be had as in the ordinary case of the judicial determination of district bonds as provided in Section 48 and with like effect.

Severability

SEC. 50. In case any section or sections or part of any section of this act shall be found to be unconstitutional or invalid for any reason, the remainder of the act shall not thereby be invalidated, but shall remain in full force and effect.

CHAPTER 932

An act to amend Sections 36, 37 and 54 of, and to add Sections 27a, 28.1, 39.1, and 39.2 to, the State Water Resources Act of 1945, relating to flood control and water conservation.

Stats. 1945, p. 2827, amended

[Approved by Governor June 8, 1951. Filed with Secretary of State June 8, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 27a is added to the State Water Resources Act of 1945, to read:

Sec. 27a. The project for construction of flood control protection along the Santa Clara River, and its tributaries, California, is hereby approved and authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 443, Eightieth Congress, First Session, and authorized by Act of Congress approved June 30, 1948, Public Law 858, Eightieth Congress, Second Session, at an estimated cost to the State of such sum as may be appropriated for state cooperation by the Legislature upon approval of the general plan of improvement by, and the recommendation of the State Water Resources Board, when funds for carrying out said project are appropriated by Congress.

Santa Clara River flood control project approved

SEC. 2. Section 28.1 is added to said act, to read:

Sec. 28.1. The plan of improvement for flood control in the Santa Ana River Basin, California, is hereby adopted and authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 135, Eighty-first Congress, First Session, and authorized by Act of Congress approved May 17, 1950, Public Law 516, Eighty-first Congress, Second Session, at an estimated cost to the State of such sum as may be appropriated for state cooperation by the Legislature upon approval of the general plan of improvement by, and the recommendation of, the State Water Resources Board, when funds for carrying out said project are appropriated by Congress.

Santa Ana River Basin flood control plan approved

SEC. 3. Section 36 of said act is amended to read:

Sec. 36. The Ventura County Flood Control District shall give assurances satisfactory to the Secretary of War that the local cooperation, required by Section 3 of the Act of Congress, approved December 22, 1944, (Public, Numbered 534, Seventy-eighth Congress, Second Session) will be furnished by Ventura County Flood Control District in connection with the flood control project adopted and authorized in Section 27 of this act.

Assurances of local cooperation

The Ventura County Flood Control District shall give assurances satisfactory to the Secretary of the Army that local cooperation, required by Section 201 of the Act of Congress, approved June 30, 1948, (Public, Numbered 858, Eightieth Congress, Second Session) will be furnished by Ventura County Flood Control District in connection with the flood control project adopted and authorized in Section 27a of this act.

SEC. 4. Section 37 of said act is amended to read:

Execution of plans, etc.

Sec. 37. It shall be the duty of the Ventura County Flood Control District, in conjunction with the War Department, to execute the plans and projects referred to in Sections 27 and 27a of this act and exercise all powers granted to it in the Ventura County Flood Control Act, and said district may make modifications and amendments to said plans as may be necessary to execute the same for the purposes of this act.

SEC. 5. Section 39.1 is added to said act, to read:

Assurances of local cooperation

Sec. 39.1. The San Bernardino County Flood Control District and the Riverside County Flood Control and Water Conservation District shall give assurances satisfactory to the Secretary of the Army that the local cooperation, required by Section 201 of the Act of Congress approved May 17, 1950, Public Law 516, Eighty-first Congress, Second Session, will be furnished by said districts in connection with the plan of improvement for flood control adopted and authorized in Section 28.1 of this act.

SEC. 6. Section 39.2 is added to said act, to read:

Execution of plan

Sec. 39.2. It shall be the duty of the San Bernardino County Flood Control District and the Riverside County Flood Control and Water Conservation District, in conjunction with the Department of the Army, to execute the plan of improvement for flood control referred to in Section 28.1 of this act and exercise all powers granted by law to said districts, and said districts may make modifications and amendments to said plan as may be necessary to execute the same for the purposes of this act.

SEC. 7. Section 54 of said act is amended to read:

Santa Ynez River Watershed program approved

Sec. 54. The program on the Santa Ynez River Watershed is hereby adopted and authorized substantially in accordance with the recommendations of the Acting Secretary of Agriculture in House Document Numbered 518, Seventy-eighth Congress, Second Session, and approved by the act of Congress approved December 22, 1944, Public Law 534, Seventy-eighth Congress, Second Session, and as further authorized by act of Congress approved May 17, 1951, Public Law 516, Eighty-first Congress, Second Session, at an estimated cost to the State of one hundred six thousand dollars ($106,000).

CHAPTER 933

An act to amend Section 681 of the Vehicle Code, relating to the use of sirens and red lights by privately owned armored cars.

In effect September 22, 1951

[Approved by Governor June 8, 1951. Filed with Secretary of State June 8, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 681 of the Vehicle Code is amended to read:

681. Regulations Governing Armored Cars. (a) No person shall operate on any highway any armored car unless a special permit to operate such car has first been obtained from the commissioner. The commissioner may issue a permit for the necessary and legitimate operation of an armored car and may revoke such permit if any unnecessary or illegal use is made of the armored car for which issued. Armored cars

The commissioner shall maintain a record of all such permits issued and of all such permits revoked

(b) Such an armored car may be equipped with a siren and red lights which may be used while resisting armed robbery. At all other times the siren shall not be sounded and the red lights shall not be lighted The authority to use a siren and red lights granted by this subdivision shall not constitute an armored car an authorized emergency vehicle and all other provisions of this code applicable to drivers of vehicles upon the highways shall apply to drivers of armored cars. Siren and red lights

(c) Any person violating the provisions of this section is guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding five hundred dollars ($500) or by imprisonment in the county jail for not to exceed six months or by both such fine and imprisonment. Penalty

CHAPTER 934

An act to amend Section 411 of the Education Code, relating to the salary and credential of county superintendents of schools.

[Approved by Governor June 8, 1951. Filed with Secretary of State June 8, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 411 of the Education Code is amended to read:

411. The annual salary of the county superintendent of schools of a county of the eleventh class is ten thousand dollars ($10,000), and he shall possess a valid general administrative credential issued by the State Board of Education. Kern County

CHAPTER 935

An act to add Section 417 to the Code of Civil Procedure, relating to civil actions.

[Approved by Governor June 8, 1951. Filed with Secretary of State June 8, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 417 is added to the Code of Civil Procedure, to read:

417. Where jurisdiction is acquired over a person who is outside of this State by publication of summons in accordance with Sections 412 and 413, the court shall have the power to Jurisdiction for personal judgment

render a personal judgment against such person only if he was personally served with a copy of the summons and complaint, and was a resident of this State at the time of the commencement of the action or at the time of service

CHAPTER 936

An act to amend Section 204a of the Code of Civil Procedure, relating to jury commissioners.

In effect September 22, 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 204a of the Code of Civil Procedure is amended to read:

Jury commissioners

204a. In any county or city and county having a population of 60,000 or over, a majority of the judges of the superior court of the State of California in and for such county, to assist the judges thereof in making selections of trial jurors, and grand jurors, and whenever in their opinion the business of the court requires it, may, in their discretion, appoint a jury commissioner for such county or city and county. In any county or city and county having a population of 60,000 or over, but less than 217,000, the jury commissioner shall receive a salary of three hundred dollars ($300) per month, not exceeding, however, one thousand five hundred dollars ($1,500) in any one fiscal year. In any county or city and county having a population of 217,000 or over, but less than 235,000, the jury commissioner shall receive a salary of five hundred dollars ($500) per month, not exceeding, however, three thousand dollars ($3,000) in any one fiscal year. In any county, or city and county having a population of 235,000 or over the jury commissioner shall receive a salary of three hundred dollars ($300) per month. The jury commissioner shall hold office at the pleasure of the majority of the judges of the superior court in and for their respective counties, and their salaries shall be audited, allowed and paid out of the general fund of such county or city and county. The jury commissioner, in the discretion of the board of supervisors, shall also assist in the selection of juries in justices' courts and municipal courts, and, for performing this duty, shall receive additional compensation and help, the amount of which, and the number thereof, shall be determined by the board of supervisors.

CHAPTER 937

An act to add Section 6004.5 to the Government Code, relating to newspapers.

In effect September 22, 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6004.5 is added to the Government Code, to read:

6004.5. In order to qualify as a newspaper of general circulation the newspaper, if either printed or published in a town or city, shall be both printed and published in one and the same town or city. Newspaper of general circulation

SEC. 2. This act is declaratory of the existing law and does not make a substantive change therein. Declaration

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CHAPTER 938

An act to amend Sections 143.1, 143.2, and 188.4 of the Streets and Highways Code, relating to state highway revenues and expenditures, and the budgeting and reporting thereof.

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 143.1 of the Streets and Highways Code is amended to read:

143.1. The department shall make at least 30 days before each regular session of the Legislature a budget report to the Governor. Budget report

The commission shall prepare for inclusion, and the department shall include, in said report a statement of all estimated State Highway Fund revenues and revenues available from any other sources and estimated regular federal aid for the next succeeding fiscal year, together with a statement of proposed expenditures or obligations to be incurred during the next succeeding fiscal year for the construction, improvement, and maintenance of the various highways or portions thereof under the jurisdiction of the department under the following headings:

(a) Administration, including payments for services of the Division of Contracts and Rights of Way.

(b) Maintenance.

(c) Major Construction and Improvement. Under this will be shown all proposed expenditures or obligations to be incurred in each county group for major construction and improvement, segregating the route of each highway to be constructed or improved, the county in which located, the number of miles involved, and a description of the type of work to be done.

(d) Minor Improvement and Betterment. This heading will show the total proposed expenditures and obligations to be incurred for each county group for minor improvement and betterment.

(e) Contingencies.

(f) Rights of Way. This will show the approximate amount of money needed for the purchase of rights of way in each county group.

(g) Other proposed expenditures, including preliminary engineering.

Budget

The said report as submitted by the department shall be included in the printed fiscal year budget submitted to the Legislature. It shall constitute as submitted the complete and detailed budget submitted to the Department of Finance pursuant to Section 13320 of the Government Code. Said budget shall be administered by the Department of Finance as the Fiscal Year Budget of the Division of Highways under the provisions of this section and of Article 2 of Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code. In the case of any inconsistency, the provisions of this section shall control.

Changes or modifications

All changes or modifications in the budget shall be by vote of the commission, approved by the Director of Finance where required by this section.

Funds may be transferred from Item (e), Contingencies, to other items by vote of the commission, but no increase or decrease shall be otherwise made in any of Items (a) to (g), inclusive, of said budget without the approval of the Director of Finance No project shown under Item (e) shall be eliminated and no new project shall be added to Item (e) of the budget without the approval of the Director of Finance. If it is necessary to eliminate or postpone any project shown under Item (e) to meet an emergency caused by floods, earthquake or other like cause or on account of decreased revenue or on account of increased costs on other work, the commission may eliminate or postpone such project upon the written approval of the Director of Finance.

In the event, during an annual period, the budgetary amount approved and allocated by the commission for any purpose exceeds the amount actually necessary therefor, with a resultant available surplus, such surplus may be allocated by the commission to any other purpose or supplemental project upon the written approval of the Director of Finance.

Administration of budget

In administering said budget, the Director of Finance shall not limit expenditures or incurrence of obligations thereunder to quarterly, semiannual or other periods of the fiscal year and shall not require any greater detail than that specified in this section and in Section 143 2.

Contracts for any construction and improvement projects for which funds are available during any fiscal year may be awarded on and after the first day of April preceding the beginning of the fiscal year.

The State Controller shall account in his books all receipts and expenditures in the State Highway Fund in accordance with the classification prescribed in this section.

For the purpose of recording by the Controller of receipts to and expenditures from the State Highway Fund, the department shall furnish to the Controller with claims and remittances or by subsequent reports the information necessary to maintain such accounts.

SEC. 2. Section 143.2 of said code is amended to read:

143.2. Commencing with the report submitted pursuant to Section 143.1, preceding the 1949 Session of the Legislature and in each subsequent report, the commission shall also prepare for inclusion, and the department shall also include, in such report a statement of actual State Highway Fund revenues and revenues available from any other source and estimated regular federal aid for highway purposes received during the current and next preceding fiscal years, together with a statement of all expenditures made and obligations incurred during the current and next preceding fiscal years for the construction, improvement, and maintenance of state highways or portions thereof under the jurisdiction of the department under the following headings and subheadings: Statement of revenues expenditures etc

(a) Administration, including payments for services of the Division of Contracts and Rights of Way.

(1) General or central office administration.

(2) District office administration.

(3) Departmental administration.

These subheadings will include administrative expenditures for bridges, testing, and the like.

(b) Maintenance, including: (1) all maintenance expenditures for each highway route; and (2) a breakdown of total maintenance expenditures by descriptive categories such as general maintenance, snow removal, bridge repairs, and other categories used by the department to describe a particular class of maintenance work

(c) Major Construction and Improvement. Under this will be shown all expenditures and obligations incurred in each county group for major construction and improvement, segregating the major bridges, the route of each highway constructed or improved, the county in which located, the number of miles involved, and a description of the type of work done.

(d) Minor Improvement and Betterment. This heading will show the amount expended for minor improvement and betterment in each county group.

(e) Rights of Way. This will show the amount of money expended for the purchase of rights of way in each county group.

There shall also be included in such report a statement of the reasons for any differences between actual revenues received and estimated revenues, as well as for any differences between actual expenditures and obligations incurred and those proposed to be made, in the two next preceding reports together with a statement of the reasons why any expenditures proposed to be made or obligations to be incurred in the two next preceding reports, and not made, have not been made or incurred

In addition to making such report to the Governor, the department shall publish or cause to be published not less than 500 copies thereof for the use of the Legislature

For the purposes of this section, the date of the award of a contract and of the commencement of a day labor project shall be deemed the time when the entire obligation thereunder is incurred.

SEC. 3. Section 188.4 of said code is amended to read:

Amount to be expended

188.4. Out of the money expended pursuant to Section 188, the commission shall allocate and the department shall expend or cause to be expended in each county of County Group No. 1 and in each county of County Group No. 2 during each of the five-year periods commencing and ending, respectively, July 1, 1947, to June 30, 1952, July 1, 1952, to June 30, 1957, and July 1, 1957, to June 30, 1962, not less than an amount computed as follows:

Computation

(a) The commission shall compute for each five-year period an amount equal to the respective percentage hereinafter specified of the moneys to be expended in County Groups No. 1 and No. 2, respectively, as provided in Section 188:

Period	Percentage
July 1, 1947-June 30, 1952	50
July 1, 1952-June 30, 1957	55
July 1, 1957-June 30, 1962	65

Minimum expenditure Group one

(b) From the amount computed for county group one in subdivision (a) the commission shall determine the minimum expenditure for each county specified in this subdivision by applying the following percentages of said amount:

Alameda	20.721	Nevada	.839
Alpine	.410	Placer	1.595
Amador	.741	Plumas	.473
Butte	1.108	Sacramento	2.988
Calaveras	.632	San Benito	.474
Colusa	.577	San Francisco	18.688
Contra Costa	4.100	San Joaquin	2 850
Del Norte	.521	San Mateo	3.147
El Dorado	.649	Santa Clara	3.055
Fresno	2.646	Santa Cruz	1.443
Glenn	.518	Shasta	1.769
Humboldt	2.804	Sierra	.227
Kings	.529	Siskiyou	1.582
Lake	.631	Solano	1.732
Lassen	.391	Sonoma	2.735
Madera	.950	Stanislaus	2.162
Marin	1.707	Sutter	.508
Mariposa	.874	Tehama	1.042
Mendocino	2.423	Trinity	.351
Merced	1.881	Tuolumne	.717
Modoc	.549	Yolo	2.242
Monterey	2.604	Yuba	.696
Napa	.719		

(c) From the amount computed for county group two in subdivision (a) the commission shall determine the minimum expenditure for each county specified in this subdivision by applying the following percentages of said amount: Same Group two

Imperial	1.454	San Bernardino	6.396
Inyo	.319	San Diego	6.092
Kern	4.759	San Luis Obispo	3.998
Los Angeles	52.100	Santa Barbara	5.524
Mono	262	Tulare	2.584
Orange	8 114	Ventura	3.725
Riverside	4 673		

(d) In the event the department expends for construction and acquisition of rights of way in any county during any of said five-year periods a larger sum than that required under subdivisions (b) or (c), the excess may be credited against the required expenditure for a subsequent five-year period. Excess expenditures

(e) The entire obligation under a contract awarded or a day labor project commenced during any of said five-year periods shall be deemed an expenditure within the five-year period in which such contract was awarded or day labor project commenced. Contract or project

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CHAPTER 939

An act to amend Section 7207 of the Elections Code, relating to elections.

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7207 of the Elections Code is amended to read.

7207. The county clerk shall retain in his custody the package containing the: Package subject to inspection

(a) Tally list not delivered to the clerk of the board of supervisors.

(b) Roster of voters.

(c) Copy of the index used as the voting record.

(d) Challenge list.

(e) Assisted voter's list.

(f) Affidavits of election officers assisting voters.

All voters may inspect its contents at all times following commencement of the official canvass of the votes.

This package shall be disposed of as are the voted ballots.

CHAPTER 940

An act to amend Sections 2574, 2576, 2111, 2152, 2155, 2301, 2350, 2353, and 2402 of the Elections Code, relating to forms pertaining to primary elections.

In effect September 22, 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2574 of the Elections Code is amended to read:

Form of notice

2574. The notice designating the offices for which candidates are to be nominated shall be in substantially the following form:

NOTICE BY SECRETARY OF STATE OF OFFICES FOR WHICH CANDIDATES ARE TO BE NOMINATED AT THE DIRECT PRIMARY AND NAMES OF POLITICAL PARTIES QUALIFIED TO PARTICIPATE

DEPARTMENT OF STATE
Sacramento, _____, 19___

To the County Clerk (Registrar of voters) of the County of _____:

Notice is hereby given that the offices for which candidates are to be nominated at the primary election to be held on the _____ day of _____, 19___, together with the names of the political parties qualified to participate in the election, are as follows:

STATE (AND DISTRICT) OFFICES

_____
_____
_____

CONGRESSIONAL OFFICES

_____
_____
_____

LEGISLATIVE OFFICES

_____
_____
_____

That the names of the political parties qualified to participate in this election for nomination of candidates for each of the above mentioned offices are as follows:

_____
_____
_____

Notice is also hereby given that at the primary election candidates are to be nominated for the following offices:

JUDICIAL OFFICES

SCHOOL OFFICES

Notice is also hereby given that at the primary election, in the county first above mentioned, candidates are to be nominated for any county and township office to which candidates are to be elected at the ensuing general election;

And notice is also hereby given that at the primary election there shall be elected in each county and city and county a county central committee for each political party above named pursuant to Section 2831 of the Elections Code.

(SEAL) Secretary of State

SEC. 2. Section 2576 of said code is amended to read:

2576. The notice published by the county clerk designating the offices for which candidates are to be nominated shall be in substantially the following form: Form of notice

NOTICE BY COUNTY CLERK OF OFFICES FOR WHICH CANDIDATES ARE TO BE NOMINATED OR ELECTED AT THE DIRECT PRIMARY AND NAMES OF POLITICAL PARTIES QUALIFIED TO PARTICIPATE

Notice is hereby given that the offices for which candidates are to be nominated at the primary election to be held on the __ __ day of _____, 19 __, together with the names of the political parties qualified to participate in the election are as follows:

STATE (AND DISTRICT) OFFICES

CONGRESSIONAL OFFICES

Same

LEGISLATIVE OFFICES

_____

_____

_____

That the names of the political parties qualified to participate in the election for nomination of candidates for each of the above-mentioned offices are as follows:

_____

_____

_____

Notice is also hereby given that at the primary election candidates are to be nominated for the following nonpartisan offices:

JUDICIAL OFFICES

_____

_____

_____

SCHOOL OFFICES

_____

_____

_____

COUNTY OFFICES

_____

_____

_____

TOWNSHIP OFFICES

_____

_____

_____

Notice is also hereby given that at the primary election there are to be elected by each of the parties hereinafter named in each of the districts hereinafter stated as many members of the county central committee of that party as is stated under the name of that party opposite the number of the district.

MEMBERS OF COUNTY CENTRAL COMMITTEE

The number of each district and the number of members to be elected by each party from the district being as hereinafter set forth:

	party	party	party	party
District	Members	Members	Members	Members
District	Members	Members	Members	Members
District	Members	Members	Members	Members
District	Members	Members	Members	Members
District	Members	Members	Members	Members

Dated this _____ day of _____, 19___.

(SEAL) _____, County Clerk
By _____, Deputy

SEC. 3. Section 2111 of said code is amended to read:

2111. The nomination paper for a group of candidates shall be in substantially the following form: Nomination paper for group of candidates

SECTION OF NOMINATION PAPER SIGNED BY VOTER ON BEHALF OF GROUP OF CANDIDATES

Section_____ Page_____

County of_____, city or town of_____(if any). Nomination paper of group of candidates for election as delegates by_____party.

State of California }
County of_____ } ss.

SIGNER'S STATEMENT

I, the undersigned, am a voter of the city or town of _____, County of_____, State of California, and am registered as intending to affiliate with the_____party. I hereby nominate the following:

Number	Names	Residence City or Town	County	No. Congressional District
1	_____	_____	_____	_____
2	_____	_____	_____	_____
3	_____	_____	_____	_____

(to 26 names or such other number as may be required.) Etc., as candidates for delegates to the_____ party national convention, to be voted for at the presidential primary to be held on the _____ day of _____, 19___. I have not signed the nomination paper of any other candidates for the same office, and I further declare that I intend to support for nomination the candidates named herein.

I furthermore declare that I have not signed the nomination paper of any of these candidates or of this group of candidates, as the candidate or group of candidates of any other party at this primary election.

Number	Precinct	Signature	Residence	Date
1	_____	_____	_____	_____
2	_____	_____	_____	_____
3	_____	_____	_____	_____
Etc.	_____	_____	_____	_____

Verification deputy's affidavit

VERIFICATION DEPUTY'S AFFIDAVIT

I, _____, solemnly swear (or affirm) that I have been appointed as a verification deputy to secure signatures in the County of_____to the nomination paper of the group of candidates named in the signer's statement above as candidates for nomination and election by the __ _____ party as delegates to represent the State of California in the party's next national convention; that all the signatures on this section of the nomination paper numbered from 1 to ___, inclusive, were made in my presence, and that to the best of my knowledge and belief each signature is the genuine signature of the person whose name it purports to be.

(Signed) _____
Verification Deputy

Subscribed and sworn to before me this_____day of _____, 19___.

(SEAL)

_____
Notary Public (or other official)

SEC. 4. Section 2152 of said code is amended to read:

Form of appointment By group of candidates

2152. The verification deputies may be appointed by the candidates jointly, on a form which shall be substantially as follows:

APPOINTMENT OF VERIFICATION DEPUTIES BY GROUP OF CANDIDATES

We, the undersigned, each of whom is a candidate for election, at the presidential primary to be held on the __ ___ day of _____, 19 __, as a delegate to represent the State of California in the next national convention of the _____ party, do hereby appoint the following voters of the County of _____ as verification deputies to obtain signatures, in that county, to nomination papers placing us in nomination as a group of candidates for election as delegates by that party:

VERIFICATION DEPUTIES

Name	Residence
_____	_____
_____	_____
_____	_____
Etc.	Etc.

GROUP OF CANDIDATES

(Signed)

Name	Residence
_____	_____
_____	_____
_____	_____
Etc.	Etc.

Filed in the office of the County Clerk of _____ County, this _____ day of _____, 19___.

_____ County Clerk

By _____, Deputy

SEC. 5. Section 2155 of said code is amended to read:

2155. The verification deputies for a group of candidates may be appointed by a committee of five voters proposing a group of candidates on a form which shall be substantially as follows:

Form of appointment by committee For group of candidates

APPOINTMENT OF VERIFICATION DEPUTIES BY COMMITTEE FOR GROUP OF CANDIDATES

State of California }
County of _____ } ss.

We, the undersigned, do solemnly swear (or affirm) that we are each voters of the County of _____, State of California, and that we are each registered as intending to affiliate with the _____ party; and we do hereby propose as a group of candidates for the nomination and election by that party, at the presidential primary to be held on the _____ day of _____, 19___, as delegates to represent the State of California in the party's next national convention, the following named persons who respectively reside at the places herein stated opposite their respective names:

GROUP OF CANDIDATES

Name	Residence
_____	_____
_____	_____
_____	_____
_____	_____
Etc.	Etc.

We do solemnly swear (or affirm) that each of the persons named in this appointment has consented to this proposal of his name as candidate for nomination and election as delegate and in this group of candidates.

We hereby appoint the following voters of this county as verification deputies to obtain signatures in this county to the nomination papers of this group of candidates:

VERIFICATION DEPUTIES

Name	Residence
_____	_____
_____	_____
_____	_____
Etc.	Etc.

COMMITTEE OF FIVE

(Signed)

Name	Residence
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Subscribed and sworn to before me this _____ day of _____, 19___.

_____
Notary Public (or other official)

(SEAL)

Filed in the office of the County Clerk of _____ County, this _____ day of _____, 19___.

_____, County Clerk
By _____, Deputy

SEC. 6. Section 2301 of said code is amended to read:

Form of affidavit

2301. The affidavit of a candidate for delegate shall be in substantially the following form:

AFFIDAVIT OF CANDIDATE FOR DELEGATE

State of California }
County of _____ } ss.

I, _____, reside at No. ___ street, in the city (or town) of _____, in the County of _____ in the _____ Congressional District, State of California; my election precinct is _____ Assembly District and I reside and am a voter therein, my post-office address is _____, County of _____.

I desire to be a candidate, at the presidential primary to be held on the _____ day of _____, 19___, for delegate to the next national convention of the _____ party, and if elected as delegate I will qualify. I further declare that I have notified all signers of my nomination paper, whose signatures were in excess of the number permitted by the Elections Code, that their names have not been used.

(Signed) _____

Subscribed and sworn to before me this _____ day of _____, 19___.

(SEAL)

_____
Notary Public (or other official)

SEC. 7. Section 2350 of said code is amended to read:

Certified list of candidates

2350. At least 45 days before a presidential primary the Secretary of State shall transmit to each county clerk a certified

list containing the names and addresses of the candidates for delegate for whom nomination papers have been filed and who are entitled to be voted for at the presidential primary.

The certified list shall be in substantially the following form:

CERTIFIED LIST OF CANDIDATES FOR DELEGATE

DEPARTMENT OF STATE

To the County Clerk of _____ County:

I, _____, Secretary of State, do hereby certify that the following list contains the name and post-office address of each person for whom nomination papers have been filed in my office and who is entitled to be voted for at the presidential primary to be held on the _____ day of _____, 19___, as delegate to the next national convention of that party under which his name hereinafter appears; I further certify that in the list under the name of each party, and under the name of the person for whom a preference as nominee of the party for President has been expressed, there is stated the name of each candidate for delegate who has filed a statement of preference for that person and who has been endorsed as required by law, and who may be voted for as one of a group.

LIST OF CANDIDATES

_____Party

Candidates preferring	Candidates preferring	Candidates preferring
Name Address Top of Group	Name Address Top of Group	Name Address Top of Group
1 _____	1 _____	1 _____
2 _____	2 _____	2 _____
3 _____	3 _____	3 _____
etc._____	etc._____	etc._____

_____Party

(etc., as above with each political party)

Dated at Sacramento, California, this _____ day of _____, 19___.

_____

Secretary of State

(SEAL)

SEC. 8. Section 2353 of said code is amended to read:

2353. The notice of the list of candidates published by the county clerk shall be in substantially the following form: Form of notice by county clerk

Same

NOTICE BY COUNTY CLERK OF TIME AND PLACE OF PRESIDENTIAL PRIMARY ELECTION, POLITICAL PARTIES ENTITLED TO PARTICIPATE THEREIN, AND NAMES AND ADDRESSES OF CANDIDATES FOR DELEGATE

Notice is hereby given that a presidential primary election is to be held in the County of _____ on the _____ day of _____, 19__ and that hereinafter under the designation of each of the political parties entitled to participate therein there is stated the name and address of each person for whom nomination papers have been filed in the Office of the Secretary of State and who is entitled to be voted for, at the election, as delegate to the next national convention of that party under which his name appears; and that under the name of each party, and under the name of the person for whom a preference as nominee of that party for President has been expressed, there is stated the name of each of those candidates for delegate who has filed a statement of preference for that person and has been endorsed as required by law, and who may be voted for as one of a group:

LIST OF CANDIDATES

_____Party

Candidates preferring	Candidates preferring	Candidates preferring
Name Address Top of Group	Name Address Top of Group	Name Address Top of Group
1 _____	1 _____	1 _____
2 _____	2 _____	2 _____
3 _____	3 _____	3 _____
etc._____	etc._____	etc._____

_____Party

_____(etc., as above with each political party.)

Notice is also hereby given that at the presidential primary the polls will be open from the hour of 7 o'clock a.m. to the hour of 7 o'clock p.m. on the day thereof, and that during those hours the election will be held at the legally designated polling places in each precinct in the county, which are as follows:

City of _____

(Name or number of precinct) (Location of polling place)

Precinct _____

Precinct _____

Town of _____

Precinct _____

_____Township (outside of city)

Precinct _____

Dated this _____ day of _____, 19___.

_____, County Clerk

SEC. 9 Section 2402 of said code is amended to read:

2402. The certificate of election shall be in substantially the following form: Form of certificate

CERTIFICATE OF ELECTION ISSUED TO DELEGATE

Office of Secretary of State
Sacramento, California

I, _____, Secretary of State of the State of California, do hereby certify that at the presidential primary election held in this State on the _____ day of _____, 19___, _____ was elected a delegate by the _____ party to represent the State of California in that party's next national convention, as appears by the official returns of the primary election and statement thereof on file in my office.

Witness my hand and official seal this _____ day of _____, 19___.

_____
Secretary of State

(SEAL)

CHAPTER 941

An act to amend Sections 2571 and 2573 of the Elections Code, relating to elections.

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2571 of the Elections Code is amended to read:

2571. A statement of the number of voters in his county at the close of registration on the nineteenth day prior thereto shall be transmitted to the Secretary of State by each county clerk at the following times: Statements by county clerk

(a) On the thirty-fifth day before each presidential primary.

(b) On the ninety-fifth day before each direct primary.

(c) On the thirty-fifth day before each direct primary.

(d) On the thirty-fifth day before each general election

The statement shall show the total number of voters in the county, the number registered as affiliated with each political party and the number who declined to state a party affiliation

SEC. 2 Section 2573 of said code is amended to read:

2573. At least 90 days before the time of holding the direct primary the Secretary of State shall prepare and transmit to each county clerk a notice in writing designating all the offices, except county and township offices, for which candidates are to be nominated at the primary, together with the names of parties qualified to participate in the primary. Notice of offices to be filled and qualified parties

CHAPTER 942

An act to amend Section 2454 and repeal Sections 2455, 2456, 2457, 2458, and 2459 of the Elections Code, relating to county central committees.

In effect September 22, 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2454 of the Elections Code is amended to read:

Votes required to elect

2454. The number of candidates for membership in the county central committee to which each party is entitled in each assembly district to receive the highest number of votes shall be declared elected; but a candidate for county committeeman shall not be declared elected unless he has received votes equal in number to the minimum number of signatures to the nomination paper which would have been required to place his name on the election ballot.

Repeal

SEC. 2. Sections 2455, 2456, 2457, 2458, and 2459 of the Elections Code are repealed.

CHAPTER 943

An act to amend Sections 5565 and 5724 of the Elections Code, relating to the conduct of elections.

In effect September 22, 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5565 of the Elections Code is amended to read:

Roster form

5565. The roster to be kept by each precinct board shall be substantially in the following form:

ROSTER

of the _____ election held in the _____ precinct _____ district, County of _____, on the _____ day of _____ 19 ___.

Following are the voters of above precinct desiring to vote under provisions of Sections 5700, 5702, 5703, 5704, and 5707 of the Elections Code:

No.	Signature of voter	Residence of voter
1	_____	_____
2	_____	_____
3	_____	_____
etc.	_____	_____

We hereby certify that all voters whose signatures appear hereinbefore in this roster voted this day excepting the follow-

ing who after signing the roster, failed to vote or were challenged and denied the right to vote

No.	Name	No.	Name
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

We further certify that the number of voters who voted in this precinct at this election is _____, and that the above list of voters, less those who did not vote as enumerated, constitutes the roster of this precinct for this election.

_____	_____
Clerk	Inspector
_____	_____
Clerk	Judge
_____	_____
Clerk	Judge

SEC. 2. Section 5724 of said code is amended to read:

5724. The election officers shall keep a list of the voters who have been assisted in marking their ballots. The list shall be returned to the county clerk and preserved with other election materials and records. Assisted voters' list

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CHAPTER 944

An act to amend Section 380 of the Vehicle Code, relating to fees to be paid for transfer of title or interest in a vehicle.

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 380 of the Vehicle Code is amended to read:

380. Fee for Filing Chattel Mortgage. Upon filing with the department an application for transfer of registration to the chattel mortgagee as provided herein there shall be paid to the department a fee of one dollar ($1) for each vehicle registered hereunder described in and subject to such chattel mortgage. Chattel mortgage filing fee

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CHAPTER 945

An act to amend Section 383.1 of the Vehicle Code, relating to refunds of registration fees.

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 383.1 of the Vehicle Code is amended to read:

383.1. Procedure for Refund of Fees. (a) Whenever application is made by any person for the registration or transfer Procedure for refund of fees

of registration of a vehicle or for any other privilege specified in this code and such application is accompanied by any fee which is excessive or not legally due, or whenever the department in consequence of any error either of fact or of law as to the proper amount of any fee or any penalty thereon or as to the necessity of obtaining a registration, transfer of registration or other privilege under this code collects any fee or penalty which is excessive, erroneous or not legally due, the person who has paid any such erroneous or excessive fee or penalty, or his agent on his behalf, may apply for and receive a refund of the amount thereof as provided in this section.

(b) The applicant may within not more than one year from the date of payment of such erroneous or excessive fee or penalty present an application in writing to the department identifying the payment made and stating the grounds upon which it is claimed that such payment was excessive or erroneous.

(c) Whenever any fee or penalty subject to refund under the provisions of this section has not been paid into the State Treasury, the department shall refund the fee or penalty.

(d) Whenever any fee or penalty subject to refund under this section has been paid into the State Treasury to the credit, in whole or in part, of the Motor Vehicle Support Fund or of the Motor Vehicle Fund, the department shall prepare a claim setting forth the facts pertaining to the fee or penalty sought to be refunded and, upon approval of the claim by the Director of Finance, the Controller shall draw his warrant upon the fund or funds to which the fee or penalty was credited.

(e) This section shall be effective as a legislative appropriation of any and all amounts necessary to refund and repay any excessive or erroneous fees and penalties collected under this code and procedure herein prescribed shall be deemed a compliance with the requirements of the Political Code of this State in reference to the refund of excessive or erroneous fees or penalties paid to the Department of Motor Vehicles.

(f) The provisions of this section shall also apply in the event application has been made and fees have been paid for the registration of a vehicle which is not in fact operated upon the highways of this State, during the calendar year for which fees have been paid, but in such event application for refund shall be made within 60 days after the date such fees are paid to the department.

CHAPTER 946

An act to add Section 210.1 to the Vehicle Code, relating to registration on nonresident vehicles.

In effect September 22 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. A new section number 210.1 is added to the Vehicle Code, to read:

210.1. When Nonresident Registration Required. Registration Nonresident vehicles

(a) A vehicle of a type subject to registration hereunder properly registered in the last previous residence of the owner may be operated within this State without registering such vehicle in or paying any fees to this State when at all times when operated in this State, the vehicle displays upon it a valid plate or plates issued for such vehicle in the place of last previous residence of the owner, irrespective of the owner having become gainfully employed here or having taken residence in this State.

(b) Upon expiration of such nonresident registration or upon any transfer of the vehicle within the State of California the owner shall immediately apply to register the vehicle in this State and pay registration and other fees as provided by this code.

(c) Whenever the owner of the vehicle registered outside this State is a member of the armed forces of the United States, on active duty within this State, such vehicle shall come within the provisions of this section although such vehicle is not registered in the home state of such owner, provided the owner establishes to the satisfaction of the department that at the time of the last registration of the vehicle such owner was required by military orders to be within the jurisdiction where the vehicle was last registered.

(d) The provisions of this section shall not apply to any vehicle operated or used within this State for the purposes mentioned in Sections 215 or 216 hereof.

CHAPTER 947

An act to add Section 725.5 to the Fish and Game Code, relating to sturgeon.

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 725.5 is added to the Fish and Game Code, to read:

725.5. Sturgeon or parts thereof from without the State may be imported, possessed and sold within the State under regulations which the commission is hereby authorized to prescribe. Sturgeon Regulations

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CHAPTER 948

An act to amend Sections 5004 and 5005 of the Public Utilities Code, and Sections 1 and 3 of an act entitled "An act relating to fees to be paid to the Railroad Commission by railroad corporations, express corporations, freight forwarders, persons, or corporations operating vessels, and Stats. 1935, p. 1873

persons or corporations owning or operating motor vehicles in the transportation of property for hire upon the public highways under the jurisdiction of the Railroad Commission of the State of California, providing for the collection thereof by the Railroad Commission, and providing penalties for the violation of this act," approved July 16, 1935, relating to fees payable by such persons and corporations for deposit in the Railroad Commission Transportation Rate Fund.

In effect September 22, 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1 of the act cited in the title hereof is amended to read:

Statement of gross operating revenues

Section 1. For the purpose of correlating and regulating the rates charged for the transportation of property by the various transportation agencies in the State subject to the jurisdiction of the Railroad Commission of the State of California and for the purpose of creating a special fund to administer and enforce the acts conferring upon the Railroad Commission of the State of California jurisdiction to regulate the rates of transportation agencies carrying property for compensation and to administer and enforce the "Highway Carriers' Act" the "Household Goods Carriers Act," and the "City Carriers' Act," every railroad corporation, express corporation, freight forwarder, and every person or corporation operating vessels, as these terms are defined in the Public Utilities Act of the State of California, and every motor transportation broker, as the term is defined in the Motor Transportation Brokers' Act, and every person or corporation owning or operating motor vehicles in the transportation of property for hire upon the public highways under the jurisdiction of the Railroad Commission of the State of California, shall, between the first and fifteenth days of October, 1935, and thereafter between the first and fifteenth days of January, April, July, and October of each year, file with the Railroad Commission a statement showing the gross operating revenue derived by such person or corporation from the transportation of property for the preceding three calendar months, and shall at the time of filing such report pay to the said Railroad Commission of the State of California a fee of one dollar ($1) for each quarter, together with one-fourth of 1 percent of the amount of such gross operating revenue.

Stats 1935, p 878
Stats 1951, Ch 974
Stats 1935, p 1057
Stats 1915, p 115
Stats 1935, p 1906

Fees

The following fees shall be paid to the Railroad Commission, pursuant to permits issued under the Highway Carriers' Act, Household Goods Carriers Act, and City Carriers' Act.

Fifty dollars ($50) for filing each application for a permit

Twenty-five dollars ($25) for filing each application to sell, mortgage, lease, assign, transfer, or otherwise encumber any permit.

SEC. 2. Section 3 of said act is amended to read:

Sec. 3. All fees charged and collected under this act and under the Public Utilities Act for the filing of applications pursuant to Sections 50(f) and $50\frac{3}{4}$ thereof, shall be deposited at least once a month in the State Treasury to the credit of the Railroad Commission Transportation Rate Fund, which special fund is hereby created, and shall be in augmentation of the current appropriation by the Legislature for the support of the Railroad Commission of the State of California, and shall be expended by the Railroad Commission for the purpose of administering and enforcing the "Highway Carriers' Act," the "Household Goods Carriers Act," and the "City Carriers' Act," and the "Motor Transportation Brokers Act," and also for the purpose of administering and enforcing those provisions of the Public Utilities Act and other acts of the State of California conferring upon the Railroad Commission jurisdiction over the rates, charges, and classifications, and the rules, regulations, and practices relating thereto, of carriers of property for compensation. Disposition of fees

NOTE: The sections of the Public Utilities Code affected by this chapter appear in their proper place in that code, Chapter 764 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 5. Sections 3 and 4 of this act become operative only if Division 2 of the Public Utilities Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same time as said Division 2 takes effect, at which time Sections 1 and 2 of this act are repealed. Effect Stats. 1951, Ch. 764 Repeal

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CHAPTER 949

An act to add Section 151.1 to the Vehicle Code, relating to registration of vehicles.

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 151.1 is added to the Vehicle Code, to read:

151.1. Department May Issue Certificate of Ownership Without Registration.

(a) The department may issue a certificate of ownership to the legal owner of a vehicle of a type subject to registration hereunder without requiring registration subject to the following conditions: Certificate of ownership without registration

1. The application must be submitted in proper form.

2. A service fee of five dollars ($5) must be paid to the department.

3 There must be filed with the department a certificate of the owner that the vehicle has not been driven or moved upon any public highway so as to require payment of fees and that the owner will not thereafter permit to be driven or moved, or

drive or move the vehicle, over or upon a public highway without surrendering or arranging to surrender the certificate to the department, without first having made full payment of all fees required to be paid for such operation or movement of the vehicle under the provisions of this code and of Part 5 of Division 2 of the Revenue and Taxation Code, and thereby having made application for the regular registration of such vehicle.

When the owner has complied with all requirements of such application the department may issue a certificate of ownership to him as legal owner and may issue a facsimile copy thereof to the owner or both to the owner if there is no legal owner.

Recordation

(b) Every transfer of ownership of a vehicle registered pursuant to subdivision (a) of this section shall be recorded with the department within 10 days by presentation of an application therefor which shall consist of the last issued certificate of ownership properly endorsed and the last issued facsimile copy thereof and payment of a service charge of one dollar ($1).

Transfer of ownership

Upon any transfer of ownership the registration and other fees as required by law shall be paid and the department shall issue the usual certificate of ownership and registration card unless the vehicle is not to be operated on the public highways and the new owner submits an affidavit satisfactory to the department as to those facts required by paragraph 3 of subdivision (a) of this section in which case the new certificate of title and facsimile thereof may be issued as provided for in subdivision (a) hereof.

(c) A transfer of ownership as provided for herein may be made upon application pursuant to those conditions contained in Section 182 of this code and payment of a service charge of one dollar ($1) for a duplicate certificate of ownership or a facsimile copy thereof in addition to payment of the service charge provided in this section and upon the filing of a certificate by the new owner covering those facts specified in paragraph 3 of subdivision (a) hereof

Construction

(d) The provisions of this section shall not be construed to permit the issuance of a certificate of ownership or a facsimile copy thereof for any vehicle exempted from payment of registration fees as provided in Sections 39, 39.5, 45, and 142 of this code or of those fees specified in Part 5 of Division 2 of the Revenue and Taxation Code.

CHAPTER 950

An act to amend Section 177 of the Vehicle Code, relating to notices of sales by vehicle dealers.

In effect September 22, 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 177 of the Vehicle Code is amended to read:

177. Transferor to Notify Department. (a) Whenever the owner of a vehicle registered hereunder sells or transfers his title or interest in, and delivers the possession of, said vehicle to another, said owner shall immediately notify the department of such sale or transfer giving the date thereof, the name and address of such owner and of the transferee and such description of the vehicle as may be required in the appropriate form provided for such purpose by the department. Transferor to notify department

(b) Every dealer upon transferring by sale, lease or otherwise any vehicle, whether new or used, of a type subject to registration hereunder, shall immediately give written notice of such transfer to the department upon an appropriate form provided by it but a dealer need not give such notice when selling or transferring a new unregistered vehicle to another dealer.

CHAPTER 951

An act to amend Section 429 of the Vehicle Code, relating to the redemption of certain vehicles sold under lien sales.

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 429 of the Vehicle Code is amended to read:

429. Redemption From Sale. Within 20 days after the sale of any vehicle under the authority of Section 427, the legal owner may redeem any such vehicle so sold to satisfy said lien upon the payment of the amount thereof, all costs and expenses of said sale, together with interest on said sum at the rate of 12 percent per annum from the due date thereof or the date when the same were advanced until the repayment. Redemption of vehicles from lien sales

This section shall not be applicable to vehicles sold under the authority of Section 428.5.

CHAPTER 952

An act providing for the constitution of the municipal court in the City and County of San Francisco, and prescribing the number and compensation of the judges, officers and attaches thereof.

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. The municipal court in the City and County of San Francisco shall be constituted, and the judges, officers and attaches thereof shall receive compensation, as provided in the Municipal Court Act of 1925 for the municipal court previously established in said city and county. San Francisco municipal court

Stats 1925, p 648

CHAPTER 953

An act to amend Sections 673 and 676 of the Vehicle Code, relating to equipment of vehicles.

In effect September 22, 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 673 of the Vehicle Code is amended to read:

Mufflers

673. Mufflers—Prevention of Noise. Every motor vehicle subject to registration and operated on a highway shall at all times be equipped with an adequate muffler in constant operation and properly maintained to prevent any excessive or unusual noise and no such muffler or exhaust system shall be equipped with a cut-out, by-pass, or similar device. No person shall modify the exhaust system of a motor vehicle in a manner which will amplify or increase the noise emitted by the motor of such vehicle above that emitted by the muffler originally installed on the vehicle and such original muffler shall comply with all of the requirements of this section.

A muffler is a device consisting of a series of chambers or baffle plates, or other mechanical design for the purpose of receiving exhaust gas from an internal combustion engine, and effective in reducing noise.

All exhaust pipes shall be parallel to the ground and vehicle, or vertical, and, if vertical, the exhaust from such pipes shall not be directed to the side of the vehicle.

SEC. 2. Section 676 of the Vehicle Code is amended to read:

Windshields and windows

676. Windshields and Windows. (a) No person shall drive any motor vehicle upon a highway with any sign, poster, card, sticker or other nontransparent material upon the front windshield, side wings, side or rear windows of the vehicle, except that such signs, posters, cards, stickers or other materials may be placed on said windshield within a seven-inch square in the lower corner farthest removed from the driver's position or upon the side windows of the vehicle to the rear of the driver and so placed that said materials will not obstruct the driver's clear view of approaching traffic.

Application

(b) The provisions of this section shall not apply to direction, destination or termini signs upon a passenger common carrier motor vehicle.

Windshield wipers

(c) Every motor vehicle, except motorcycles and motor-driven cycles, operating on a highway and equipped with a windshield shall also be equipped with a self-operating windshield wiper installed thereon which shall be maintained in good operating condition. Any windshield wiper as required herein to be installed on a vehicle shall provide clear vision through the windshield for the driver and shall be operated under conditions of fog, snow or rain. This section shall not apply to snow

removal equipment equipped with adequate manually operated windshield wipers. Every new motor vehicle first registered after December 31, 1949, except motorcycles and motor-driven cycles, shall be equipped with two such windshield wipers, one mounted on the right half and one on the left half of the windshield, which wipers shall be capable of effectively clearing the windshield under all ordinary storm or load conditions while the vehicle is in operation.

CHAPTER 954

An act to repeal and add Section 637 to the Vehicle Code, relating to equipment of vehicles.

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 637 of the Vehicle Code is repealed and added, to read:

637. Signal Lamps and Signal Devices. (a) Every motor vehicle and every vehicle at the end of a train of vehicles shall at all times be equipped with not less than one stop lamp on the rear which shall emit a red or amber light and which shall be actuated upon application of the service (foot) brake and the hand control head for air, vacuum, or electric brake and which may but need not be incorporated with a tail lamp. Such stop signals shall be plainly visible and understandable from a distance of 300 feet to the rear both during normal sunlight and at nighttime, except that stop lamps on a vehicle of a size required to be equipped with clearance lamps under Section 625 shall be visible from a distance of 500 feet during such times.

Signal lamps and signal devices

(b) Any vehicle may be equipped, and when required under Section 545 or 637.5 shall be equipped, with a lamp type turn signal system or semaphore turn signal device capable of clearly indicating any intention to turn either to the right or to the left. Such signal shall be plainly visible and understandable in normal sunlight and at nighttime from a distance of at least 300 feet to the front and rear of the vehicle, except that in turn signals on vehicles of a size required to be equipped with clearance lamps under Section 625 shall be visible from a distance of 500 feet during such times.

(c) Any lamp type signal device used to give a signal of intention to turn right or left shall project a flashing white or amber light visible to the front and red or amber flashing light visible to the rear.

(d) Any semaphore signal device on a vehicle shall be illuminated when in use during the times mentioned in Section 618 either by a light or reflex reflectors rendering likewise visible the signals thereby as specified in subdivision (b) of this section.

(e) Every signal and device shall comply with the engineering requirements and specifications, including mounting instructions, determined and publicized by the department.

CHAPTER 955

An act to amend Section 417.1 of the Vehicle Code, relating to the privilege of operating a motor vehicle.

In effect September 22, 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 417.1 is amended to read:

Restoration of privileges

417.1. Restoration of Privileges After Failure to Satisfy Judgment. (a) Any person whose privilege to operate a motor vehicle or whose privilege to register a motor vehicle has been suspended because of failure to satisfy a judgment as defined and referred to in Section 410 and such judgment has been outstanding for a period of five years or more, the person may be relieved of the penalties therein provided and the privilege of such person to operate and register a motor vehicle may be restored in the event such person files with the department and thereafter maintains proof of ability to respond in damages as defined in Section 414 notwithstanding that the judgment which gave rise to such order of suspension has not been paid or fully satisfied.

Proof of ability to respond

(b) Any person who has filed proof of ability to respond in damages as hereinbefore required for three years, or who has been eligible to file such proof for three years, may be relieved of the requirement of filing proof as provided in Section 417, subdivision (b), of this code.

CHAPTER 956

An act to amend Sections 26721, 26722, 26725, 26728, 26729, 26731, 26733, 26734, 26735, 26736, 26738, 26740, 26741, 26743, and 26746 of the Government Code, relating to the fees of sheriffs and marshals.

In effect September 22, 1951

[Approved by Governor June 9, 1951. Filed with Secretary of State June 9, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 26721 of the Government Code is amended to read:

Process, etc

26721. Except as provided in this article, the fee for serving or executing any process or notice required by law or the litigants to be served is one dollar ($1).

SEC. 2. Section 26722 of said code is amended to read:

26722. The fee for serving or levying a writ of attachment, execution, or order for the delivery of personal property is three dollars ($3). Attachment of personal property

SEC. 3. Section 26725 of said code is amended to read:

26725. The fee for serving or executing a writ of attachment, execution, or order on real property is two dollars ($2). Attachment on real property

SEC. 4. Section 26728 of said code is amended to read:

26728. The fee for preparing and posting notices of personal property sale under attachment, execution, or order of court is one dollar ($1) each, and mileage. Posting notices

SEC. 5. Section 26729 of said code is amended to read:

26729. The fee for furnishing a notice for publication is fifty cents ($0.50). Copies of notice

SEC. 6. Section 26731 of said code is amended to read:

26731. The fee for advertising and posting a notice of sale of real property and of any ship, boat, or vessel as required by law is one dollar ($1) each and mileage, exclusive of costs of publication. Advertising sale of real property, ship

SEC. 7. Section 26733 of said code is amended to read:

26733. The fee for serving a writ of possession or restitution, putting a person in possession of the premises, and removing the occupant is five dollars ($5). Writ of possession

SEC. 8. Section 26734 of said code is amended to read:

26734. The fee for serving a garnishment is two dollars ($2). Garnishment

SEC. 9. Section 26735 of said code is amended to read:

26735. The fee for serving notices of attachment of the interest of a defendant in the estate of a decedent is two dollars ($2). Attachment of interest in estate

SEC. 10. Section 26736 of said code is amended to read:

26736. The fee for making a demand for payment on execution or the delivery of property is one dollar ($1) and mileage. Demand

SEC. 11. Section 26738 of said code is amended to read:

26738. The fee for making a not found return on a summons, affidavit and order, order for appearance, subpena, writ of attachment, writ of execution, or order for the delivery of personal property is one dollar ($1) and mileage. Not found return

SEC. 12. Section 26740 of said code is amended to read:

26740. The fee for the execution and delivery of a deed is two dollars ($2). Deed

SEC. 13. Section 26741 of said code is amended to read:

26741. The fee for executing and delivering a certificate of sale is one dollar ($1). Certificate of sale

SEC. 14. Section 26743 of said code is amended to read:

26743. The fee for subpenaing witnesses, including a copy of the subpenas, is one dollar ($1) each. Subpenas

SEC. 15. Section 26746 of said code is amended to read:

26746. The fee for traveling in the service or execution of any process or notice, required to be served by law or the litigant is thirty-five cents ($0.35) for each mile actually and Travel fees

necessarily traveled from his office to the point of service, one way only.

CHAPTER 957

Stats 1913, p 785

An act to amend Sections 1, 3 and 14½ of the County Waterworks District Act, and to add Sections 6.1 and 2.1 thereto, relating to county waterworks districts.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1 of the County Waterworks District Act is amended to read:

Formation Limitation

Section 1. Any portion of a county, containing unincorporated territory, or containing the whole or any portion of one or more incorporated cities and contiguous unincorporated territory, and not included in a county irrigation district or county waterworks district, may be formed into a county waterworks district, and provision made for the purpose of supplying the inhabitants of such district with water for either irrigation, domestic and fire protection purposes or for any or all of said purposes, and for the development and conservation of water supplies for such purposes or any of them, both in the manner and under the proceedings hereinafter described; provided, however, that a district may be formed of two or more parcels of noncontiguous territory if the board of supervisors determines that water may be efficiently and economically supplied to each of such parcels through the same distribution system or parts thereof, except that no parcel of noncontiguous territory which contains less than 10 privately owned acres may be included in any district.

SEC. 1.5. Section 3 of the County Waterworks District Act is amended to read:

Hearing on petition

Sec. 3. Such petition must be presented at a regular meeting of said board of supervisors, and the board shall thereupon fix a time for hearing the same, and protest of interested parties not less than 21, nor more than 30 days after the date of presentation thereof. The clerk of said board shall thereupon cause notices of the filing and hearing of such petition to be posted

Notice

in three of the most public places in said district. Said notice shall be headed "Notice of the formation of _____ County Waterworks District No. ___" (stating name of county in which the district is located and the number of the proposed district) in letters not less than one inch in length, and shall, in legible characters, state the fact and date of the filing of such petition, the date and hour set for hearing such petition and protests, briefly describe the proposed improvement, specify the exterior boundaries of the district to be benefited by such improvement and to be taxed to provide for such improvement, and refer

to said petition, map and general description of the proposed improvement for further particulars. The said clerk shall also cause a notice, similar in substance, to be published at least once a week for two consecutive weeks in a newspaper of general circulation printed and published in the county in which the proposed district is located, and designated by said board for that purpose. The date set for the hearing shall be at least 13 days after the date of such posting and the date of last publication of said notice. Publication

SEC. 2. Section 14½ of the County Waterworks District Act is amended to read:

Sec. 14½. Any portion or portions of a county containing unincorporated territory, or containing the whole or any portion of one or more incorporated cities, and not included in a county irrigation district or a county waterworks district, may be added to any county waterworks district organized under the provisions of this act, at any time, in the manner herein prescribed; provided, however, that territory not contiguous with the district may be annexed to the district as herein provided if the board of supervisors determines that water may be efficiently and economically supplied to such territory from the existing district distribution system or parts thereof, and further provided, that no parcel of noncontiguous territory which contains less than 10 privately owned acres may be annexed to any district. Annexation of territory

The holder or holders of title, or evidence of title, to one-half or more of the lands sought to be added may file with the board of supervisors a petition in writing praying that said lands be added to the district. The county assessment roll of the county in which the lands sought to be added are situated, which assessment roll has been last equalized at the time the petition is filed, shall be conclusive evidence as to the holders of title, or evidence of title, to said lands.

The petition, which may consist of any number of separate instruments, shall set forth and describe the boundaries of the proposed addition, or additions, and pray that the lands within such boundaries be added to the district and shall contain a general description of the improvements necessary for supplying the inhabitants of such territory with water. A certificate of acknowledgment taken before a notary public or justice of the peace of any state, or an affidavit by any person in the presence of whom the petition was signed, shall be sufficient evidence of the genuineness of the signature, or signatures, and the fact of place of residence of each petitioner.

Upon the filing of said petition, the board of supervisors shall set a time for the hearing thereof, which shall be not less than 15 and not more than 30 days from the date the petition is filed. Notice of the filing of said petition shall be given by the clerk of said board by publishing at least once a week, for at least two weeks, in a newspaper printed, published and circulated in the county in which the district is situated, a notice that

Same

the petition has been filed, giving the time set for the hearing thereof, and that the petition, together with all written protests filed with said clerk prior to the time set for said hearing, will be heard and passed upon at that time, and that all persons interested therein may then appear and be heard. Said notice shall also contain the text of the petition, but not more than five of the names attached thereto need be published; provided, the number of the total of said names is stated.

At the time fixed for the hearing the board of supervisors shall hear the petition, together with such written protests as shall have been filed as herein provided, by or on behalf of the owners of taxable property situated within the district, or within the proposed addition thereto, and may adjourn such hearing from time to time, not exceeding four weeks in all.

No defect in the contents of the petition or in the notice, or publication of the notice, shall vitiate any proceedings thereon; provided, such petition, or petitions, have a sufficient number of qualified signatures attached thereto.

At said hearing said board may make such changes in the proposed boundaries of the territory sought to be added as may be deemed advisable, but said board shall not modify said boundaries so as to exclude any territory which in its opinion will be benefited by being added to the district. Upon such hearing of said petition, said board shall find as to the sufficiency of said petition, and as to whether the addition to the district of the lands as described in the petition, or as the boundaries thereof shall have been modified, will be for the best interests of the district and its decision thereon shall be final and conclusive If the board shall find that the addition to the district of the lands as described in the petition, or as the boundaries thereof shall have been modified, will not be for the best interests of the district, it shall reject the petition.

At the expiration of the time at which protests may be filed, if none be filed, or if protests be filed and after hearing be denied, then said board shall be deemed to have acquired jurisdiction to further proceed, and the board may grant the petition, in whole or in part, and shall fix the boundaries of the territory sought to be added, and shall, by resolution or ordinance, after having acquired jurisdiction to proceed, provide for and order the holding of a special election in said district and in said proposed addition, to determine whether or not the territory in said proposed addition shall be added to the district. At such election the proposition to be submitted shall be: "Shall the territory described in the resolution of the board of supervisors, adopted on the_____ day of_____, 19___, be added to _____ county waterworks district No. ____?" For the purposes of said election, said board shall in said resolution or ordinance establish one or more precincts within the boundaries of said county waterworks district, and one or more precincts within the boundaries of the territory sought to be added thereto, designate a polling place, and

appoint one inspector, one judge and one clerk for each such precinct. Same

In all particulars not recited in such resolution or ordinance, such election shall be held as provided by law for holding general elections in such county. Such resolution or ordinance ordering the holding of said election shall, prior to the date set for said election, be published five times in a daily, or twice in a weekly or semiweekly newspaper of general circulation, printed and published in such county and designated by said board for said purpose. No other notice of said election need be given. If at such election a majority of the votes cast in the district then existing and a majority of the votes cast in the territory sought to be added thereto are in favor of such addition, the board shall enter an order to that effect upon its minutes declaring said territory added to the district, and from and after the date of such order, such territory shall be deemed added to and shall form a part of said district, subject to all the rights, privileges, powers and responsibilities set forth in this act and necessarily incident thereto.

If, in the judgment of the board of supervisors it is deemed necessary, because of the lack of sufficient moneys in the funds of the district to provide adequate water, construct necessary plants and distributing systems, or properly serve the territory sought to be added, or for any other reason, to make the addition of the new territory conditional upon the voting and issuance of additional bonds, said board may, in its resolution or ordinance granting the petition, or a part thereof, and calling an election upon the proposition of adding new territory to the district, order that said election shall be upon the joint proposition of adding new territory and of incurring an indebtedness by the issuance of bonds of the district as the same will exist if the new territory sought to be added is added thereto. Said ordinance or resolution shall state the purpose for which the proposed debt is to be incurred, the amount of the debt to be incurred, the maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 40 years and the maximum rate of interest to be paid, which shall not exceed 8 percent per annum, payable semiannually. The proposition to be voted upon in such event shall be: "Shall the territory described in the resolution of the board of supervisors adopted on the _____ day of _____, 19___, be added to _____ County Waterworks District No. ____, and shall said district, as the same will exist after the addition of said territory, incur a bonded indebtedness in the sum of _____ dollars ($_____) for the purpose of (stating the purposes for which the amount so raised is to be used)?" Notice of said election and all matters in connection with said election shall be given and conducted in the manner hereinbefore provided, where the proposition is to be upon the sole question of the adding of new territory.

If, in the judgment of the board of supervisors, the proposed improvements found to be necessary to provide adequate water or to properly serve the territory sought to be annexed,

Same

will not be of district-wide benefit, the board may, in its resolution or ordinance granting the petition, and calling an election upon the proposition of adding new territory to the district order that said election shall be upon the joint proposition of adding new territory and of incurring an indebtedness by the issuance of bonds of the district, which bonds shall constitute obligations chargeable exclusively to such new territory. The proposition to be voted upon in such event shall be: "Shall the territory described in the resolution of the board of supervisors adopted on the _____ day of _____, 19____, be added to _____ County Waterworks District No. ____, and shall said district incur a bonded indebtedness in the sum of _____ dollars ($ _____) which bonds shall be chargeable exclusively to the territory added, for the purpose of (stating the purposes for which the amount so raised is to be used)?" In every respect not in conflict with this paragraph, the provisions of this section shall govern the conduct of such annexation proceedings.

If at such election a majority of the votes cast in the district then existing and a majority of the votes cast in the territory sought to be added thereto are in favor of said proposition of adding new territory and of incurring such bonded indebtedness, then the board of supervisors shall enter an order to that effect upon its minutes, declaring said new territory added to the district, and from and after the date of such order such territory shall be deemed added to and shall form a part of said district subject to all the rights, privileges, powers and responsibilities set forth in this act and necessarily incident thereto and said board shall thereupon be authorized and empowered to issue bonds of said district (as the same will exist after the addition of such new territory) or bonds of said district chargeable exclusively to such newly added territory, as the case may be, for the amount voted upon at said election.

The provisions elsewhere in this act made for the form of bonds, issuance and sale of bonds, the levying and collecting of taxes for the payment thereof and of other matters relating to bonds of the district shall govern in the case of such bonds; provided, however, that if such bonds are chargeable exclusively to the newly added territory, no taxes for the payment of principal or interest thereon shall be levied upon any property not included in such newly added territory, but such taxes shall be levied solely upon the taxable property in such newly added territory.

SEC. 3. Section 6.1 is added to the County Waterworks District Act, to read:

Establishment of zones

Sec. 6.1. Zones may be established within a county waterworks district in the manner hereinafter prescribed for either of the following purposes:

(a) Incurring a bonded indebtedness within such zone, sufficient to pay the cost of constructing a water system and any other necessary improvements incidental thereto for the purpose of supplying the inhabitants of said zone with water, where

said water system and said improvements in the judgment of the governing body will not be of district-wide benefit, and levying a special tax within such zone for the payment of the principal and interest on said bonds; or

(b) Fixing and collecting special rates or charges for the use and supply of water furnished by the system of said waterworks district within such zone, and applying the receipts from such special rates or charges to the expense of constructing a water system, replacing a water system, acquiring an existing water system, or extending or enlarging the mains of an existing water system, where in the judgment of the governing body, such improvement will not be of district-wide benefit.

Same
Formation petition

A petition for the formation of a zone within a county waterworks district may be presented to the board of supervisors, signed by owners representing at least 25 percent of the total assessed valuation of the real property within the proposed zone as shown by the last equalized assessment roll of the county, or by not less than 25 percent of the taxpayers resident within the proposed zone, which petition shall contain:

(1) The boundaries of the proposed zone

(2) A general description of the improvement desired

(3) An estimate of the cost of the proposed improvement and of the incidental expenses in connection therewith

(4) Either (a) a request that an election be called in said proposed zone for the purpose of submitting to the qualified voters thereof the proposition of establishing such zone and incurring a bonded indebtedness therein, the principal and interest of which shall be paid by special taxes levied on the taxable property in such zone, to pay the cost and expense of the proposed improvement; or

(b) A request that an election be called in said proposed zone for the purpose of submitting to the qualified voters thereof the proposition of establishing such zone and fixing and collecting special rates or charges therein for the use and supply of water and applying the receipts therefrom to the cost and expense of the proposed improvement; provided, that the petition in such event shall specify the maximum rate or charge permissible and the length of time during which such special rates or charges may be made.

Map

Such petition must be accompanied by a map showing the exterior boundaries of the district and of the proposed zone, and containing a general description of the proposed improvement. The failure of said petition to contain any of said matters or things aforesaid shall not affect the legality of the establishment of such zone if the same shall thereafter be established.

Presentation, hearing, notice

Said petition must be presented at a regular meeting of the board of supervisors, and the board shall thereupon set a time for hearing the petition, which time shall be not less than 21 days nor more than 30 days after the date of presentation thereof. Notice of the filing and hearing of the petition shall be given by the clerk of said board by publishing at least once

a week for two consecutive weeks in a newspaper published and circulated in the county in which the district is situated, a notice containing a copy of the petition, and stating when the petition was filed, and specifying the time set for the hearing of the petition and protests of interested parties. The said clerk shall also cause a notice, similar in substance, to be posted in three of the most public places within said proposed zone. The date set for the hearing shall be at least 13 days after the date of such posting and the date of last publication of said notice.

Engineers' report

A copy of a petition under this section shall be filed with the county engineer of waterworks districts at least two weeks before such petition is presented to the board of supervisors. The county engineer of waterworks districts shall prepare and file with the board of supervisors, at least one week before the date set for the hearing on the petition, a report containing cost estimates and preliminary plans and specifications for the proposed improvements, together with any recommendations as to the boundaries of the proposed zone, and any other pertinent information relating to the feasibility of the proposed improvements or proposed zone. The engineer's report shall be available in the office of the board of supervisors for public inspection, and may be considered by the board at the hearing on the petition.

Hearing

At the time fixed for the hearing, the board shall hear and pass upon the petition and any protests in writing as shall have been filed with the clerk before or at the time set for the hearing, and its decision thereon shall be final and conclusive. If the board of supervisors determines that the proposed improvement will be of district-wide benefit, the proceedings shall terminate, and the proposed zone shall not be established. If the board determines that the proposed improvement will not be of district-wide benefit, the board may make such changes in the boundaries of the proposed zone as may be deemed advisable and shall define and establish such boundaries; but said board shall not modify the boundaries so as to exclude from the proposed zone any territory which will be benefited by such improvement, nor shall any territory which in the judgment of the board will not be benefited by the proposed improvement be included within the proposed zone.

Modification of boundaries

Neither shall said board modify such boundaries except after notice of its intention so to do, given by one insertion in a newspaper of general circulation printed and published in said county and designated by said board for that purpose, describing the proposed modification, and specifying a time for hearing objections to such modification, which time shall be at least 10 days after the publication of said notice. Written objections to such proposed modification may be filed with the clerk of said board by any interested person at or before the time set for hearing the same. Said board shall hear and pass upon such objections at the time appointed, or at any time to which the hearing thereof may be adjourned, and its decision

thereon shall be final and conclusive. If such objections or any of them, be sustained, no further proceedings pursuant to such petition shall be taken, but a new petition for the same or a similar purpose may be filed at any time.

Procedure of board of supervisors

If no protests are filed, or if all protests filed are heard and denied, or if authorized modifications are made in the boundaries of the proposed zone and such boundaries are finally established, the board of supervisors shall have jurisdiction to proceed, and if the board determines that the petition is signed by owners representing at least 60 percent of the total assessed valuation of the real property within the proposed zone as shown by the last equalized assessment role of the county, or by at least sixty percent (60%) of the taxpayers resident within the proposed zone, as its boundaries shall have been established upon the hearing on the petition, said board may by resolution reciting such finding declare that an election is unnecessary and that the zone is established. The board shall thereupon be authorized to issue bonds of said zone, to fix and collect special rates or charges, as prayed for in the petition, and proceed with the proposed improvement.

Same Election

If the petition is signed by owners representing less than 60 percent of the total assessed valuation of the real property within the proposed zone as shown by the last equalized assessment roll of the county, and by less than sixty percent (60%) of the taxpayers resident within the proposed zone, as its boundaries shall have been established upon the hearing on the petition, or if for any other reason the board deems it advisable to conduct an election, the board shall by resolution order that a special election be held in the proposed zone to determine whether or not the zone shall be established. The board shall appoint three qualified electors residing in the proposed zone to conduct the election, which shall be called by posting in three of the most public places in the proposed zone, and by publishing at least once a week for two consecutive weeks in a newspaper published and circulated in the county in which the district is situated, a notice specifying the time, place and purposes of the election, and giving the purposes and boundaries of the proposed zone. The date set for said election shall be at least 13 days after the date of such posting and the date of last publication of said notice. No other notice of said election need be given. The election shall be conducted in accordance with the general election laws of this State, where applicable. The proposition to be submitted shall be in accordance with the petition and shall be: "Shall the proposed zone described in the resolution of the board of supervisors adopted on the _____ day of _____, 19___, be established within County Waterworks District No. ____, and shall said zone incur a bonded indebtedness in the sum of _____ dollars ($_____) for the purpose of (stating the purpose for which the amount so raised is to be used)?", or "Shall the proposed zone described in the resolution of the board of supervisors adopted on the _____ day of

_____, 19___, be established within County Waterworks District No. ____, and shall special rates or charges for the use and supply of water, not to exceed _____, be fixed and collected in said zone for a period of time not to exceed _____, to pay the cost and expense of (describing generally the proposed improvement)?''

Establishment o zone, etc

If 60 percent of the votes cast at the election are in favor of the zone, and of incurring such bonded indebtedness, or fixing and collecting such special rates or charges, as the case may be, the board of supervisors shall by resolution establish the zone. Said board shall thereupon be authorized and empowered to issue bonds of the said zone, or to fix and collect special rates and charges, as voted on at the election, and to proceed with the proposed improvement.

Law applicable

The provisions elsewhere in this act made for the form, issuance, and sale of bonds, the levying and collecting of taxes for the payment thereof and of other matters relating to bonds of the district shall govern in the case of bonds authorized by proceedings under this section; provided, however, that all taxes for payment of interest and principal on such bonds shall be levied solely upon the taxable property within such zone. The taxes and special rates or charges authorized by this section are in addition to such taxes and rates or charges as may be authorized by Sections 8.3, 9, and 10 of this act, and such taxes shall be subject to the provisions of Section 10½ of this act.

SEC. 4. Section 2 1 is added to the County Waterworks District Act, to read:

Petition to form zone

Sec. 2.1. A separate petition for the formation of a zone or zones within a proposed waterworks district for either of the purposes specified in Section 6 1 of this act may be presented to the board of supervisors at the same time and in conjunction with a petition for the formation of such county waterworks district. Such petition and the proceedings thereon shall be in conformity with and subject to the provisions of Section 6 1 of this act, and except as otherwise herein provided, such proceedings shall be conducted and regarded as separate and distinct from proceedings upon the petition for formation of the district. The board of supervisors may, in its discretion, direct that notice of hearing, hearing, notice of election, or election upon the petitions shall be consolidated and combined into one notice of hearing, one hearing, one notice of election, or one election; provided, that the requirements of this act with respect to such proceedings upon each of said petitions are complied with. The formation of a zone or zones pursuant to this section shall in no event be effective for any purpose unless and until the district is established; but the nonformation of such proposed zone or zones for whatever reason shall in no way affect the formation of the district or of another or other proposed zones within said district.

CHAPTER 958

An act to amend Section 194 of the Streets and Highways Code and to amend Section 11005 of the Revenue and Taxation Code, relating to the population of cities.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 194 of the Streets and Highways Code is amended to read:

Expenditures within cities

194. The commission shall allocate annually, and the department shall expend or cause to be expended within the cities and cities and counties of this State, from the State Highway Fund, the amount transferred to the State Highway Fund from the Highway Users Tax Fund for expenditure in cities, as provided in Section 2107.

Such expenditures shall be made within each city, including city and county, in the proportion that the total population of such city bears to the total population of all cities in this State. For the purpose of this section the population in each city is that determined by the last preceding federal census. In the case of a city incorporated subsequent to the last census, or in the case of inhabited unincorporated territory being annexed to a city subsequent to the last census, the department shall ascertain the population of the city, or of the annexed territory, by multiplying the number of registered electors therein by three. In the case of uninhabited unincorporated territory being annexed to a city subsequent to the last census, the department shall ascertain the population of the annexed territory, by multiplying the number of registered electors therein by three two years after the completion of annexation proceedings.

SEC. 2. Section 11005 of the Revenue and Taxation Code is amended to read:

Disbursement of funds in Motor Vehicle License Fee Fund

11005. The balance of all motor vehicle license fees and any other money deposited, in accordance with law, in the Motor Vehicle License Fee Fund and remaining unexpended therein at the close of business on the last day of the calendar month immediately preceding the month in which such balance is required to be disbursed under the provisions of this section, after payment of refunds therefrom and after making the deductions authorized by Sections 11003 and 11004 shall, on order of the Controller be disbursed during the months of December and June of each fiscal year as follows:

(a) Fifty percent thereof shall be paid to the cities and cities and counties of this State in the proportion that the population of each city or city and county bears to the total population of all cities and cities and counties in this State, as determined by the Controller. For the purpose of this subdivision the population of each city or city and county is that determined by the last federal census. In the case of a city incor-

porated subsequent to the last census, or in the case of an inhabited unincorporated territory being annexed to a city subsequent to the last census, the Controller shall ascertain the population of the city or the annexed territory by multiplying the number of registered electors therein by three In the case of uninhabited unincorporated territory being annexed to a city subsequent to the last census, the Controller shall ascertain the population of the annexed territory, by multiplying the number of registered electors therein by three two years after the completion of annexation proceedings. In the case of the consolidation of one city with another subsequent to the last census the population of the consolidated city for the purpose of this subdivision is the aggregate population of the respective cities as determined by the last federal census.

The money so paid shall be expended by the cities and cities and counties for law enforcement, the regulation and control and fire protection of highway traffic, and any other state purpose.

(b) Fifty percent thereof shall be paid to the counties and cities and counties of the State in the proportion that the population of each county or city and county bears to the total population of all the counties and cities and counties of the State, as determined by the Controller. For the purpose of this subdivision the population of each county or city and county is that determined by the last federal census.

CHAPTER 959

An act to amend Section 21002 of the Government Code, relating to the State Employees' Retirement System in respect to state employment of persons who have attained the age of compulsory retirement.

In effect September 22, 1951

[Approved by Governor June 11, 1951 Filed with Secretary of State June 11, 1951]

The people of the State of California do enact as follows:

SECTION 1. Section 21002 of the Government Code is amended to read:

Duration

21002. This article shall remain in effect until the ninety-first day after the final adjournment of the 1953 Regular Session of the Legislature or until the termination of the existing national defense emergency as evidenced by cessation of compulsory military service in the armed forces of the United States by citizens of this State, and as found and declared by the Governor, whichever first occurs. While this article is in effect its provisions shall supersede any existing provisions of law which are in conflict with the provisions of this article; but such provisions are not repealed by this article, and after this article is no longer effective shall have the same force as though this article had not been enacted.

CHAPTER 960

An act to amend Section 92 of the Labor Code, relating to the powers of the Labor Commissioner.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 92 of the Labor Code is amended to read:

92. The Labor Commissioner, his deputies and agents, may issue subpenas to compel the attendance of witnesses and parties and the production of books, papers and records; administer oaths; examine witnesses under oath; take the verification, acknowledgment, or proof of written instruments; and take depositions and affidavits for the purpose of carrying out the provisions of this code and all laws which the division is to enforce Issuance of subpenas, etc

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CHAPTER 961

An act to add Section 46.1 to, and amend Section 51 of, the Vehicle Code, relating to definitions of vehicles and equipment.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 46.1 is added to the Vehicle Code, to read:

46.1. Tire Chains. "Tire chains" are metal chains which consist of two circular metal loops, one on each side of the tire, connected by not less than nine evenly spaced chains across the tire tread. "Tire chains"

SEC. 2. Section 51 of said code is amended to read:

51. Armored Car. An "armored car" is a vehicle that is equipped with materials on either the front, sides, or rear that will provide protection to any person therein from missiles discharged from firearms. "Armored car"

CHAPTER 962

An act to add Section 1.6 to the Judges' Retirement Act, relating to retirement of judges for service. Stats. 1937, p. 2204

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1.6 is added to the Judges' Retirement Act, to read:

SEC. 1.6. Every justice of the Supreme Court, or of the district court of appeal, or judge of a superior court, or of a Judges' retirement

municipal court, who has attained the age of 70 years and who has been a judge of such court or any court which was later superseded by a municipal court, or any combination of such courts, for a period of nine years in the aggregate, and who has served as a public officer of the State, any county, city and county, or city, including time served as judge, for 33 years of the 34 years preceding his retirement, may retire if he pays into the Judges' Retirement Fund a sum equal to the amount he would have paid had he been a justice or a judge of the court from which he is retiring for the period of 20 years next preceding his retirement, less contributions actually paid by him. Said contributions shall be computed by ascertaining the average annual amounts paid by the judge or justice for the period during which he actually made contributions to the Judges' Retirement Fund and applying this rate to the period of 20 years.

Duration

This section shall remain in effect until the ninety-first day after final adjournment of the 1955 Regular Session of the Legislature.

CHAPTER 963

An act to add Sections 34303.5 and 35002 to, and to amend Sections 35101 and 35301 of the Government Code, relating to cities.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 34303.5 is added to the Government Code, to read:

Submission to boundary commission

34303.5. No petition seeking the incorporation of a new city may be circulated or filed with the board of supervisors, and neither the board nor the clerk of the board shall accept any such petition for filing, until the proposal for the incorporation of the new city has been submitted to and reported upon to the proponents by the boundary commission of the county with respect to the definiteness and certainty of the proposed boundaries.

If the boundary commission does not report upon the petition within 20 days after it is submitted to it, the petition shall be deemed correct.

SEC. 2. Section 35002 is added to the Government Code, to read:

Same

35002. No petition seeking the annexation of territory to a city shall be circulated or filed, nor shall any public officer accept any such petition for filing, nor shall any legislative body initiate proceedings to annex on its own motion, until the proposal for the annexation of territory to a city has been submitted to and reported upon to the proponents by the boundary commission of the county with respect to the definiteness and certainty of the proposed boundaries.

If the boundary commission does not report upon the petition or proceeding within 20 days after it is submitted to it, the petition or proceeding shall be deemed correct.

SEC. 3. Section 35101 of the Government Code is amended to read:

35101. When any proceedings for the annexation of territory to a city are commenced pursuant to this article, the provisions of this article and of Article 1 of this chapter alone apply. Law applicable

SEC. 4. Section 35301 of the Government Code is amended to read:

35301. When proceedings for the annexation of territory to a city are commenced pursuant to this article, the provisions of this article and of Article 1 of this chapter alone apply. Same

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CHAPTER 964

An act to add Chapter 1.5 to Part 2, Division 5 of the Health and Safety Code, relating to garbage and refuse disposal districts, declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. Chapter 1.5 is added to Part 2, Division 5 of the Health and Safety Code, to read:

CHAPTER 1.5. GARBAGE AND REFUSE DISPOSAL DISTRICTS

Article 1. Definitions

4170. "District," as used in this chapter, means a district formed pursuant to this chapter or pursuant to any law which it supersedes. "District"

Article 2. Formation

4171. Any contiguous portion or portions of a county whether the portion or portions include incorporated or unincorporated territory, may be formed into a garbage and refuse disposal district in the manner and under the proceedings in this chapter set forth; except that no city or any portion thereof shall be included in the district without the consent of the governing body of the city, such consent being adopted by a favorable vote of two-thirds or more of its members. Territory

4172. The board of supervisors may determine by resolution that a portion of the county is in need of a site for the disposal of garbage and refuse and should be formed into a district. Determination of need, etc

Thereupon the board of supervisors shall fix a time and a place for a hearing on the matter of the formation of the district, which time shall be not less than three weeks after the adoption

of the resolution, and shall direct the clerk of the board to publish a notice once a week for three successive weeks in a newspaper circulated in the territory which it is proposed to organize into a district, and which the board deems most likely to give notice to the inhabitants of the territory.

Notice

4173. The notice shall state the fact that the board of supervisors of the county has fixed the time and place, which shall be stated in the notice, for a hearing on the matter of the formation of a garbage and refuse disposal district.

Same Contents

4174. The notice shall describe the territory or shall specify the exterior boundaries of the territory proposed to be organized into a district.

Objections

4175. At any time prior to the time fixed for a hearing of the matter, any person interested may file with the clerk of the board written objections to the formation of the district. At the time and place fixed for the hearing or at any time to which the hearing may be continued, the board of supervisors shall consider and pass on all objections to the creation of the district, or to the inclusion of any territory in the district. At the hearing, the board of supervisors may exclude any territory that in the opinion of the board would not be benefited by inclusion in the district.

Boundaries

4176. On the final hearing the board of supervisors shall make such changes in the proposed boundaries as are advisable, and shall define and establish the boundaries

Organization order

4177. If, from the testimony given before the board of supervisors, it appears to that board that the public necessity or welfare requires the formation of the district, it shall, by an order entered on its minutes, declare that to be its finding, and shall further declare and order that the territory within the boundaries so fixed and determined be organized as a district, under an appropriate name to be selected by the board of supervisors. The name shall contain the words "garbage and refuse disposal district."

Same Filing

4178. The county clerk shall immediately file for record in the office of the county recorder of each county in which any portion of the land embraced in the district is situated, and shall also forward to each board of supervisors of each of the other counties, if any, in which any portion of the district is situated, and also shall file with the Secretary of State, a certified copy of the order of the board of supervisors. From and after the date of the filing of the certified copy with the Secretary of State, the district named therein is organized as a district, with all the rights, privileges, and powers set forth in this chapter, or necessarily incident thereto.

Article 3. Board of Directors

Directors

4179 Within 30 days after the filing with the Secretary of State of the certified copy of the order of formation, a governing board of trustees for the district shall be appointed. The governing board of a district is a board of directors of not less

than three members. The district board shall be appointed as follows:

(a) If the district includes only one incorporated city two members of the governing body shall be selected by the board of supervisors and one member of the governing body shall be selected by the city council;

(b) If the district includes two or more cities only one member of the governing body of the district shall be selected by the board of supervisors to represent the unincorporated area. The legislative body of each city within the district shall appoint one member to represent each incorporated city within the district. In the event that the selection of members pursuant to this subdivision results in the governing body having an even number of members, those members may appoint an additional member from the district at large.

A vacancy shall be filled in the same manner as an original appointment. The person appointed shall reside within the area he represents. Vacancy

Article 4. Powers and Duties

4180. The governing body of the district may do any or all of the following: Powers of governing body

(a) Make and enforce all rules and regulations necessary for the administration and government of the district and for the operation and maintenance of the garbage and refuse disposal site acquired by the district;

(b) Appoint agents, employees, and experts for the district sufficient to maintain and operate the property acquired for the purposes of the district;

(c) Enter into such contracts with other public agencies as may be necessary or proper to accomplish the purposes of the district;

(d) Acquire by gift, purchase, condemnation, or otherwise in the name of the district, and own, control, manage, dispose of and exchange any interest and real or personal property;

(e) Perform all acts necessary or proper to accomplish the purposes of this chapter.

(f) Maintain and operate a garbage disposal site and facilities and fix and collect fees for the use thereof

(g) Borrow money and incur indebtedness and guarantee the performance of its legal or contractual obligations.

Article 5. Taxation

4181. The district board shall, at least 15 days before the first day of the month in which the board of supervisors of the county in which the district is situated is required by law to levy the amount of taxes required for county purposes, furnish the board of supervisors and county auditor of the county an estimate in writing of the amount of money necessary for the district's purposes during the next ensuing fiscal year. The county tax collector shall collect the district taxes at the same Estimate of expenses

time and in the same manner as the county taxes are collected. All money collected for district purposes shall be paid into the county treasury and paid out on warrants of the county auditor drawn on the county treasurer, upon order of the district board. The amount of money necessary for the district's purposes may include a cash-basis fund.

Tax levy

4182. The board of supervisors of each county in which any part of a district is situated shall, at the time of levying county taxes, levy a tax to be known as the "* * * garbage and refuse disposal district tax," sufficient to raise the amount reported to it by the district board, upon property of the district in the county. The board of supervisors shall determine the rate of the tax by deducting 15 percent for anticipated delinquencies from the total assessed value of the taxable property of the district within the county as it appears on the assessment roll of the county, and then dividing the sum reported to it by the district board by the remainder of the total assessed value.

Same
Maximum

4183. For the purposes of the district the board of supervisors shall levy a tax of not to exceed fifteen cents ($0.15) on each one hundred dollars ($100) of taxable property of the district in the county.

Cash-basis fund

4184. The district board may establish and maintain a cash-basis fund for the purpose of defraying district expenses between the beginning of a fiscal year and the time of distribution of tax receipts in a fiscal year. Such cash-basis fund shall not exceed 60 percent of the estimated expenditures for a fiscal year.

Transfer of county funds

4185. If a district is organized in any year too late for the levy of a tax in that year or in the next ensuing year, the board of supervisors may transfer funds of the county not immediately needed for county purposes to the district fund to be used for the payment of expenses of such district until such time as district tax receipts are availabe therefor. The board of supervisors shall include in the levy of taxes for the district for the fiscal year in which a tax may be levied, a sum sufficient to repay to the county the amounts so transferred to the district for the portion or portions for the preceding fiscal years for which the levy of taxes was made for that purpose and the amount so transferred shall be retransferred to the county treasury from the district fund out of the first available receipts from the tax levy.

Article 6. Bonds

General obligation bonds

4186. No general obligation bonds shall be issued by the district unless the issuance thereof is approved by the electors of the district at a special election as provided in this article. If the district board finds that it is necessary to incur a bonded indebtedness to obtain funds with which to carry out the purposes of the district, it may submit the proposition to the voters of the district. For that purpose a special election shall be called by resolution.

Resolution

4186.01. The resolution shall state all of the following:

(a) The general objects and purposes for which it is proposed to incur an indebtedness.

(b) A general description of all property to be acquired or damaged and work to be executed through the expenditure of the funds secured by the issuance and sale of the bonds.

(c) An estimate of the cost of the proposed work.

(d) The amount of the bonds proposed to be issued.

(e) The number of years not to exceed which the whole of the bonds are to run.

(f) The rate of interest or a maximum rate of interest to be paid.

(g) The date of the election.

(h) The election precincts, polling places, and election officers.

Consolidation of precincts

4186.02. For the purposes of the bond election the district board may consolidate into one precinct several precincts established for general election purposes and describe the precinct by reference to the general election precincts.

Election board

4186.03. An election board consisting of one inspector, one judge and one clerk shall be appointed by the district board for each precinct.

Voters qualifications

4186.04. Only voters registered in the district are eligible to vote at the bond election.

Publication of resolution

4186.05. A resolution calling the election shall be published once a week for three successive weeks in a newspaper having a general circulation in the district and designated by the district board. No other notice of the election need be given.

Authorization by vote

4186.06. If two-thirds of the votes cast are in favor of incurring the bonded indebtedness as proposed, bonds of the district for the amount stated in the resolution calling the election shall be issued and sold.

Validity

4186.07. The validity of the bonds after their issuance shall not be questioned in any court except on the ground that the provisions of this chapter authorizing their issuance are unconstitutional, or that the required hearing regarding the formation of the district was not regularly held or proper notice of it was not given.

Form of bonds, etc

4186.08. The district board shall prescribe by resolution the form of the bonds, and interest coupons. The bonds shall be payable at such times and at a place to be fixed by the board, and designated in the bonds, together with interest on all sums unpaid on that date until the whole of the indebtedness has been paid. The term of the bonds issued shall not exceed 40 years.

Denomination etc., of bonds

4186.09. The bonds shall be issued in such denominations as the district board determines, except that no bond shall be of a denomination less than one hundred dollars ($100) or greater than one thousand dollars ($1,000). They shall be payable on the day and at the place fixed in the bonds, and with interest at the rate specified in the bonds, which rate shall not

be in excess of 6 percent per annum, and shall, after the first year, be payable semiannually.

Execution of bonds

4186.10. The bonds shall be signed by the chairman of the district board and countersigned by the county auditor, and the seal of the district board shall be affixed. The interest coupons of the bonds shall be numbered consecutively and signed by the county auditor by his engraved or lithographed signature.

Effect of signature

4186.11. If any officer whose signature or countersignature appears on the bonds ceases to be an officer before the delivery of the bonds to the purchaser, his signature or countersignature shall be as valid as if he had remained in office until the delivery of the bonds.

Sale price

4186.12. The district board may issue and sell bonds of the district at not less than par value, and the proceeds shall be placed in the treasury of the county.

Disposition of premiums, etc.

4186.13. All premiums and accrued interest received shall be paid into the fund to be used for the payment of principal and interest on the bonds and the remainder of the proceeds of the sale shall be paid into the construction fund of the district, and proper records of the transactions shall be placed upon the books of the county treasurer.

Construction fund

4186.14. The construction fund shall be applied exclusively to the purposes and objects mentioned in the resolution calling the bond election.

Payments from the construction fund shall be made upon demands allowed by the district board, and prepared, presented, and audited in the same manner as demands upon funds of the county.

Call for new election

4186.15. If the proposition of issuing bonds submitted at the bond election fails to receive the requisite number of votes, the district board may, at the expiration of six months after that election, call or order another bond election, either for the same objects and purposes, or for any other object or purpose of the district.

Additional bonds

4186.16. If bonds have been issued by the district and the proceeds of the sale have been expended and the district board by resolution passed by a vote of two-thirds of all its members determines that the public interest or necessity of the district demands the issuance of additional bonds for carrying out any of the objects of the district, the board may again submit to the voters the question of issuing additional bonds in the same manner as for a first issue. All provisions of this chapter for the issuance and sale of bonds, and for the expenditure of proceeds, apply to the issuance of additional bonds.

Payment of bonds, etc.

4186.17. Bonds and interest thereon shall be paid by revenue derived from an annual tax upon the property in the district, and all the property in the district shall be and remain liable to be taxed for such payments. Said bonds and the interest thereon shall not be taxable in this State.

Issue of bonds defined

4186.18. (a) An issue of bonds is hereby defined to be the aggregate principal amount of all of the bonds authorized to be issued in accordance with a proposal submitted to and approved by the electors of the district, but no indebtedness will be deemed to have been contracted until bonds shall have been sold and delivered and then only to the extent of the principal amount of the bonds so sold and delivered.

Division of issue

(b) The district board of any district issuing bonds may, in its discretion, divide the aggregate principal amount of such issue into two or more divisions or series and fix different dates for the bonds of each separate division or series. In the event any authorized issue is divided into two or more divisions or series, the bonds of each division or series may be made payable at such time or times as may be fixed by the district board separate and distinct from the time or times the payment of bonds of any other division or series of the same issue.

Statement of expenses

4186.19. Whenever a district has issued bonds, the district board shall include in its annual statement to the board of supervisors as to the amount of money needed for district purposes during the next ensuing fiscal year pursuant to Section 4181, it shall include, in addition thereto, the amount necessary to pay the interest and principal on such bonds as will become due before the time for making the next general tax levy.

Same Failure to include bond payments

4186.20. If the district board fails to furnish to the board of supervisors a statement of the amount of money necessary to pay the principal and interest on the bonds as provided for in Section 4186.19, the board of supervisors of the county shall ascertain that amount and shall levy it and cause it to be collected.

Payment of bonds

4186.21. The principal and interest on the bonds shall be paid by the treasurer of the county in the manner now or hereinafter provided by law for the principal and interest of the bonds of the county.

Article 6. Revenue Bonds

Application Gov. C., §54300, ff

4186.30. A district formed pursuant to the provisions of this chapter is a local agency within the meaning of the Sanitation, Sewer and Water Revenue Bond Law of 1941, and the provisions of that law are applicable to such a district.

Article 7. Change of Boundaries

Alteration of boundaries

4187. The boundaries of any district may be altered, and outlying contiguous territory, whether incorporated or unincorporated, may be annexed as provided in this article.

Annexation petition

4188. A petition signed by 50 or more freeholders in the territory proposed to be annexed, or by a majority of the freeholders if there are less than 100 within the portion proposed to be annexed, designating the boundaries of the territory proposed to be annexed and asking that it be annexed to the district, shall be presented to the board of supervisors.

Notice

4189. At its first regular meeting after the presentation of the petition, the board of supervisors shall cause notice of the petition to be published in a newspaper published and circulated in the territory sought to be annexed, if there is one, otherwise, by posting copies of the notice in three of the most conspicuous places in the territory proposed to be annexed, for three weeks prior to the date to be fixed by the board for hearing the petition.

Hearing

Upon the date fixed for the hearing, or to which it may be continued, the board of supervisors shall consider the petition, and any objections which may be filed to the inclusion of any property in the district.

Grant of petition

4190. The board of supervisors may by order entered on its minutes grant the petition either in whole or in part, and by order entered on its minutes alter the boundaries of the district to annex all, or such portion of the territory described in the petition as will be benefited by inclusion in the district, and from and after the making of the order, the territory is a part of the district, and shall be taxed, together with the remainder of the district, for all taxes to be thereafter levied by the board of supervisors for the operation and maintenance of the district.

Limitations

4191. No territory which will not be so benefited, or which is not described in the petition, shall be included in the district, and the board shall provide for public hearings for property owners petitioning said board for such hearing and upon proper presentation being made by property owners that property of their ownership is not benefited by the district the board thereupon shall exclude such property from the district.

No city or portion thereof shall be annexed to the districts unless and until the governing body of the city has consented thereto, such consent being adopted by a favorable vote of two-thirds or more of the governing body.

No city or portion thereof shall be annexed to the district unless and until the governing body of the city has consented thereto, such consent being adopted by a favorable vote of two-thirds or more of the governing body.

Withdrawal of territory

4192. Any portion of a district that will not be benefited by remaining in the district may be withdrawn therefrom by the same procedure as is provided for the annexation of territory.

Same

4193. Upon the withdrawal of any territory from a district, all property acquired for the district shall remain vested in the district and be used for the purposes of the district; except, that if a city withdraws from the district, then that part of the money in the county treasury to the credit of the fund of the district shall be paid over to the city in accordance with the ratio that the territory of the city bears to the territory of the entire district. If the district subsequently sells all or a part of any garbage and refuse disposal site acquired by it when such withdrawn territory is a part of the district, a similar proportionate share shall be paid to the territory that has withdrawn from the territory.

Article 8. Dissolution

4194. A district may be dissolved by the board of supervisors as provided in this article. Dissolution

4195. Upon receiving a petition signed by 50 or more freeholders and residents of the district, or by a majority of the freeholders and residents if there are less than 100 freeholders and residents in the district, requesting the dissolution of the district, the board of supervisors shall fix a time for the hearing of the petition, which shall not be less than 10 nor more than 30 days after the receipt of the petition, and shall, at least a week prior to the time so fixed, publish a notice of the hearing by one insertion in a newspaper circulated in the district. Dissolution petition

4196. At the time appointed for the hearing or at any time to which it may be continued, the board of supervisors shall hear and pass upon the petition and may grant or deny it, and its decision thereon is final and conclusive. Action by board

4197. If the petition is granted, the board of supervisors shall by resolution order the dissolution of the district and the district is then dissolved, and its remaining real and personal property shall be sold by the county at public auction to the highest bidder. The proceeds from the sale of such property shall be paid over to the public agencies within the district in accordance with the ratio that the territory of each such public agency within the district bears to the territory of the entire district. Procedure, disposition of property

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are: Urgency

The use of private garbage disposal facilities which are now available to many persons in this State, including the residents of at least three cities, will be terminated shortly and provision must be made so that these persons may form districts which will have the power to render garbage disposal service to them. Since the lack of such services would constitute a serious threat to the public health it is necessary that this act take effect immediately.

CHAPTER 965

An act to add Section 18101.5 to the Government Code, relating to sick leave of state employees.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 18101.5 is added to the Government Code, to read:

Rule authorized

18101.5. The State Personnel Board may provide by rule for crediting to the sick leave account of an employee formerly employed by the University of California any unused sick leave standing to the employee's credit at the time of separation as an employee of the University of California; provided, the employee entered other state service not more than six months after separating from his employment with the University of California; and provided, such credit may not exceed the amount it would have been if such employment had been in the state civil service.

CHAPTER 966

An act to amend and renumber Section 25561 of the Government Code added to said code by an act entitled "An act to add Section 4041.5a to the Political Code and Section 25561 to the Government Code, relating to the power of the board of supervisors to provide operas and other entertainment," approved July 10, 1947, relating to powers of boards of supervisors.

Stats 1947, p 2892

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 25561 of the Government Code is amended and renumbered to read:

Los Angeles County Power to provide for opera, etc

25562. In counties having a population in excess of 1,000,000, the board of supervisors may provide, by contract with any person, firm, or corporation, operas, symphonies, band concerts, and historical or commemorative pageants or plays within the county. A charge may be made for attendance at such performances. Such contract shall provide that the management and control of such performances shall be under the supervision of the board of supervisors or shall provide specifically for those matters which cannot legally be delegated by the board of supervisors. Such contract may also provide for the reimbursement of the county, insofar as possible out of any net profits derived therefrom by such person, firm, or corporation.

CHAPTER 967

An act to add Section 11545 to the Business and Professions Code, relating to sewage facilities.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11545 is added to the Business and Professions Code, to read:

11545. The word "person" as used in Sections 11543 and 11544 of this code includes districts formed for the purpose of constructing or maintaining sewers. Charges imposed on such districts pursuant to Section 11544 shall be included in assessments levied for district purposes and in any bonds which may be issued by such districts. "Person"

CHAPTER 968

An act to amend Sections 154, 6500, and 7000 of the Welfare and Institutions Code and to amend and renumber Section 6500.3 to be Section 7000.5 thereof and to amend the heading of Chapter 3 of Part 4 of Division 6 thereof, relating to state institutions under the jurisdiction of the Department of Mental Hygiene.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 154 of the Welfare and Institutions Code is amended to read:

154. The department has jurisdiction over the following institutions: Jurisdiction of department

Agnews State Hospital.
Atascadero State Hospital.
Camarillo State Hospital.
DeWitt State Hospital.
Mendocino State Hospital.
Modesto State Hospital.
Napa State Hospital.
Norwalk State Hospital.
Pacific Colony.
Patton State Hospital.
Porterville State Home.
Sonoma State Home.
Stockton State Hospital.
The Langley Porter Clinic.

SEC. 2. Section 6500 of said code is amended to read:

6500. There are in the State the following state hospitals for the care and treatment of the insane, the mentally ill, and the mentally disordered: State hospitals

1. Stockton State Hospital at the City of Stockton.
2. Napa State Hospital near the City of Napa.
3. Agnews State Hospital near the City of San Jose.
4. Mendocino State Hospital near the City of Ukiah.
5. Patton State Hospital near the City of San Bernardino.
6. Norwalk State Hospital near the City of Norwalk, Los Angeles County.
7. Camarillo State Hospital near Camarillo, Ventura County.

8. The Langley Porter Clinic, in the City and County of San Francisco.

9. DeWitt State Hospital near the City of Auburn.

10. Modesto State Hospital near the City of Modesto.

11. Atascadero State Hospital near the City of Atascadero, San Luis Obispo County.

DeWitt State Hospital and Modesto State Hospital may be used for the reception, care and treatment of the mentally ill, mentally disordered, or mentally deficient. No commitments shall be made by the courts to the Department of Mental Hygiene for placement in DeWitt State Hospital or Modesto State Hospital of mentally deficient persons, but the department may transfer mentally deficient and other patients to and from these institutions as provided in Sections 163 and 6700 of this code.

SEC. 3. Section 7000 of said code is amended to read:

Homes for the mentally deficient

7000. There are established in the State the following homes for the mentally deficient:

1. Sonoma State Home, in Sonoma County.

2. Pacific Colony, in Los Angeles County.

3. Porterville State Home, in Tulare County.

Wherever in this code or in any provision of statute heretofore or hereafter enacted the term "home for the feeble-minded" is used, it shall be construed to refer to and mean "home for the mentally deficient."

SEC. 4. Section 6500.3 of said code is renumbered and amended to read:

Porterville State Home

7000.5. The state institution, the site for which was provided for by an appropriation made by Chapter 28 of the Fifty-fifth (4th Ex. Sess.) Session of the Legislature, shall be known as Porterville State Home and shall be used for epileptics who are mentally deficient and for other mentally deficient patients.

SEC. 5. The chapter heading of Chapter 3 of Part 4 of Division 6 of said code is amended to read:

CHAPTER 3. STATE HOMES FOR THE MENTALLY DEFICIENT

CHAPTER 969

An act to amend Section 713 of the Vehicle Code, relating to the powers of local authorities with respect to state highways.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 713 of the Vehicle Code is amended to read:

Reduction of weight limits by cities

713. When Cities May Reduce Weight Limits. (a) Any incorporated city, or city and county may by ordinance prohibit the use of a street to be described in said ordinance by any

commercial vehicle or by any vehicle exceeding a maximum gross weight limit to be specified in the ordinance, except with respect to any vehicle which is subject to the provisions of Section 50¼ of the Public Utilities Act.

(b) No such ordinance shall be effective until appropriate signs are erected indicating either those streets affected by such ordinance or those streets not so affected as such local authority may determine will best serve to give notice of such ordinance.

(c) Except as permitted in this section, no city, or city and county shall have any authority to impose limitations upon the weight of vehicles and loads less than those set forth in this code.

(d) No ordinance proposed to be enacted under this section is effective with respect to any highway which is not under the exclusive jurisdiction of the local authority enacting such ordinance, or, in the case of any state highway, until such proposed ordinance has been submitted by the governing body of such local authority to and approved in writing by the Department of Public Works. In submitting such a proposed ordinance to the department for approval, the governing body of such local authority shall designate therein, an alternate route or routes for the use of such vehicles which shall remain unrestricted by any local regulation as to weight limits or types of vehicles so long as the ordinance proposed shall remain in effect. The approval of such proposed ordinance by the Department of Public Works shall constitute an approval by the department of such alternate route or routes so designated.

(e) No ordinance adopted pursuant to this section shall prohibit any commercial vehicles coming from an unrestricted street having ingress and egress by direct route to and from such restricted streets when necessary for the purpose of making pickups or deliveries of goods, wares and merchandise from or to any building or structure located on such restricted streets or for the purpose of delivering materials to be used in the actual and bona fide repair, alteration, remodeling or construction of any building or structure upon such restricted street for which a building permit has previously been obtained therefor.

(f) No ordinance adopted pursuant to this section shall apply to any vehicle owned by a public utility while necessarily in use in the construction, installation or repair of any public utility.

CHAPTER 970

An act to amend Section 26529 of the Government Code, relating to duties of the county counsel.

[Approved by Governor June 11, 1951 Filed with Secretary of State June 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 26529 of the Government Code is amended to read:

County counsel

26529. In counties which have a county counsel, the county counsel shall discharge all the duties vested in the district attorney by Sections 26520, 26522, 26523, and 26524. The county counsel shall defend or prosecute all civil actions and proceedings in which the county or any of its officers is concerned or is a party. He shall defend all suits for damages instituted against officers or employees or former officers and employees for acts performed by them in furtherance of their duties while in the employ of the county or of any district in the county, the legal services of which are required by law to be performed by him.

CHAPTER 971

An act to amend Sections 3.1, 3.2, and 3.3, and to add Sections 3.5, and 3.6 to the Los Angeles County Flood Control Act, relating to the establishment of zones within the district.

Stats 1915, p 1502

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 3.1 of the Los Angeles County Flood Control Act is amended to read:

Establishment of zones

Sec. 3.1. The board of supervisors, by resolution, may from time to time establish a zone or zones within the district for the purpose of financing the acquisition of imported or reclaimed water, or both, which acquisition the board has determined will be of special benefit to the area within any such zone. Water so acquired shall be conserved by the district in a manner beneficial to the zone. Expenditures for the purpose of conserving water so acquired may be made from funds derived from taxes levied pursuant to Section 14 of this act but such expenditures therefrom shall not exceed an amount equal to the amounts levied within the zone under the provisions of said Section 14. Such zone shall be accurately described and shall be designated by a zone number by said resolution, and shall include all territory which will be specially benefited by the conservation of the water so acquired and conserved.

"Public district"

"Imported water"

"Reclaimed water"

As used in Sections 3.1 to 3.6 of this act, the term "public district" shall not include metropolitan water districts, but shall include all other public districts; the term "imported water" shall mean water imported from a source which is not tributary to the ground water supply in the zone; and the term "reclaimed water" shall include water reclaimed from sewage or other wastes, but shall not include waters recaptured or re-used by the owners or producers thereof.

SEC. 2. Section 3.2 of said act is amended to read:

Report by chief engineer

Sec. 3.2. Prior to the hearing on the proposal to establish any zone, as hereinafter provided, the board of supervisors shall by resolution direct the chief engineer of the district to make

and file a report with said board of supervisors which shall show:

(1) A general description of the work to be done by the district in conserving water acquired.

(2) A general description of the lands, rights of way, easements and property to be taken, acquired or injured in carrying out such work.

(3) An estimate of the cost of such work, including an estimate of the cost of lands, rights of way, easements and property proposed to be taken, acquired or injured in carrying out said work, and also of all incidental expenses and of all operating, maintenance and other costs likely to be incurred in connection therewith

(4) The proposed boundaries of the zone. For the purposes of the notice of hearing, the proposed boundaries shall be described to include all properties which may be benefited by the proposed zone without regard to the current or proposed use of imported or reclaimed waters on said properties, other than as a result of the work proposed to be done by the district.

Action on report

The report shall be considered by the board of supervisors which may by resolution either adopt the same as filed or refer the report back to the chief engineer of the district for modification or change. When a report satisfactory to said board of supervisors has been filed with such board as aforesaid, the board by resolution shall adopt the report and shall estimate the amounts of all capital expenditures and of all operating, maintenance and other costs necessary to conserve water within the proposed zone.

Hearing and notice

Before establishing any zone under Section 3.1 of this act, the board of supervisors shall hold a public hearing upon the proposal Notice of the hearing shall be published once a week for two consecutive weeks, the date of the second publication to be at least 30 days prior to said hearing, in a newspaper of general circulation published within the proposed zone, if there be such newspaper, and if there be no such newspaper then by posting notice of the hearing at least 40 days prior thereto in five public places, within said proposed zone, as designated by the board. Notice shall be given to all cities and to all public districts formed for the purpose of supplying water within the proposed zone by mailing a copy of the notice to the chairman of the governing bodies thereof at least 30 days prior to said hearing. Said notice shall describe the boundaries of the proposed zone, shall state whether it is proposed to acquire imported or reclaimed water or both, shall refer to the report of the chief engineer as adopted by the board, shall contain a general statement of the proposed method of conservation as described in said report, and shall set forth the amounts of all capital expenditures and of all operating, maintenance and other costs necessary to conserve water within such proposed zone as so estimated by the board. Said notice also shall contain a statement that written and oral protests against the formation of the zone or the inclusion of property therein will be considered

at the time of the hearing, and that if sufficient written protests against the establishment of the zone are filed with the clerk of the board at least 15 days before the date set for the hearing, the proceeding shall be abandoned.

Abandonment of proceedings

If sufficient written protests against the establishment of the proposed zone are filed with the clerk of the board at least 15 days prior to the date set in the notice for the hearing, the proceedings shall be abandoned as hereinafter provided.

Protests

Written protests by property owners shall give the name and address of the protestant and shall describe the taxable real property within the proposed zone assessed to such protestant. The clerk shall transmit such protests, or a list of such properties showing the protestant as to each such property, to the assessor, who shall certify to the board of supervisors whether such properties assessed to such protestants, as shown by the last equalized county assessment roll, have an assessed value in excess of 10 percent of the assessed value of all of the taxable real property within the proposed zone. If the protest is in excess of the said 10 percent the proceeedings shall be abandoned and no further proceeding relating to the creation of a zone affecting such property may be had for at least six months after the date set in the notice for the hearing.

Same

Protests by cities and by public districts formed for the purpose of supplying water shall be in the form of certified copies of resolutions of their governing bodies. If protests are filed which have been adopted by a majority vote of the governing bodies of cities or of public districts formed for the purpose of supplying water, within which cities or public districts or both, there is taxable real property situated within the proposed zone as described in the notice of hearing, having an assessed value equal to not less than 60 percent of the assessed value of all of the taxable real property within the proposed zone as described in said notice of hearing, as shown on the last equalized assessment roll, then the proceedings shall be abandoned and no further proceedings relating to the creation of a zone affecting such property may be had for at least six months after the date set in the notice of hearing.

Hearing procedure

If the proceedings are not terminated by the protests of property owners or by the protests of cities or of public districts formed for the purpose of supplying water, as above provided, the board of supervisors may proceed with the hearing and shall consider such protests and any additional written or oral protests which may be made either against the establishment of the proposed zone or the inclusion therein of any property, or both. The hearing may be continued from time to time but not to exceed 60 days in the aggregate. Upon the conclusion of the hearing the board may abandon the proposal or may adopt a resolution establishing the zone for the purpose specified in the notice, including therein all properties within the described boundaries of the proposed zone which the board finds will be specially benefited thereby.

In determining the properties which will be specially benefited by inclusion in the proposed zone the board shall consider the availability to such properties, other than as a result of said work so proposed to be done by the district, of imported or reclaimed water and the present and contemplated use of such water thereon. Factors in determining benefit

A statement regarding the zone boundaries, or any change thereof, shall be filed as provided in Chapter 8, Part 1, Division 2, Title 5, of the Government Code. Boundary statement filed

SEC. 3. Section 3.3 of said act is amended to read:

Sec. 3.3. Whenever any zone is established pursuant to Section 3.1 of this act, a special tax may be levied each year thereafter by the board of supervisors upon the taxable real property within said zone to defray the cost of acquiring the water for which the zone is established. Said tax in any one fiscal year shall not exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation. It shall be in addition to any other taxes provided for by this act, and shall be levied and collected at the same time and in the same manner as such other taxes. All funds collected by reason of said tax shall be expended only on behalf of the zone and only for the purpose of acquiring water or for the purpose of conserving such acquired water, as set forth in the notice of hearing upon the proposal to establish the zone. Special tax levy

Expenditures for the purpose of acquiring imported or reclaimed water, or both, as set out in Section 3.1 of this act, may be made by the district from funds derived from the special tax or taxes levied pursuant to this section upon the taxable real property within such zone established under said Section 3.1, but not from any other funds. No contract for the acquisition of imported or reclaimed water, or both, shall be entered into by the district which does not provide, that, unless sooner terminated, all obligations thereunder shall terminate at the end of any fiscal year during or at the end of which the zone within which the water is to be conserved, is terminated. Expenditures to acquire imported, etc., water

SEC. 4. Section 3.5 is added to said act, to read:

Sec. 3.5. Any part of the land included within an established zone may be excluded therefrom by the board of supervisors if at a hearing on the matter it determines that the exclusion would be for the best interests of the zone, or that the land would no longer be specially benefited by its continued inclusion in the zone and that the land remaining in the zone would continue to be specially benefited by remaining as a zone. The board may order such hearing on its own motion and shall do so upon a petition for exclusion being filed with the clerk of the board, signed by the owners of 10 percent in assessed value of the real property within the area described in the petition or upon receipt by the clerk of a resolution requesting exclusion, adopted by the majority vote of the governing body of any city, or of any public district formed for the purpose of supplying water, all or any part of which is included in the zone. Petitions of property owners must contain a description of the property in which each signer claims ownership, sufficient to Exclusion of land from zone

identify the same. The clerk shall transmit such petition to the assessor who shall certify to the board of supervisors whether such properties assessed to such petitioners, as shown on the last equalized assessment roll, have an assessed value of 10 percent or more of the assessed value of all taxable real property within the area sought to be excluded.

Notice of hearing

Notice of such hearing shall be given in the manner described in Section 3.2 and shall contain a description of the land sought to be excluded and a statement of the purpose of the hearing.

Hearing

At the hearing, evidence may be presented concerning either or both of the elements to be determined by the board as a prerequisite to the exclusion of the land described. The hearing may be continued from time to time not to exceed 60 days in the aggregate. If the board so determines, it shall thereupon by resolution declare such land excluded from the zone.

SEC. 5. Section 3.6 is added to said act, to read:

Termination of zone

Sec. 3.6. Any zone established pursuant to Section 3.1 of this act may be terminated by the board of supervisors after a public hearing on the matter. Such hearing may be ordered upon motion of the board, and shall be ordered upon a petition for termination being filed with the clerk of the board, signed by the owners of 10 percent of the taxable real property within the zone as ascertained by reference to the last equalized county assessment roll, or upon the filing with the clerk of a resolution requesting termination adopted by a majority vote of the governing body of any city, or of any public district formed for the purpose of supplying water, all or any part of which is included within the zone. The determination of the percentage of owners of real property signing the petition for termination shall be made and certified to by the assessor in the manner described in Section 3.5.

Notice of hearing

Notice of such hearing shall be given in the manner described in Section 3.2. The notice shall contain a description of the zone, a general statement of its activities, and the purpose of the hearing.

Hearing

At the hearing, evidence may be presented concerning the necessity, or lack thereof, for continuing the zone. The hearing may be continued from time to time not to exceed 60 days in the aggregate. If the board determines that such necessity no longer exists, or that the public interest otherwise requires the termination of the zone, or that the real property is no longer benefited, the board shall thereupon by resolution declare the zone terminated for all purposes except those necessary to finance outstanding contracts. When such contracts have been satisfied the zone will terminate for all purposes, effective at the close of the then current fiscal year.

Termination without hearing

Such a zone shall terminate without hearing at the end of the third or fourth fiscal year during which taxes were, or could have been, levied for zone purposes if certified copies of resolutions requesting such termination are filed with the board of supervisors, as hereinafter provided, on or before 60 days prior

to the date of the requested termination. Such resolutions shall be sufficient if adopted by a majority vote of the governing bodies of cities or of public districts formed for the purpose of supplying water within which cities or public districts or both, there is taxable real property situated within the zone having an assessed value equal to not less than 35 percent of the assessed value of all of the taxable real property within the zone, as shown by the equalized assessment roll of such fiscal year.

Same

If not sooner terminated, such zone shall terminate without hearing at the end of the fifth fiscal year during which taxes were, or could have been, levied for zone purposes. A new zone comprising or including all or any part of an original zone which has been terminated pursuant to the provisions of this section, shall not be established if protests are filed with the clerk of the board, at least fifteen (15) days prior to the date set for hearing thereon, which protests have been adopted by a majority vote of the governing bodies of cities or of public districts formed for the purpose of supplying water, within which cities or public districts or both, there is taxable real property situated within the proposed zone as described in the notice of hearing, having an assessed value equal to not less than 35 percent of the assessed value of all of the taxable real property within the proposed zone as described in said notice of hearing, as shown on the last equalized assessment roll.

Funds of terminated zone

Any remaining funds of a terminated zone shall be added to the general funds of the district and shall be expended by the district for water conservation in a manner beneficial to the area within the terminated zone in addition to that normally performed.

CHAPTER 972

An act to amend Section 28141 of the Government Code, relating to the compensation of officers, jurors and witnesses in counties of the forty-first class.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 28141 of the Government Code is amended to read:

Lassen County Salaries

28141. In a county of the forty-first class the following shall receive as compensation for services required of them by law or by virtue of their offices the following sums:

(a) The auditor, eight hundred dollars ($800) a year.

(b) The district attorney, four thousand eight hundred dollars ($4,800) a year.

(c) Each supervisor, two thousand four hundred dollars ($2,400) a year and mileage from his residence to the county seat at each sitting of the board, at twenty-five cents ($0.25) a mile. Each supervisor is, in addition, allowed three hundred

dollars ($300) a year to cover mileage expense at twenty-five cents ($0.25) a mile in viewing the roads. These salaries and mileage are in full for all services

(d) Grand jurors and trial jurors shall receive the following fees and mileage:

(1) Grand jurors and jurors in the superior court shall be paid six dollars ($6) a day for each day's attendance, and twenty-five cents ($0.25) for each mile actually traveled in going only, while acting as jurors. The judge of the court shall certify to the auditor the number of days' attendance of each juror and his mileage. The auditor shall draw his warrant on the treasurer in favor of each juror and the treasurer shall pay the warrant.

(2) Trial jurors in any justice's court shall receive four dollars ($4) for each day's attendance, and twenty-five cents ($0.25) for each mile actually traveled in going to, but not from, the place of attendance. The justice of the peace shall certify to the auditor the number of days' attendance of each juror, and the auditor shall draw his warrant therefor, and the treasurer shall pay the warrant.

(e) Witnesses legally required to appear before the grand jury or the superior court shall receive four dollars ($4) for each day's attendance, and ten cents ($0.10) per mile for each mile actually traveled in going to, but not from, the place of appearance.

(f) Witnesses legally required to appear in any justice court or before a coroner's jury shall receive three dollars ($3) for each day's attendance, and ten cents ($0.10) per mile for each mile actually traveled in going to, but not from, the place of appearance.

The compensation provided by this section shall be payable to incumbent officers.

Operative date

SEC. 2 If it is not legally competent to pay the compensation provided by this act to incumbent officers on the effective date of this act, such increase in compensation shall nevertheless be payable to the officers designated in this act as soon as it is legally competent to do so.

CHAPTER 973

An act to amend Section 21802 of the Water Code, relating to elections in irrigation districts.

In effect September 22, 1951

[Approved by Governor June 11, 1951 Filed with Secretary of State June 11, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 21802 of the Water Code is amended to read:

Recall petition

21802. In order to recall an officer a petition shall be filed with the secretary containing all of the following:

(a) Request that an election be called to elect a successor to the officer.

(b) A statement solely for the information of the electors of the grounds on which the recall is sought, any insufficiency in the statement not to affect the sufficiency of this petition, but said grounds must refer to the official conduct of the officer whose recall is being sought.

(c) Signatures of voters in the unit by which the officer or his elected predecessor was elected, at least equal in number to 10 percent of the registered voters in said unit, as shown by the list of eligible voters for the last preceding general election in the district.

(d) The date of each signature, the signer's precinct, his place of residence, giving street and number, and if no street or number exists, then a designation of his place of residence which will enable the location to be readily ascertained, all of which shall be affixed by the signer at the time of his signing.

CHAPTER 974

An act regulating the use of public highways for commercial purposes for the transportation of property for compensation; defining household goods carriers and permitting them to operate as such in this State subject to regulation as provided herein; specifying the powers of the Public Utilities Commission; prescribing penalties for violations of this act; and repealing parts of acts inconsistent herewith; and adding Chapter 7, comprising Sections 5101 to 5319, inclusive, to Division 2 of the Public Utilities Code; all relating to household goods carriers.

[Approved by Governor June 11, 1951 Filed with Secretary of State June 11, 1951]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. This act may be cited as the "Household Goods Carriers Act." Short title

SEC. 2. The use of the public highways for the transportation of property for compensation is a business affected with a public interest. It is the purpose of this act to preserve for the public the full benefit and use of public highways consistent with the needs of commerce without unnecessary congestion or wear and tear upon such highways; to secure to the people just and reasonable rates for transportation by carriers operating upon such highways; and to secure full and unrestricted flow of traffic by motor carriers over such highways which will adequately meet reasonable public demands by providing for the regulation of rates of all transportation agencies so that adequate and dependable service by all necessary transportation agencies shall be maintained and the full use of the highways preserved to the public. Declaration of purpose

Construction

SEC. 3. (a) Unless the context otherwise requires, the definitions and general provisions set forth in this section govern the construction of this act.

(b) In construing and enforcing the provisions of this act relating to penalties, the act, omission, or failure of any officer, agent, or employee of any person or corporation, acting within the scope of his official duties or employment, is the act, omission, or failure of the employing person or corporation.

Definitions

(c) "Commission" means the Public Utilities Commission.

(d) "Corporation" includes a corporation, a company, an association, and a joint stock association.

(e) "Person" includes an individual, a firm, or a copartnership.

(f) "Public highway" includes every public street, road or highway in this State.

(g) "Motor vehicle" means every motor truck, tractor, or other self-propelled vehicle used for transportation of property over the public highways, otherwise than upon fixed rails or tracks, and any trailer, semitrailer, dolly, or other vehicle drawn thereby.

(h) "Household goods carrier" includes every corporation or person, their lessees, trustees, receivers or trustees appointed by any court whatsoever, engaged exclusively in transportation for compensation or hire as a business by means of a motor vehicle or motor vehicles in the transportation of used uncrated household goods and personal effects, office, store, and institution furniture and fixtures over any public highway in this State.

Scope

SEC. 4. The provisions of this chapter do not apply to transportation service all of which is rendered in territory within the exterior boundaries of a city, or city and county including the area of any city situated wholly within such outside limits.

Construction

SEC. 5. This chapter shall not be construed as a regulation of commerce with foreign nations or among the several states, except insofar as such regulation is permitted under the provisions of the Constitution and the acts of the Congress of the United States.

Conflicting acts

SEC. 6. The regulation of the transportation of used uncrated household goods and personal effects, office, store, and institution furniture and fixtures exclusively, over any public highway in the State shall be exclusively as provided in this act. Any provision of the Public Utilities Act or the Highway Carriers Act in conflict with the provisions of this act is superseded and repealed

Stats. 1915, p. 115
Stats. 1935, p. 878

Prohibited acts

SEC. 7. (a) No household goods carrier shall engage in such business for compensation by motor vehicle over any public highway in this State, except in accordance with the provisions of this act which is enacted under the power of the State to regulate the use of public highways.

(b) Each household goods carrier shall display on each vehicle operated by it an identification symbol in such form and in accordance with such rules and regulations as the commission may prescribe.

Permits. SEC. 8. (a) Except as provided in this section, no household goods carrier shall engage in the business of the transportation of used, uncrated household goods and personal effects, office, store, and institution furniture and fixtures for compensation, by motor vehicle over any public highway in this State, unless there is in force a permit issued by the commission authorizing such operations.

(b) Any person or corporation who was engaged in the business of transporting used uncrated household goods and personal effects, office, store, and institution furniture and fixtures over any public highway in this State for compensation on the effective date of this section and thereafter may file with the commission prior to January 1, 1952, an application for a permit as provided in Section 9 The commission shall upon satisfactory proof of such operation issue such permit authorizing operation within the area requested in the application without further proceedings. Between the effective date hereof and the final determination of any such application the continuance of such operations shall be lawful.

Application. SEC. 9. Application for permits shall be in writing, verified under oath, and shall be in such form, contain such information, and be accompanied by proof of service upon such interested parties as the commission requires.

Requirements. SEC. 10. Except as provided in subdivisions (b) of Section 8, before a permit is hereafter issued the commission shall require the applicant to establish ability and reasonable financial responsibility to initiate the proposed operations. The commission may, with or without hearing, issue or refuse to issue the permit. If the commission finds that the applicant possesses the ability and financial responsibility to initiate the proposed operations, it shall issue a permit as prayed for.

Fees. SEC. 11. Each application for issuance of a permit under this act shall be accompanied by a fee of fifty dollars ($50).

The filing fee for an application for transfer of a permit is twenty-five dollars ($25).

All fees paid to the commission under this act shall be deposited in the Transportation Rate Fund.

Liability protection. SEC. 12. The commission shall, in granting permits pursuant to this act, require the household goods carrier to procure, and continue in effect during the life of the permit, adequate protection, against liability imposed by law upon the carrier for the payment of damages for personal bodily injuries, including death resulting therefrom, in the amount of not less than twenty-five thousand dollars ($25,000) on account of bodily injuries to, or death of, one person; and protection against a total liability of the household goods carrier on account of bodily injuries to, or death of, more than one person, as a result of any

one accident, in the amount of not less than fifty thousand dollars ($50,000); and protection in an amount of not less than ten thousand dollars ($10,000) for one accident resulting in damage or destruction of property whether the property of one, or more than one claimant.

Cargo insurance

The commission may, upon its own motion or upon the application of any interested party, and after hearing, require any household goods carrier to procure and maintain cargo insurance in such amounts and upon such terms as the commission may determine.

Evidence of protection

The protection required under this section shall be evidenced by the deposit with the commission covering each vehicle used or to be used under the permit applied for,

(1) Of a policy or policies of insurance, issued by a company licensed to write such insurance in the State; or

(2) Of a bond of a surety company licensed to write surety bonds in the State.

With the consent of the commission a copy of an insurance policy, certified by the company issuing it to be a true copy of the original policy, or a photostatic copy thereof, or an abstract of the provisions of the policy, or a certificate of insurance issued by the company issuing the policy, may be filed with the commission in lieu of the original or a duplicate or counterpart of the policy.

The protection against liability shall be continued in effect during the active life of the permit. The policy of insurance or surety bond shall not be cancelable on less than thirty (30) days written notice to the commission.

Establishment of rules

The commission may establish such rules as are necessary to enforce this section.

Establishment, etc., of rates

SEC. 13. (a) The commission shall, upon complaint or upon its own initiative without complaint, establish or approve just, reasonable, and nondiscriminatory maximum or minimum or maximum and minimum rates to be charged by any household goods carrier for the transportation of property subject to this act and for accessorial service performed in connection therewith.

In establishing or approving such rates the commission shall give due consideration to the cost of all of the transportation services performed, including length of haul, any additional transportation service performed, or to be performed, to, from, or beyond the regularly established termini of common carriers or of any accessorial service, the value of the commodity transported, and the value of the facility reasonably necessary to perform the transportation service.

(b) In the event the commission establishes minimum rates for transportation services by household goods carriers, the rates shall not exceed the current rates of common carriers by land subject to the Public Utilities Act for the transportation of the same kind of property between the same points.

(c) It is unlawful for any household goods carrier to charge or collect any lesser rate than the minimum rate or

greater rate than the maximum rate established by the commission under this section.

(d) The commission shall make such rules as are necessary to the application and enforcement of the rates established or approved pursuant to this act.

(e) If any household goods carrier desires to perform any transportation or accessorial service at a lesser rate than the minimum established rates, the commission shall, upon finding that the proposed rate is reasonable, authorize the lesser rate.

Prohibited acts

SEC. 14. (a) No household goods carrier shall charge, demand, collect, or receive for the transportation of property subject to this act, or for any service in connection therewith, rates or charges less than the minimum rates and charges or greater than the maximum rates and charges applicable to such transportation established or approved by the commission; nor shall any such carrier directly or indirectly pay any commission or refund, or remit in any manner or by any device any portion of the rates or charges so specified, except upon authority of the commission.

(b) No household goods carrier, or any officer, or agent thereof, or any person acting or employed by it, shall, by means of known false billing, classification, weight, weighing or report of weight, or by any other device, assist, suffer, or permit any corporation or person to obtain transportation for any property between points within this State at rates less than the minimum rates or more than the maximum rates than established or approved by the commission.

(c) No person, corporation, or any officer, agent, or employee of a corporation shall, by means of false billing, false or incorrect classification, false weight or weighing, false representation as to the content or substance of a package, or false report or statement of weight, or by any other device or means, whether with or without the consent or connivance of a household goods carrier, or any of its officers, agents, or employees, seek to obtain or obtain transportation for property at less than the minimum rates or charges or more than the maximum rates or charges established or approved by the commission.

(d) No person or corporation, or any officer, agent, or employee of a corporation, shall knowingly, directly or indirectly by any false statement or representation as to cost or value or the nature or extent of damage, or by the use of any false billing, bill of lading, receipt, voucher, roll, account, claim, certificate, affidavit or deposition, or upon any false, fictitious, or fraudulent statement or entry, obtain or attempt to obtain any allowance, rebate, or payment for damage in connection with or growing out of the transportation of property subject to this act, or an agreement to transport property subject to this act, whether with or without the consent or connivance of a household goods carrier, or any of its officers, agents, or employees. No household goods carrier or any of its officers, agents, or employees shall knowingly pay, or offer to pay any such allowance, rebate, or claim for damage.

Requirement of reports, etc

SEC. 15. (a) The commission may require annual, periodical, or special reports to be filed by all household goods carriers, prescribe the manner and form in which reports shall be made, and may require specific answers to all questions upon which the commission deems information to be necessary. The reports shall be under oath whenever the commission so requires.

(b) The commission may require any household goods carrier to file with it a true copy of any contract, agreement, or arrangement between the carrier and any other carrier in relation to any traffic affected by this act.

Forms of accounts, etc

(c) The commission may prescribe the forms of any accounts, records, and memoranda, including those pertaining to the movement of traffic and the receipt or expenditure of money, to be kept by household goods carriers, and the length of time the accounts, records, and memoranda shall be preserved.

(d) Where the commission has prescribed the forms of accounts, records, and memoranda to be kept by household goods carriers for any of its business, it is unlawful for any household goods carrier to keep any accounts, records, or memoranda for such business other than those so prescribed or those prescribed by or under the authority of any other state or of the United States, excepting such accounts, records, or memoranda as are explanatory of and supplemental to the accounts, records, or memoranda prescribed by the commission.

(e) The commission or its authorized employees, representatives, or inspectors shall at all times have access to all lands, buildings, or equipment of household goods carriers used in connection with the operation of their business as such carriers in this State, and also all accounts, records, and memoranda, including all documents, books, papers, and correspondence kept or required to be kept by household goods carriers.

Inspection, etc

(f) The employees, representatives, and inspectors of the commission may, under its order or direction, inspect and examine any lands, buildings, equipment, accounts, books, records, and memoranda, including all documents, papers, and correspondence kept or required to be kept by household goods carriers.

(g) This section shall, to the extent deemed necessary by the commission, apply to persons having control, direct or indirect, over or affiliated with any household goods carrier.

Penalty for divulging information

(h) Any employee of the commission who divulges any fact or information which comes to his knowledge during the course of the examination of the accounts, records, and memoranda of household goods carriers, except as he is authorized or directed by the commission or by a court of competent jurisdiction or judge thereof, is guilty of a misdemeanor and is punishable by a fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three (3) months, or both.

Procedure

SEC. 16. (a) Except as otherwise expressly provided, in all respects in which the commission has power and authority under the Constitution of this State or this act, applications

and complaints may be made and filed with the commission, process issued, hearings held, opinions, orders, and decisions made and filed, petitions for rehearing filed and acted upon, and petitions for writs of review or mandate filed with the Supreme Court of this State, considered and disposed of by the Supreme Court, in regard to the matters provided for in this act, in the same manner, under the same conditions and subject to the same limitations, and with the same effect specified in the Public Utilities Act, so far as applicable. Stats. 1915, p. 115

(b) Service of all process and orders instituting investigation in all proceedings, complaints, investigations, or hearings brought or pending before the commission pursuant to this act, may be made upon any person upon whom a summons may be served, in accordance with the Code of Civil Procedure.

(c) Service of all process and orders, decisions and orders, orders and notices in all such proceedings, investigations, complaints and hearings may be made personally or by the deposit in the United States mail of a sealed envelope with postage prepaid, containing a true copy of the paper to be served and addressed to the person to be served at his last known address as shown by the records of the commission.

(d) Service by personal delivery is complete upon delivery to the person to be served of a true copy of the paper to be served. Service by mail is complete upon the expiration of four days after the deposit of the notice.

Proof of service may be made by the certificate of any officer or employee of the commission or the affidavit of any person over the age of 18 years, naming the person served and specifying the time, place, and manner of service.

(e) In all proceedings instituted by or pending before the commission pursuant to this act, the commission may from time to time make such interim, interlocutory, or other orders as it deems advisable. No such order shall operate as a final determination of the proceeding, and the commission may at any time thereafter make such further orders as it deems advisable with respect to the matters considered and determined in the order or to other matters involved in the proceeding.

(f) After the making of an interim, interlocutory, or other order, any party to the proceeding or any stockholder or bondholder or other party pecuniarily interested in the household goods carrier affected may file a petition for rehearing, within the time and for the reasons provided in Section 66, Public Utilities Act, and the commission may act upon the petition within the time and in the manner provided therein.

(g) Any interim, interlocutory, or other order may be reviewed as provided in Section 67, Public Utilities Act. Upon such review, only that portion of the record in the proceeding considered by the commission and upon which it acted in making the order sought to be reviewed, need be certified to and considered by the Supreme Court.

SEC. 17. No person shall be excused from attending and testifying or from producing any book, document, paper, or Self incrimination, etc

account in any investigation or inquiry by or hearing before the commission or any commissioner or examiner, or in obedience to the subpena of the commission, or in any cause or proceeding, criminal or otherwise, based upon or growing out of any alleged violation of any of the provisions of this chapter, when ordered to do so, upon the ground that the testimony or evidence, book, document, paper, or account required of him may tend to incriminate him or subject him to penalty or forfeiture, but no person shall be prosecuted, punished, or subjected to any penalty or forfeiture for or on account of any act, transaction, matter, or thing concerning which, under oath, he has testified or produced documentary evidence before the commission, or in obedience to its subpena, or in any such cause or proceeding. No person so testifying shall be exempt from prosecution or punishment for any perjury committed by him in his testimony.

Immunity

Suspension of permit

SEC. 18. The commission may, at the request of any household goods carrier, suspend the operating permit of the carrier for a definite time during which it is unlawful for the carrier to conduct any operations as a household goods carrier.

Upon such suspension of a permit the commission shall thereupon require the removal from any vehicle operated thereunder and the surrender to the commission of any distinctive symbols or license plates which have been issued therefor.

Upon the termination of the period of suspension the commission shall restore the permit and return to the carrier the distinctive symbols or license plates surrendered or issue such other symbols or license plates as are necessary.

Permit: Duration

SEC. 19. (a) A permit shall remain in effect until suspended or terminated as herein provided; provided, however, that any permit not exercised for a period of six (6) months shall lapse and terminate. No permit hereunder shall be sold, leased, assigned or otherwise transferred or encumbered by the holder thereof without first having secured from the commission an order authorizing the same. Any such sale, lease, assignment, transfer or encumbrance made otherwise than in accordance with the order of the commission authorizing the same shall be void.

Transfer

Grounds for cancellation, etc

(b) The commission may cancel, revoke, or suspend the operating permit or permits of any household goods carrier upon any of the following grounds:

(1) Any illegally conducted household goods carrier operations.

(2) The violation of any of the provisions of this act or of any operating permit issued thereunder.

(3) The violation of any order, decision, rule, regulation, direction, demand, or requirement established by the commission pursuant to this act.

(4) The conviction of the household goods carrier of any misdemeanor under this act.

(5) The rendition of a judgment against the household goods carrier for any penalty imposed under this act.

(6) The failure of a household goods carrier to pay any fee imposed upon the carrier within the time required by law.

(c) After the cancellation or revocation of a permit or during the period of its suspension, it is unlawful for a household goods carrier to conduct any operations as such a carrier. The commission may either grant or deny an application for a new permit whenever it appears that a prior permit of the applicant has been canceled or revoked pursuant to subdivision (b) hereof, or whenever it appears, after hearing, that as a prior permit holder, the applicant engaged in any of the unlawful activities set forth in subdivision (b) hereof for which his permit might have been canceled or revoked. New permit

SEC. 20. (a) Whenever the commission is of the opinion that any household goods carrier is failing or omitting or about to fail or omit, to do anything required of it by law, or by any order, decision, rule, direction, or requirement of the commission, or is doing anything or about to do anything, or permitting anything or about to permit anything to be done, in violation of law or of any order, decision, rule, direction, or requirement of the commission, it may direct the attorney of the commission to commence an action or proceeding in the superior court in and for the county, or city and county, in which the cause or some part thereof arose, or in which the corporation complained of has its principal place of business, or in which the person complained of resides, for the purpose of having such violations or threatened violations stopped and prevented, either by mandamus or injunction. The attorney of the commission shall thereupon begin such action or proceeding in the name of the people of the State of California, by petition to such superior court, alleging the violation or threatened violation complained of and praying for appropriate relief by way of mandamus or injunction. Mandamus or injunction

(b) Upon the filing of such a petition, the court shall specify a time, not exceeding 20 days after the service of the copy of the petition, within which the household goods carrier complained of shall answer the petition, and in the meantime the carrier may be restrained. In case of default in answer, or after answer, the court shall immediately inquire into the facts and circumstances of the case. Such corporations or persons as the court deems necessary or proper to be joined as parties, in order to make its judgment, order or writ effective, may be joined as parties. The final judgment in any such action or proceeding shall either dismiss the action or proceeding or direct that the writ of mandamus or injunction issue or be made permanent as prayed for in the petition, or in such modified or other form as will afford appropriate relief. An appeal may be taken to the Supreme Court from such final judgment in the same manner and with the same effect as appeals are taken from judgments of the superior court in other actions for mandamus or injunction. Procedure

SEC. 21. (a) Every household goods carrier and every officer, director, agent, or employee of any household goods car- Penalty

rier who violates or who fails to comply with, or who procures, aids, or abets any violation by any household goods carrier of any provision of this act, or who fails to obey, observe, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or of any operating permit issued to any household goods carrier, or who procures, aids, or abets any household goods carrier in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, requirement, or operating permit, is guilty of a misdemeanor, and is punishable by fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three months, or both.

Same

(b) Every corporation or person other than a household goods carrier, who knowingly and wilfully, either individually, or acting as an officer, agent, or employee of a corporation, copartnership, or any other person other than a household goods carrier, violates any provision of this act or fails to observe, obey, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or who procures, aids, or abets any household goods carrier in its violation of this act, or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement, is guilty of a misdemeanor, and is punishable by a fine of not more than five hundred dollars ($500) or by imprisonment in the county jail for not more than three months, or both.

Same

(c) Every household goods carrier and every officer, director, agent, or employee of any household goods carrier who violates or who fails to comply with, or who procures, aids, or abets, any violation by any household goods carrier of any provision of this act, or who fails to obey, observe, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or of any operating permit issued to any household goods carrier, or who procures, aids, or abets any household goods carrier in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, requirement, or operating permit, is subject to a penalty of not more than five hundred dollars ($500) for each offense.

Same

(d) Every corporation or person other than a household goods carrier who knowingly and wilfully, either individually, or acting as an officer, agent, or employee of a corporation, copartnership, or any other person other than a household goods carrier, violates any provision of this act or fails to observe, obey, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or who procures, aids, or abets any household goods carrier in its violation of this chapter, or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement, is subject to a penalty of not more than five hundred dollars ($500) for each offense.

(e) Every violation of the provisions of this act or of any order, decision, decree, rule, direction, demand, or requirement of the commission by any corporation or person is a separate and distinct offense, and in case of a continuing violation each day's continuance thereof is a separate and distinct offense. Multiple violations

(f) All penalties accruing under this act are cumulative, and a suit for the recovery of one penalty does not bar or affect the recovery of any other penalty or forfeiture or bar any criminal prosecution against any person or corporation, or any officer, director, agent or employee thereof, or any other corporation or person, or bar the exercise by the commission of its power to punish for contempt. Cumulative penalties

SEC. 22. (a) Actions to recover penalties under this act shall be brought in the name of the people of the State of California, in the superior court of the county, or city and county, in which the cause or some part thereof arose, or in which the corporation complained of, if any, has its principal place of business, or in which the person, if any, complained of, resides. The action shall be commenced and prosecuted to final judgment by the attorney of the commission. Procedure

(b) In any such action, all penalties incurred up to the time of the commencement of the action may be sued for and recovered. In all such actions, the procedure and rules of evidence shall be the same as in ordinary civil actions.

(c) All penalties recovered by the State in any action pursuant to this act, together with the costs thereof, shall be paid into the State Treasury to the credit of the General Fund. Any such action may be compromised or discontinued on application of the commission upon such terms as the court approves and orders.

SEC. 23. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, or the application of such provision to other persons or circumstances, shall not be affected thereby. Invalidity

SEC. 24. It is hereby declared to be the legislative intent that the transportation of used and uncrated household goods, personal effects, office, store and institution furniture and fixtures in any truck or trailer for compensation over any public highway in this State is a highly specialized type of truck transportation and that the provisions of this act have been enacted for the limited purpose of providing necessary regulation for said specialized type of truck transportation only, and are not to be construed for any purpose as a precedent for the extension of such regulation to any other type of truck transportation not presently so restricted. Declaration of legislative intent

NOTE. The sections of the Public Utilities Code affected by this chapter appear in their proper place in that code, Chapter 764 of Statutes of 1951, as required by Section 9762 of the Government Code.

SEC. 26. Section 25 of this act becomes operative only if Division 2 of the Public Utilities Code is enacted by the Legislature at its 1951 Regular Session, and in such case at the same Effect Stats 1951, Ch 764

time as said Division 2 takes effect, at which time Sections 1 to 24, inclusive, of this act are repealed.

CHAPTER 975

An act to repeal Article 2 of Chapter 5 of Division 5 of the Agricultural Code, relating to cottonseed certification.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 11, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Article 2 of Chapter 5 of Division 5 of the Agricultural Code, comprised of Sections 931 to 940, inclusive, is repealed.

CHAPTER 976

An act to amend Section 5073 of the Public Resources Code, relating to the California Riding and Hiking Trails Advisory Committee, to change the membership of the committee from six to seven.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5073 of the Public Resources Code is amended to read:

Advisory committee

5073. The provisions of this article shall be administered by the Division of Beaches and Parks under the supervision of the Director of Natural Resources in accordance with policies established by the State Park Commission. The State Park Commission may appoint an advisory committee to be known as the California Riding and Hiking Trails Advisory Committee, to consist of seven members, two from the northern, two from the southern, two from the central portion of the State, and one at large, selected from lists submitted upon invitation by the Park Commission by appropriate civilian organizations interested in the establishment and use of a State Trails System.

CHAPTER 977

An act to add Sections 6308 and 6358 to the Public Resources Code, relating to state lands granted by the Legislature.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6308 is added to the Public Resources Code, to read:

6308. Whenever an action or proceeding is commenced against a county, city, or other political subdivision or agency of the State involving the title to or the boundaries of tidelands or submerged lands that have been or may hereafter be granted to it in trust by the Legislature, the State of California shall be joined as a necessary party defendant in such action or proceeding. Service of summons shall be made upon the chairman of the State Lands Commission and upon the Attorney General, and the Attorney General shall represent the State in all such actions or proceedings. If judgment is given against the State in any such action or proceeding, no costs can be recovered from the State thereunder. Joinder of State in tidelands litigation

SEC. 2. Section 6358 is added to said code, to read:

6358. On receipt of a request from the legislative body of a county, city, or other political subdivision or agency of the State, to which a legislative grant of tide and submerged lands has been or may be made, or at its own instigation, the commission may survey, monument, plat, and record in the office of the recorder in the county or counties in which such lands are located, the area of state lands described in such act of the Legislature. Whenever such survey and plat has been made at the request of a grantee of the State, the costs thereof shall be repaid by such grantee to the commission. Survey, etc., of tidelands

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CHAPTER 978

An act to add Section 1384.6 to the Fish and Game Code, relating to the importation of carcasses or parts thereof of domesticated game birds.

[Approved by Governor June 11, 1951 Filed with Secretary of State June 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 1384 6 is added to the Fish and Game Code, to read:

1384.6. Notwithstanding the provisions of Section 1383, the carcasses or parts thereof of domesticated game birds which have been raised by a regularly licensed game breeder of any other state may be imported into this State, transported, sold or possessed. Importation of carcass, etc., of domesticated game birds

Common carriers may receive and transport such carcasses or parts thereof at any time. A tag or label shall be affixed to every package containing such carcasses or parts thereof with the following data plainly written or printed thereon: names and addresses of the consignor and consignee, the number and kinds of carcasses or parts thereof, and that said contents are carcasses or parts thereof of domesticated game birds.

CHAPTER 979

An act to repeal Section 1290 of, and to add new Section 1290 to, the Fish and Game Code, relating to deer hides.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

Repeal

SECTION 1. Section 1290 of the Fish and Game Code is repealed.

SEC. 2. Section 1290 is added to said code, to read:

Use of deer hides

1290. The skin or hide of any deer lawfully taken and possessed for the period provided under Section 1288, may be sold, purchased, tanned, or manufactured into articles for sale.

CHAPTER 980

An act to amend Section 1281 of the Fish and Game Code, relating to deer.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1281 of the Fish and Game Code is amended to read:

Deer license tag

1281. The holder of a deer license tag shall carry said tag while hunting deer, and upon the killing of any deer, shall immediately fill out both parts of said tag and punch out clearly the date of the kill. One part of the deer license tag must be immediately attached to the antlers of such deer and kept attached during the open season and for ten (10) days thereafter. The other part of the tag must be immediately sent to the commission. Possession of any untagged deer shall be a violation of this section.

CHAPTER 981

An act to add Section 226.5 to the Elections Code, relating to affidavits of registration.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 226.5 is added to the Elections Code, to read:

Change of address, etc

226.5. Whenever the house number or the mailing address of a voter has been changed and the voter's residence is the same, the clerk, when notified in writing of such change either

by the voter or by the public agency authorizing such change, shall make the change on the voter's affidavit of registration and a new affidavit shall not be required.

CHAPTER 982

An act to amend Section 10786 of the Revenue and Taxation Code, and to amend Section 374 of the Vehicle Code, relating to exemptions of vehicles from certain fees.

[Approved by Governor June 11, 1951 Filed with Secretary of State June 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 10786 of the Revenue and Taxation Code is amended to read:

10786. The license fee imposed by this part does not apply to any vehicle owned by an educational institution of collegiate grade, not conducted for profit, having an enrollment of 5,000 students or more and having an acreage of 5,000 acres or more, if such vehicle is used for fire-fighting purposes within the limits of the acreage of such institution, and is operated principally on roads owned by such institution.

License fee inapplicable

SEC. 2. Section 374 of the Vehicle Code is amended to read:

374. Exemptions from registration fees.

Exemptions from fees

(a) The fees specified in this code except fees for duplicate license plates, certificates or cards need not be paid for any vehicle of a type subject to registration hereunder owned by any foreign government or by a counsel or other official representative thereof or by the United States or by any state or political subdivision thereof or by any municipality duly organized under the Constitution or laws of this State, nor for any like vehicle owned by a voluntary fire department organized under the laws of this State and used exclusively for fire-fighting purposes, nor for any like vehicle owned by and used exclusively in the operative work of any persons taxed for state purposes and exempt from the payment of license fees under the Constitution of this State (nor for any vehicle operated by the State, or by any county, city, district or political subdivision of the State, as lessee under a lease, lease-sale or rental-purchase agreement which grants possession of the vehicle to the lessee for a period of 12 months or more). (The exemption in this subsection pertaining to vehicles leased by the State, or by any county, city, district, or political subdivision of the State, under a lease, lease-sale, or rental-purchase agreement, is not applicable to any vehicle leased after the effective date of this section, as amended in 1940, which is used or maintained for the transportation of persons for hire, compensation, or profit.)

(b) The fees specified in this code except fees for duplicate license plates, certificates or cards need not be paid for any vehicle owned by an educational institution of collegiate grade not conducted for profit and having an enrollment of 5,000 students or more and having an acreage of 5,000 acres or more, if such vehicle is used for fire-fighting purposes within the limits of the acreage of such institution and is operated principally on roads owned by such institution.

(c) All such vehicles so exempt from the payment of registration fees shall be registered as otherwise required by this code by the person having custody thereof and such custodian shall display upon said vehicle a license plate or plates bearing distinguishing marks or symbols as hereinbefore specified which said plate or plates shall be furnished by the department free of charge.

CHAPTER 983

An act to add Section 459.6 to the Vehicle Code, relating to boundary line streets and highways and vehicles using the same.

In effect September 22, 1951

[Approved by Governor June 12, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 459.6 is added to the Vehicle Code, to read:

Boundary line streets and highways

459.6. Boundary Line Streets and Highways. With respect to boundary line streets and highways where portions thereof are within different jurisdictions, no rule or regulation adopted under Section 459 shall be effective as to such portion unless and until all authorities having jurisdiction of such portion of the street or highway concerned have approved the same.

CHAPTER 984

An act to add Section 5416 to the Health and Safety Code, relating to sanitary conditions on construction sites.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 5416 is added to the Health and Safety Code, to read:

Water closet regulations

5416. (a) There shall be not less than one water closet for each 20 employees or fractional part thereof working at a construction job site.

(b) The water closet shall consist of a patented chemical type privy, or a pit privy; provided, however, that a pit privy

shall consist of a pit at least four feet deep with a well-constructed shelter, the openings of which shall be flyproofed, and with respect to which adequate sanitary and safe flooring shall be provided. With the approval of the local health officer other types of toilet facilities or modifications of those specified may be allowed.

(c) For the purpose of this section the term construction site shall mean the location on which actual construction of a building is in progress. Construction site

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CHAPTER 985

An act to add Section 14551 to the Health and Safety Code, relating to fire protection districts.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 14551 is added to the Health and Safety Code, to read:

14551. (a) When land, upon which there are structural improvements owned, being acquired or leased by a district, is withdrawn from the district and included in a city by incorporation, annexation or otherwise, the city shall, if it succeeds to the rights of the district in such structural improvements, as a part of the division of property provided for in Section 14549, assume the outstanding liability of the district in connection with the acquisition or leasing of such improvements. Liability for structural improvements

(b) In every case where land, upon which there is a structural improvement owned, being acquired or leased by a district, is proposed to be annexed to a city, the clerk of such city shall cause written notice of such proposed annexation to be mailed to the governing body of such district. Such notice shall be sent not less than 10 days before the first public hearing upon such proposed annexation. Notice of proposed annexation

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CHAPTER 986

An act to amend Section 35311 of the Government Code, relating to the annexation of territory.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 35311 of the Government Code is amended to read:

35311. The city clerk of the annexing city shall cause a copy of the resolution to be published at least twice, but not oftener than once a week, in a newspaper of general circulation Publication of resolution

published in the city, and also in a newspaper of general circulation published outside of the city but in the county in which is located the territory proposed to be annexed; publication to be complete at least 20 days prior to the date set for the hearing. If there is no newspaper of general circulation published within the annexing city, he shall post a copy of the resolution not less than 20 days before the hearing in at least three conspicuous places within the territory.

Written notice

(a) The city clerk of the annexing city shall also cause written notice of such proposed annexation to be mailed to each person to whom land within the territory proposed to be annexed, is assessed in the last equalized county assessment roll available on the date the proceedings were initiated, at the address shown on said assessment roll or as known to said clerk, and to any person who has filed his name and address and the designation of the lands in which he has any interest, either legal or equitable, with said clerk.

Notice of proposed annexation of county land

(b) In the event any land within the territory proposed to be annexed to a city is owned by a county, the city clerk of the annexing city shall also cause written notice of such proposed annexation to be mailed to the board of supervisors of such county.

The notice referred to in subsections (a) and (b) shall be given not less than 20 days before the first public hearing on the proposed annexation.

CHAPTER 987

An act to amend Sections 26472, 26519, 26617, 26618, 26620, and to add Section 26518.5, and to repeal Section 26622 of the Health and Safety Code, relating to adulterations of meat, inspection of foods, prescribing duties of local food inspection agencies.

In effect September 22, 1951

[Approved by Governor June 11, 1951 Filed with Secretary of State June 12, 1951]

The people of the State of California do enact as follows:

SECTION 1. Section 26472 of the Health and Safety Code is amended to read:

Adulterated food

26472. A food shall be deemed to be adulterated:

Omission

(a) (1) If any valuable constituent has been in whole or in part omitted or abstracted therefrom; or

Substitution

(2) If any substance has been substituted wholly or in part therefor; or

Concealment

(3) If damage or inferiority has been concealed in any manner; or

Addition

(4) If any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight or reduce its quality or strength or make it appear better or of greater value than it is.

(b) If it is confectionery and it bears or contains any alcohol or nonnutritive article or substance except harmless coloring, harmless flavoring, harmless resinous glaze not in excess of four-tenths of 1 per centum, harmless natural gum and pectin. This subsection shall not apply to any confectionery by reason of its containing less than one-half of 1 per centum by volume of alcohol derived solely from the use of flavoring extracts, or to any chewing gum by reason of its containing harmless nonnutritive masticatory substances. Confectionery

(c) If it bears or contains a coal tar other than one from a batch which has been certified by the Federal Security Agency, Food and Drug Administration. Coal tar

(d) If any mineral oil has been added thereto or mixed or packed therewith. Mineral oil

(e) If it be fresh meat and it contains any chemical substance containing sulphites, sulphur dioxide, benzoate of soda or any other chemical preservative, or any substance which is not approved by the United States Bureau of Animal Industry, or the United States Department of Agriculture, or the Bureau of Animal Industry of the California State Department of Agriculture, or the California State Board of Public Health. Fresh meat

(f) If it be chopped or ground beef, or hamburger containing any substance other than the striated muscle of fresh beef; and the total fat content (determined by ether extract method of analysis) is in excess of 25 percent. Ground meat

(g) Nothing in this article shall be deemed to prohibit the introduction into meat or the addition to meat in the preparation of a meat food product as defined in Section 900 (v) of the California Meat Inspection Regulations, of common salt, sugar, wood smoke, cider vinegar, wine vinegar, malt vinegar, sugar vinegar, glucose vinegar, spirit vinegar, pure spices, saltpeter, nitrate of soda, nitrite of soda and potassium nitrite in natural state or in form of brine or pickling solutions; provided, no such substances shall increase the green or original weight by more than 10 percent of products which are not smoked or cooked and by not more than 1 percent of the green or original weight of products which are cooked or smoked. In the case of meat food products such as sausage or sausage loaves, 10 percent added water shall be permitted and allowed in smoked or cooked products of such nature and 3 percent in said products which are not cooked or smoked. Permitted additions

(h) If it be alimentary paste and contains any artificial color derived from coal tar or vegetable substances. Alimentary paste

(i) If it contains any saccharine or other nonnutritive sweetening agent. Saccharine

SEC. 2. Section 26518.5 is added to said code, to read:

26518.5. It shall be unlawful to refuse to permit, to attempt to prevent, or to prevent the free access of any agent of the board to any factory, warehouse, or establishment while open for business or in operation, in which food is, or is suspected of being manufactured, processed, packed or held contrary to law for introduction into commerce, or to any vehicle being used Unlawful acts

or suspected of being used contrary to law to transport or hold such food.

SEC. 3. Section 26519 of said code is amended to read:

Penalty

26519. Any person who violates any of the provisions of this chapter is guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than twenty-five dollars ($25) or more than five hundred dollars ($500), or by imprisonment in the county jail for a term not exceeding six months, or by both such fine and imprisonment.

If the violation is committed after a conviction of such person under this chapter has become final, such person shall be subject to imprisonment for not more than one year in the county jail, or a fine of not more than one thousand dollars ($1,000), or both such imprisonment and fine.

SEC. 5. Section 26617 of said code is amended to read:

Examinations

26617. A local food inspection and enforcement division shall make, or cause to be made, examinations and analyses of food which is suspected of being adulterated or misbranded and which is on sale within the territory where such local division has jurisdiction.

SEC. 6. Section 26618 of said code is amended to read:

Powers of agents, etc

26618. Within the territory over which a local division has jurisdiction, the health officer of any local food inspection and enforcement division and his deputies, shall have the same powers as are possessed by peace officers of this State.

SEC. 7. Section 26620 of said code is amended to read:

Hearings

26620. The health officer of the local food inspection and enforcement division shall set a time for a hearing, at which the parties may be heard before him. At least 15 days' notice of such hearing shall be served upon the parties interested. The hearing shall be private and confined to questions of fact. Appearances may be made in person or by attorney and testimony may be taken and evidence introduced as to the correctness of the findings made by the person making the examination or performing the analysis.

Repeal

SEC. 8. Section 26622 of said code is repealed.

CHAPTER 988

An act to amend Sections 28281, 28282, 28312, 28314, and the heading of Chapter 7 of Division 21 of, and add Sections 28280.1, 28282.5, 28292, and 28299 to, the Health and Safety Code, relating to sanitation in food processing plants and defining "food processing" establishments.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 28282 of said code is amended to read:

28282. The floors, side walls, ceiling, furniture, receptacles, utensils, implements, and machinery of every food processing establishment shall at no time be kept in an unclean, unhealthful, or unsanitary condition. Sanitation of floors, walls, etc

Any of the following is deemed to be "an unclean, unhealthful, or unsanitary condition": "Unclean, unhealthful or unsanitary condition"

(a) If food in the process of manufacture, preparation, packing, storing, sale, or distribution is not securely protected from flies, dust, or dirt, and from all other foreign or injurious contamination.

(b) If refuse, dirt, and waste products subject to decomposition and fermentation incident to the manufacture, preparation, packing, storing, selling, and distributing of food, are not removed daily.

(c) If all trucks, trays, boxes, baskets, buckets, other receptacles, chutes, platforms, racks, tables, shelves, knives, saws, cleavers, and all other utensils, receptacles, and machinery used in moving, handling, cutting, chopping, mixing, canning, and all other processes employed in the preparation of food are not thoroughly cleaned daily.

(d) If the clothing of employees is unclean or if they dress, undress, or leave or store their clothing in the place where the food is produced, prepared, manufactured, packed, sold or distributed.

SEC. 2. Section 28282.5 is added to said code, to read:

28282.5. No live animal or fowl shall be kept or allowed in any establishment where food is prepared, manufactured, kept, stored, offered for sale or sold unless such establishment is exclusively devoted to the slaughter, processing and/or sale of such animal or fowl. Live animal or fowl

SEC. 3. Section 28292 is added to said code, to read:

28292. No employee or other person shall sit or lie upon any table, bench, trough, shelf, or other equipment which is intended for use in connection with any food manufacturing process. Prohibited acts

SEC. 5. Section 28312 of said code is amended to read:

28312. The provisions of this article in reference to sterilization procedures and methods in cleaning bottles, as in this article defined, shall apply to all persons cleaning previously used bottles who are engaged in the business of packaging food, drugs, or liquors and to all persons maintaining a place of business for the cleaning and resale of such bottles sold for and to be used for packing a food, drug or liquor. Application of provisions

The sale for use of any such bottle by any person not licensed by the board as herein provided, when the use intended by purchaser is to package for sale a food, drug or liquor produced or packaged by such purchaser is unlawful, except in the case of a sale to a purchaser for export out of this State or who is engaged in the business of packaging food, drugs or liquors at a fixed place of business in this State and is equipped to cleanse and sterilize bottles as in this article provided. Unlawful sale Exception

SEC. 6. Section 28314 of said code is amended to read:

Standards

28314. An establishment is deemed properly equipped for the cleansing and sterilization of bottles if it maintains and employs the following standards:

(a) Cleanses and sterilizes bottles by first soaking them in a hot caustic solution of not less than 120 degrees F. for a period of not less than five minutes which temperature shall be indicated by a thermometer. The solution shall contain not less than 2½ percent of caustic soda expressed in terms of sodium hydrates.

(b) Changes the cleansing solution frequently so as to prevent its becoming foul and insanitary.

(c) Thoroughly rinses the bottles after the soaking.

SEC. 7. Section 28299 is added to said code, to read:

California Food Sanitation Act

28299. The sections contained in Article 1 of Chapter 7 of Division 21 of the Health and Safety Code are to be known as the California Food Sanitation Act.

SEC. 8. Section 28280.1 is added to said code, to read:

"Food processing establishment"

28280.1. "Food processing establishment," as used in this chapter, shall mean any room, building or place or portion thereof, maintained, used or operated for the purpose of commercially storing, packaging, making, cooking, mixing, processing, bottling, canning, packing, slaughtering or otherwise preparing or handling food except restaurants.

SEC. 9. Section 28281 of said code is amended to read:

Proper lighting, etc

28281. Every food processing establishment shall be properly lighted, drained, plumbed, and ventilated; and shall be conducted with strict regard to the influence of lighting, drainage, plumbing, and ventilation upon the health of persons therein employed, and upon the purity and wholesomeness of the food therein produced, prepared for sale, manufactured, packed, stored, kept, handled, sold, or distributed.

SEC. 10. The heading of Chapter 7 of Division 21 of said code is amended to read:

CHAPTER 7. FOOD SANITATION

CHAPTER 989

An act to amend Sections 19533, 19533.1, 19533.2, 19534, 19535, 19536, 19537, and 19397 of, and to add Section 19533.3 to, the Government Code, relating to layoff or demotion in the state civil service.

In effect September 22, 1951

[Approved by Governor June 12, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 19533 of the Government Code is amended to read:

Layoffs Efficiency and seniority

19533. Layoff shall be made in accordance with the relative efficiency and seniority of the employees in the class of

layoff. Except as otherwise provided in this part, in determining seniority, one point shall be allowed for each complete month of full-time state service in the class of layoff or demotion and in classes that, at the time notice of layoff is given, have the same or a higher maximum salary. One-half point shall be allowed for each complete month of full-time state service in all other classes. Board rules shall establish: (a) the basis for taking into account relative efficiency; (b) the extent to which seniority credits may be granted for less than full-time service; (c) the seniority credit to be granted for service in a class that has been abolished, combined, divided, or otherwise altered under the authority of Section 18802; (d) the basis of determining the sequence of layoff whenever the class and subdivision of layoff includes employees whose service is less than full time; and (e) such other matters as are necessary or advisable to the operation of the provisions of this chapter.

SEC. 2. Section 19533.1 of said code is amended to read:

Order of layoff due to reinstatement after military service

19533.1. Separations that are necessary by reason of reinstatement of an employee or employees after recognized military service as provided for in Section 19390 shall be made by layoff. In making such separations, the regular method of determining the order of layoff shall be used unless this would result in the layoff of an employee who has been reinstated in the class and subdivision of layoff under the provisions of Section 19390, and in the retention of an employee who was appointed in the class and subdivision of layoff during the time such a reinstated employee was on military leave. Under such circumstances, seniority shall not be counted as provided in Section 19533. Instead, service in the subdivision of layoff that qualifies under Section 19533 for credit at the rate of one point a month is the only state service that shall be counted.

Whenever such a layoff results in the demotion to a lower class of an employee who has been reinstated after recognized military service as provided in Section 19390, the resulting layoff, if any, in the lower class shall be made as though that reinstated employee had been in that lower class at the time he went on military leave.

Until such time as the next regular report of performance has been filed for him, an employee reinstated as provided in Section 19390 shall be presumed, only for purposes of layoff determinations, to have an efficiency rating equal to the highest efficiency rating of any employee in the class and subdivision of layoff.

Any layoff occurring within one year after reinstatement of an employee after recognized military service shall be presumed to have been necessary by reason of reinstatement of an employee or employees under Section 19390.

SEC. 3. Section 19533.2 of said code is amended to read:

Veterans

19533.2. A veteran, except a veteran who was reinstated from military leave, shall in the event of layoff receive seniority credit for recognized military service only as follows:

(a) The veteran must have entered the state service within one year after date of discharge or the end of the national emergency or the end of the state military emergency, whichever of these dates is the earlier, or; if more than one year has elapsed, he shall receive such credit if he had no intervening employment other than seasonal or temporary work.

(b) Such credit for recognized military service shall be computed as if it were service in the class to which the employee was first given permanent civil service or exempt appointment after his entry into the state service following recognized military service.

(c) Such seniority credits shall be forfeited in the event of a break in service as provided in Section 19143.

SEC. 4. Section 19533.3 is added to said code, to read:

Reinstated veteran Layoff seniority credits

19533.3. A veteran who was reinstated from military leave shall receive layoff seniority credits for the time spent on such leave on the same basis as if it were service in the class with the highest maximum salary to which he received appointment within one year after his return from such leave. Such seniority credits shall be forfeited in the event of a break in service as provided in Section 19143.

SEC. 5. Section 19534 of said code is amended to read:

Order of layoffs

19534. The employees in the class under consideration having the lowest combined scores for efficiency and seniority, up to the number of positions to be abolished or discontinued, shall be laid off. As between two or more such employees who have the same score veterans shall have preference in retention. Other ties shall be resolved according to board rule which shall take into consideration relative efficiency, relative length of state service and other matters of record before names are drawn by lot.

SEC. 6. Section 19535 of said code is amended to read:

Demotion in lieu of layoff

19535. In lieu of being laid off an employee may elect demotion to: (a) any class with the same or a lower maximum salary in which he had served under permanent or probationary status, or (b) a class in the same line of work as the class of layoff, but of lesser responsibility, if such a class is designated by the board. Whenever such a demotion requires a layoff in the lower class, the seniority score for the demoted employee shall be recomputed in the lower class. To be considered for demotion in lieu of layoff an employee must notify his appointing power in writing of such election not later than 10 calendar days after receiving notice of layoff.

Demotions in lieu of layoff, and layoffs resulting therefrom, shall be governed by the provisions of this article and shall be made within the subdivisions approved by the board for this purpose.

SEC. 7. Section 19536 of said code is amended to read:

Replaced employee Option of demotion

19536. Any employee replaced by such demotion has the same option of demotion afforded by Section 19535 as if his position had been abolished or discontinued.

Any employee demoted pursuant to this article shall receive the maximum of the salary range of the class to which he is demoted; provided, that such salary is not greater than the salary he received at the higher classification at the time of demotion.

SEC. 8. Section 19537 of said code is amended to read:

19537. The names of employees to be laid off or demoted shall be placed upon the re-employment list for the subdivision, if such a subdivision was designated, upon the departmental re-employment list and upon the general re-employment list, for the class from which the employees were laid off or demoted. The board may also place such names upon the general re-employment list for such other appropriate classes as the board determines. Re-employment lists

SEC. 9. Section 19397 of said code is amended to read:

19397. Time spent on military leave, including rehabilitation afforded by the United States or the State following recognized military service by any person who has an absolute right to be restored to his former position in the state civil service shall be considered as time spent in state service for the purpose of computing rights to merit salary adjustments at the time of return to state service. Seniority rights and salary adjustments

CHAPTER 990

An act to amend Section 525.1 of the Vehicle Code, relating to the operation of motor vehicles.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 525.1 of the Vehicle Code is amended to read:

525.1. Driving in Right Hand Lane. Notwithstanding the prima facie speed limits, upon all highways any vehicle proceeding at less than the normal speed of traffic thereon shall be driven in the right hand lane for traffic or as close as practicable to the right hand edge or curb, except when overtaking and passing another vehicle proceeding in the same direction or when preparing for a left turn at an intersection or into a private road or driveway. Driving in right hand lane

CHAPTER 991

An act to amend Section 585 of the Vehicle Code, relating to authority of officers.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 585 of the Vehicle Code is amended to read:

Removal of vehicles from highways; When authorized

585. When Officers Authorized to Remove Vehicles From Highways. (a) It is unlawful for any peace officer or any unauthorized person to remove any unattended vehicle from a highway to a garage or from said highway to any other place, except as provided in this section.

(b) Any member of the California Highway Patrol or any regularly employed and salaried deputy of the sheriff's office of a county in which a vehicle is located or any regularly employed and salaried officer of a police department in a city in which a vehicle is located is hereby authorized to remove a vehicle from a highway to the nearest garage or other place of safety or to a garage designated or maintained by the governmental agency of which the officer is a member only under the circumstances hereinafter enumerated.

(1) When any vehicle is left unattended upon any bridge, viaduct or causeway or in any tube or tunnel where such vehicle constitutes an obstruction to traffic.

(2) When any vehicle is illegally parked so as to block the entrance to a private driveway and it is impracticable to move such vehicle from in front of the driveway to another point on the highway.

(3) When any vehicle is found upon a highway and report has previously been made that such vehicle has been stolen or complaint has been filed and a warrant thereon issued charging that such vehicle has been embezzled.

(4) When any such officer has reasonable ground to believe that any vehicle upon a highway has been abandoned.

(5) When a vehicle upon a highway is so disabled as to constitute an obstruction to traffic and the person or persons in charge of the vehicle are by reason of physical injuries incapacitated to such an extent as to be unable to provide for its custody or removal.

(6) When an officer arrests any person driving or in control of a vehicle for an alleged offense and such officer is by this code or other law required to take the person arrested immediately before a magistrate.

(7) When a vehicle is illegally parked on a highway in violation of local ordinance forbidding standing or parking and the use of a highway or a portion thereof is necessary for repair, construction, the installation of underground utilities or where the use of the highway or any portion thereof is authorized by local authorities for a purpose other than the normal flow of traffic; or for the movement of equipment, articles or structures of unusual size; and the parking of such vehicle would prohibit or interfere with such use or movement and signs are erected or placed at least 24 hours prior to the removal by local authorities pursuant to ordinance.

Notice of removal, etc

(c) Whenever an officer removes a vehicle from a highway as authorized in this section and the officer knows or is able to ascertain from the registration records in the vehicle or from the registration records of the department the name and address of the owner thereof, such officer shall immediately give

or cause to be given notice in writing to such owner of the fact of such removal, the grounds thereof and of the place to which such vehicle has been removed. In the event any such vehicle is stored in a public garage a copy of such notice shall be given to the proprietor of such garage.

Notice to department

(d) Whenever an officer removing a vehicle from a highway under this section does not know and is not able to ascertain the name of the owner or for any other reason is unable to give the notice to the owner as hereinbefore provided and in the event the vehicle is not returned to the owner within a period of 120 hours, then and in that event the officer shall immediately send or cause to be sent written report of such removal by mail to the department at Sacramento and shall file a copy of such notice with the proprietor of any public garage in which the vehicle may be stored. Such report shall be made on a form furnished by the department and shall include a complete description of the vehicle, the date, time and place from which removed, the grounds for such removal and the name of the garage or place where the vehicle is stored.

Notice by department

(e) The department upon receiving a notice as hereinbefore provided of the removal of any vehicle from a highway shall notify the registered and legal owner in writing at the addresses of such persons as shown by the records of the department, if the vehicle is registered in this State, of the removal of such vehicle, and give the name of the police officer reporting such removal, the grounds upon which the removal was authorized and the location of the vehicle. If the vehicle is not registered in this State, the department shall make reasonable effort to notify the legal or registered owner of the removal and location of the vehicle.

Garage keeper's lien

(f) Whenever any vehicle has been removed to a garage under the provisions of this section and the keeper of such garage has received the notice or notices from the arresting officer as provided herein, said keeper shall have a lien dependent upon possession for his compensation for towage and for caring for and keeping safe such vehicle for a period not exceeding 90 days and, if said vehicle is not recovered by the owner within said 90 days or the owner is unknown, the keeper of said garage may satisfy his lien in the manner and after giving the notices required in Sections 427, 428, 428.5, and 429 of this code

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CHAPTER 992

An act to amend Section 6407 of the Health and Safety Code, relating to sanitary districts

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 6407 of the Health and Safety Code is amended to read:

Inapplicable provisions Stats 1951, Ch 331

6407. Districts formed or proposed to be formed under this division of this code are not subject to the "District Investigation Act of 1933."

CHAPTER 993

An act to add Section 2508 to the Welfare and Institutions Code, relating to work relief projects for persons receiving county aid and relief to indigents.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 2508 is added to the Welfare and Institutions Code, to read:

Work relief projects

2508. Work relief projects conducted pursuant to Section 2505 which consist of the work of repairing or maintaining any shipping facility or public building shall not be subject to the competitive bidding statute expressed in Sections 25450 and following of the Government Code where the work is to be done entirely by indigents, except that those providing supervision need not be indigents. In counties employing a purchasing agent, the materials and supplies used in such a project may be purchased by the purchasing agent without limit and without the formality of obtaining bids, letting contracts, preparing specifications, and the other formalities otherwise required by law.

CHAPTER 994

Stats 1925, p 648, amended

An act to amend Section 7f of an act entitled "An act authorizing the establishment of municipal courts, prescribing their constitution, regulation, government, procedure and jurisdiction, and providing for the election and appointment of the judges, clerks and other attaches of such courts, their terms of office, qualification and compensation and for the selection of jurors therein," approved May 23, 1925, relating to traffic commissioner.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 7f of the act cited in the title hereof is hereby amended to read as follows:

Los Angeles municipal court Traffic commissioner

Sec. 7f. The judges of the municipal court in cities of the first and one-half class shall appoint a traffic commissioner who shall hold office at the pleasure of the judges and receive a salary of seven hundred seventy dollars ($770) per month.

Such officer, in addition to the duties herein enumerated and without additional compensation, provided he possesses the qualifications prescribed by law for such office, may be appointed and serve as a general commissioner of said court as

provided in Section 7c of this act. He shall be a member of any retirement system which includes attaches of said court.

CHAPTER 995

An act to amend Section 7e of an act entitled "An act authorizing the establishment of municipal courts, prescribing their constitution, regulation, government, procedure and jurisdiction, and providing for the election and appointment of the judges, clerks and other attaches of such courts, their terms of office, qualification and compensation and for the selection of jurors therein," approved May 23, 1925, relating to secretary and jury commissioner.

Stats 1925, p 648, amended

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7e of the act cited in the title hereof is hereby amended to read as follows:

Sec. 7e. The judges of the municipal court in cities of the first and one-half class shall appoint a secretary and jury commissioner, who shall hold office at the pleasure of the judges and receive a salary of eight hundred twenty-five dollars ($825) per month.

Los Angeles municipal court Secretary and jury commissioner

Such officer shall exercise all of the powers of jury commissioners of superior courts insofar as the same are applicable to the municipal courts, and, in addition thereto, and without additional compensation, may be appointed and serve as a general commissioner of said court as provided in Section 7c of this act; provided, he possesses the qualifications prescribed by law for such office. He shall be a member of any retirement system which includes attaches of said court.

CHAPTER 996

An act to amend Section 7c of an act entitled "An act authorizing the establishment of municipal courts, prescribing their constitution, regulation, government, procedure and jurisdiction, and providing for the election and appointment of the judges, clerks and other attaches of such courts, their terms of office, qualification and compensation and for the selection of jurors therein," approved May 23, 1925, relating to commissioners.

Stats 1925, p 648, amended

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 7c of the act cited in the title hereof is hereby amended to read as follows:

Sec. 7c. The judges of the municipal court in cities of the first and one-half class shall appoint as many commissioners,

Los Angeles municipal court Commissioners

not exceeding four, as the business of the court may require, each of whom shall possess the same qualifications as are required by law to be possessed by a judge of said court, and who shall, within the jurisdiction of the court and under the direction of the judges thereof, exercise all of the powers and perform all of the duties authorized by law to be performed by commissioners of the superior court and such additional powers and duties as may be prescribed by law. Such commissioners shall hold office at the pleasure of the judges and shall receive six hundred sixty dollars ($660) per month. Such commissioners shall be ex officio deputy clerks of the court and shall be members of any retirement system which includes attaches thereof.

CHAPTER 997

An act to amend Section 11 and to add Section 11.1 to the County Water Authority Act, Chapter 545, Statutes of 1943 as amended, relating to county water authorities.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 11 of the County Water Authority Act is amended to read:

Exclusion of territory

Sec. 11. (a) Exclusion of territory from any county water authority may be effected by either of the following methods:

Territory excluded from corporate area of public agency

(1) Territory excluded from that portion of the corporate area of any public agency which lies within the exterior boundaries of a county water authority, said public agency being a unit of said authority, and which exclusion occurs in accordance with the provisions of law applicable to such exclusions, shall thereby be excluded from and shall no longer be a part of such authority; provided, that the taxable property within such excluded territory shall continue taxable by such county water authority for the purpose of paying the bonded or other indebtedness outstanding or contracted for at the time of such exclusion and until such bonded or other indebtedness shall have been satisfied; provided, further, that if the taxable property within such excluded territory or any part thereof shall be, at the time of such exclusion, subject to special taxes levied, or to be levied, by such county water authority pursuant to terms and conditions theretofore fixed under the provisions of paragraph (c) or paragraph (d) of Section 10 of this act for the annexation of such excluded territory or part thereof to such county water authority, the taxable property within such excluded territory or part thereof so subject to such special taxes shall continue taxable by such county water authority for the purpose of raising the aggregate sum or sums to be raised by the levy of special taxes upon taxable property within the respective annexing area or

areas pursuant to terms and conditions for such annexation or annexations as so fixed and until such aggregate sum or sums shall have been so raised by such special tax levies.

Corporate area of public agency as a unit

(2) Any public agency whose corporate area as a unit shall have become or is a part of any county water authority may obtain the exclusion of such area therefrom in the following manner:

Election

The governing body of any such public agency may submit to the electors thereof at any general or special election the proposition of excluding from such county water authority the corporate area of such public agency. Notice of such election shall be given in the manner provided in paragraph (c) of Section 10 hereof. Such election shall be conducted and the returns thereof canvassed in the maner provided by law for the conduct of elections in said public agency. In the event that the majority of electors voting thereon vote in favor of such withdrawal, the result thereof shall be certified by the governing body of such public agency to the board of directors of the county water authority. A certificate of the proceedings hereunder shall be made by the secretary of the county water authority and filed with the Secretary of State; and upon the filing of such certificate the corporate area of such public agency shall be excluded from the said county water authority and shall no longer be a part thereof; provided, that the taxable property within such excluded area shall continue taxable by said county water authority for the purpose of paying the bonded and other indebtedness of said county water authority outstanding or contracted for at the time of such exclusion and until such bonded or other indebtedness shall have been satisfied; provided, further, that if the taxable property within such excluded area or any part thereof shall be, at the time of such exclusion, subject to special taxes levied or to be levied by said county water authority pursuant to terms and conditions theretofore fixed under the provisions of paragraph (c) or paragraph (d) of Section 10 of this act for the annexation of such excluded area or part thereof to said county water authority, the taxable property within such excluded area or part thereof so subject to such special taxes shall continue taxable by said county water authority for the purpose of raising the aggregate sum or sums to be raised by the levy of special taxes upon taxable property within the respective annexing area or areas pursuant to terms and conditions for such annexation or annexations as so fixed and until such aggregate sum or sums shall have been so raised by such special tax levies. Upon the filing in his office of the aforesaid certificate of proceedings the Secretary of State shall, within 10 days, issue his certificate, reciting the filing of said papers in his office and the exclusion of the corporate area of such public agency from such county water authority. The Secretary of State shall transmit the original of his said certificate to the secretary of such county water authority and shall forward a certified copy thereof to the county clerk of the county in which such county water authority is situated.

Description of boundaries

(b) Whenever territory is excluded from any public agency in accordance with the provisions of subparagraph (1) of paragraph (a) of this section, the governing body, or clerk, of such public agency shall file with the board of directors of such county water authority a statement of the change of boundaries of such public agency, setting forth the legal description of the boundaries of such public agency, as so changed, and of the part thereof within such county water authority, which statement shall be accompanied by a map or plat indicating such boundaries.

Prior exclusion from public agency

(c) Whenever any territory shall have been excluded from any public agency prior to the effective date of this section, under conditions which would have resulted in the exclusion of said territory from a county water authority had the provisions of subparagraph (1) of paragraph (a) of said section then been in effect, upon compliance with the following provisions of this paragraph (c), such territory shall be excluded from and shall no longer be a part of, said authority, the last-mentioned provisions being as follows:

Ordinance

(1) The governing body of such public agency, at any time after the effective date of this subparagraph (1) may adopt an ordinance which, after reciting that such territory has been excluded from such public agency by proceedings theretofore taken under statutory authority, and after referring to the applicable statutes and to the date or dates upon which such exclusion became effective, shall describe said territory and shall determine and declare that said territory shall be, and thereby is, excluded from such county water authority.

Same: Filing

(2) The governing body, or clerk thereof, of such public agency shall file a certified copy of such ordinance with the Secretary of State of the State of California. Upon the filing of said certified copy of such ordinance in the Office of the Secretary of State, such territory shall be excluded from and shall not longer be a part of, said county water authority; provided, that the taxable property within such excluded territory shall continue taxable by such county water authority for the purpose of paying the bonded or other indebtedness outstanding or contracted for at the time of such exclusion, and until such bonded or other indebtedness shall have been satisfied; provided, further, that if the taxable property within such excluded territory or any part thereof shall be, at the time of such exclusion, subject to special taxes levied or to be levied by such county water authority pursuant to terms and conditions theretofore fixed under the provisions of paragraph (c) or paragraph (d) of Section 10 of this act for the annexation of such excluded territory or part thereof to such county water authority, the taxable property within such excluded territory or part thereof so subject to such special taxes shall continue taxable by such county water authority for the purpose of raising the aggregate sum or sums to be raised by the levy of special taxes upon taxable property within the respective annexing area or areas pursuant to terms and conditions for such

annexation or annexations as so fixed, and until such aggregate sum or sums shall have been so raised by such special tax levies

(3) Upon the filing in his office of the aforesaid certified copy of such ordinance, the Secretary of State shall, within 10 days, issue his certificate, describing such territory, reciting the filing of said certified copy of such ordinance in his office and the exclusion of said territory from such county water authority, and declaring that the said territory is no longer a part of said county water authority. The Secretary of State shall transmit the original of his said certificate to the secretary of such county water authority and shall forward a certified copy of his said certificate to the county clerk of the county in which such county water authority is situated. Certificate

SEC. 2. Section 11.1 is added to said act, to read:

Sec. 11.1. Any territory within a county water authority which lies within two or more public agencies, the corporate areas of which are included within such county water authority as separate units, shall, subject to the conditions hereinafter provided, for the purposes of this act and for all related purposes (other than local purposes of such public agencies) involving in any manner the respective territorial boundaries and jurisdiction of such public agencies, be considered to be a part of the respective public agency which will supply water to such overlapping territory, as determined in the manner provided herein; provided, that if the taxable property within such overlapping territory or any portion thereof shall be subject to special taxes levied or to be levied by such county water authority pursuant to terms and conditions theretofore fixed under the provisions of paragraph (c) or paragraph (d) of Section 10 of this act for the annexation of such overlapping territory or portion thereof to such county water authority, then such taxable property within such overlapping territory shall continue taxable by such county water authority for the purpose of raising the aggregate sum or sums to be raised by the levy of such special taxes pursuant to terms and conditions for such annexation or annexations as so fixed and until such aggregate sum or sums shall have been so raised by such special tax levies; and provided, further, that the public agency of which such overlapping territory shall be considered to be a part shall be determined in the following manner and subject to the following conditions: Jurisdiction over overlapping territory

(1) The governing body of each public agency in which any such overlapping territory lies, shall, on or before October 1st of any calendar year, file with the board of directors of the authority a certified copy of a resolution of such governing body which shall contain a legal description of any such overlapping territory or portion thereof which will be supplied with water by such public agency during the next ensuing fiscal year commencing July 1st next following, and such certified copy of such resolution so filed shall be accompanied by a map or plat showing the respective boundaries of each Manner of determining

overlapping territory or portion thereof so to be supplied with water by such public agency.

(2) On or before November 1st of such calendar year, the board of directors of the authority shall consider all documents so filed with the authority as required under subparagraph (1) above, and by resolution shall determine which public agency will supply water to each such overlapping territory or portion thereof during the next ensuing fiscal year commencing July 1st next following; in the event that the board of directors of the authority, from the evidence submitted, cannot determine which public agency will supply water to any overlapping territory or portion thereof, then the board of directors shall determine that such overlapping territory or portion thereof shall be considered to be a part of, and shall designate, the public agency within which such overlapping territory or portion thereof first was included; and such resolution shall contain a legal description of each such overlapping territory or portion thereof respecting which any such determination is made.

(3) The board of directors of the authority, on or before November 20th of such calendar year, shall file with the county assessor of the county in which such overlapping territory shall lie and with the State Board of Equalization and in the event that such county water authority shall be included within a metropolitan water district as a separate unit then also with the board of directors of such metropolitan water district, a certified copy of such resolution of the board of directors of the authority so determining the matters required to be determined by it under subparagraph (2) above, accompanied by map or maps or plat or plats showing the respective boundaries of each overlapping territory or portion thereof described in such resolution.

Effect of determination

(4) Any determination made by the board of directors of the authority and evidenced by the filing of the documents required by subparagraph (3) hereof shall be effective until changed by later determination by said board of directors and the evidencing thereof by the filing of the required documents.

No determination

(5) Any overlapping territory or portion thereof respecting which no determination shall have been made by the board of directors of the authority and evidenced by the filing of the documents required by subparagraph (3) hereof shall be considered to be a part of the public agency within which such overlapping territory or portion thereof first was included.

CHAPTER 998

An act to amend Sections 1261 and 1262 of the Fish and Game Code, relating to archery hunting licenses.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1261 of the Fish and Game Code is amended to read:

1261. Any person taking deer pursuant to Sections 1260 to 1263 inclusive must possess a valid hunting license. Hunting license

Archery deer tags shall be issued for the same price and in the same manner as regular deer tags. No regular deer tags shall be issued to a person to whom archery deer tags are issued in the same year. Archery deer tags

SEC. 2. Section 1262 of the Fish and Game Code is amended to read:

1262. A person to whom such archery deer tags have been issued may take deer during such archery season but shall not take or attempt to take deer in any manner during the following open deer season. Same

SEC. 3. This act shall become effective with the issuance of licenses for the 1952 hunting season. Operative date

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CHAPTER 999

An act to add Sections 2107 and 2108 to the Education Code, relating to boards of education of chartered cities.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 2107 is added to the Education Code, to read:

2107. Whenever the charter of a city comprising in whole or in part an elementary school district, fails to provide for the manner in which, the times at which, and the terms for which the members of the board of education of such city are appointed, and for the number which shall constitute such board, the governing board of the elementary school district within which the city is located or with which the city is coterminous is the board of education of the city. Board of education of city

SEC. 2. Section 2108 is added to said code, to read:

2108. The board of education of a city referred to in Section 2107 when composed by law of only three members, may provide by a resolution adopted by the unanimous vote of all its members and approved by the governing body of such city prior to the first day of March of any school year, that the board of education of such city shall, effective on the next succeeding first day of July, consist of five members whose terms of office shall be three years except as provided in this section. Increase in number of board members

The three members of the board of education in office at the time said resolution is adopted and approved shall serve for the remainder of the terms for which they were elected or appointed. An election for members of the governing board of the school district shall be held annually following the adoption and approval of such resolution, at the same time as the election provided for in Article 1 of Chapter 4 of this division. At the first such election three members shall be elected to the city board of education, two to serve for three years, and one to serve for two years; at the second such election, one member

shall be elected to said board to serve for three years; and at the third such election two members shall be elected to said board to serve for three years. Thereafter an election shall be held every year to fill vacancies which will occur during said year because of the expiration of terms of members.

Election procedure

All elections held under this section shall be called, held, and conducted as provided in Article 1 of Chapter 4 of this division and all provisions of said article and of Articles 4 and 5 are applicable to boards of education elected pursuant to this section.

CHAPTER 1000

An act to amend Section 4845.28 of, and add Sections 4738 and 4742.1 to, the Health and Safety Code, relating to county sanitation districts.

In effect September 22, 1951

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 4845.28 of the Health and Safety Code is amended to read:

Election to join new district

4845.28. The unincorporated territory shall not thereafter become a part of the same or any other county sanitation district unless the question of annexation or inclusion within a district is approved by a majority of the qualified electors of the territory so withdrawing, voting at an election on the proposition of annexation or inclusion; except that as to any part or portion of such territory which has heretofore been withdrawn and which is contiguous to an existing district and uninhabited, such part or portion may be annexed to the district pursuant to Article 7 of this chapter, without the necessity of holding an election, upon the filing of a petition with the district board signed by the owner or owners of such part or portion.

"Uninhabited"

As used in this section, "uninhabited" means having less than three electors at the time of the last general election next preceding the filing of the petition for annexation.

SEC. 2. Section 4738 is added to Article 4, Chapter 3, Part 3, Division 5, of said code, to read:

Actions

4738. A county sanitation district may sue and be sued by its own name.

SEC. 3. Section 4742.1 is added to said code, to read:

Contract for sewage disposal, etc

4742.1. It may contract with any district, city, governmental agency or person for the handling, treatment or disposal by the district of sewage or industrial wastes originating within the district or county or within areas outside of the district or county when, in the judgment of the district board, it is for the best interest of the district to do so, upon such terms and conditions as may be agreed upon; provided, that the contract shall be for such term as agreed upon, but in no event for a term in excess of 50 years, or for such time as in the judgment of the district board the district shall have the capacity for handling, treatment or disposal of such sewage or industrial wastes.

CHAPTER 1001

An act to amend Section 19368 of the Government Code, relating to employees in the State Civil Service.

[Approved by Governor June 11, 1951 Filed with Secretary of State June 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 19368 of the Government Code is amended to read:

19368. Whenever any position is changed by the adoption of new, different or additional machines or processes while the purpose or product is the same or similar in nature, any civil service employee affected shall be given reasonable opportunity without change in class, status or salary to learn to do the work with the new machine or process and to qualify for status in the different class of position required for such work; provided, that an employee may not be promoted to a higher class under the provisions of this section. An employee who qualifies for appointment in the different class shall be deemed to possess the specific education, experience or other requirements for such class and shall be appointed thereto with the same status and seniority which he last had in his previous class.

New machines, etc

An employee shall be deemed to be affected under this section if the adoption of such new, different or additional machines or processes results in his being laid off and if laid off such employee shall have the same opportunity to qualify for appointment to any vacancy in the same class or any new class created because of the adoption of such new, different or additional machines or processes as any other employee affected by the provisions in this section who was not laid off.

The board may prescribe rules and procedures and make determinations for carrying out the provisions of this section including provisions for such examinations and tests of fitness as are deemed appropriate.

CHAPTER 1002

An act to amend Section 17 of the Los Angeles County Flood Control Act, relating to the Los Angeles County Flood Control District.

Stats 1915, p 1502

[Approved by Governor June 11, 1951 Filed with Secretary of State June 12, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 17 of the Los Angeles County Flood Control Act is amended to read:

Cooperation with State, etc.

Sec. 17. Said board of supervisors of said district shall have full power and authority to cooperate with and to act in conjunction with the State of California, or any of its engineers, officers, boards, commissions, departments or agencies, or with the government of the United States, or any of its engineers, officers, boards, commissions, departments or agencies, or with any public or private corporation, in the construction, operation and maintenance of any work for the controlling of flood or storm waters of said district, or for the protection of property, or any of the harbors, channels, waterways, roads or highways in said district, or for the purpose of conserving said waters or waters imported from without the district or waters reclaimed from sewage or other wastes when such imported or reclaimed waters are furnished without cost to the district, including, but not limited to, surface and subsurface storage, for beneficial use and to adopt a definite plan or system of work for such purpose, and when so adopted no substantial change affecting their interest shall thereafter be made in the same without the express consent of the officer, board, commission, department or agency of the State or Federal Government, or public or private corporation, in conjunction with which the same was originally adopted. Expenditures for the purpose of conserving such imported or reclaimed waters may be made from funds derived from taxes levied pursuant to Section 14 of this act but such expenditures therefrom shall not exceed an amount equal to the amounts levied under the provisions of said Section 14 within the area specially benefited by the conservation of such imported or reclaimed waters.

Said board of supervisors of said district shall have full power and authority to contract with any municipality, irrigation district, or metropolitan water district, for the construction by such municipality, irrigation district, or metropolitan water district, at its own expense under plans approved by said flood control district, of works for the enlargement and increase of storage capacity of any reservoir, work, or structure used or to be used for the controlling and conservation of flood or storm waters of said flood control district, and to authorize by contract, or otherwise, the use by any such municipality, irrigation district or metropolitan water district of said enlarged and increased storage capacity or space thereby created, of such reservoir, work, or structure in excess of that now designed and approved for controlling and conserving the flood or storm waters, of said Los Angeles County Flood Control District, and for the storage and release of waters coming entirely from points outside of said flood control district; provided, however, such use of such enlarged and increased space or storage capacity shall at all times be subject to the use and control of said Los Angeles County Flood Control District for the controlling or conservation of such flood or storm waters by the said flood control district.

CHAPTER 1003

An act to amend Section 5704 of the Labor Code, relating to workmen's compensation.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 5704 of the Labor Code is amended to read:

5704. Transcripts of all testimony taken without notice and copies of all reports and other matters added to the record, otherwise than during the course of an open hearing, shall be served upon the parties to the proceeding, and an opportunity shall be given to produce evidence in explanation or rebuttal thereof before decision is rendered. Transcripts

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CHAPTER 1004

An act to amend Section 3.3 of the Mount San Jacinto Winter Park Authority Act, relating to the Mount San Jacinto Winter Park Authority. Stats. 1945, p. 2007

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 3.3 of Mount San Jacinto Winter Park Authority Act is amended to read:

Sec. 3.3. The powers and activities of the authority are limited to the following sections in T. 4 S., R. 3 and 4 E., S. B. B. & M.; Secs. 3, 5, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28 and the south one-half (½) of Section 12, T. 4 S., R. 3 E., S. B. B. & M.; Secs. 3, 4, 5, 6, 7, and 8, T. 4 S., R. 4 E., S. B. B. & M. The territorial limits of the authority shall not be diminished or decreased so long as any bonds issued under this act are outstanding or unpaid. Limitation

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CHAPTER 1005

An act to amend Section 39.6 of the Vehicle Code, relating to agricultural water-well boring rigs.

[Approved by Governor June 11, 1951. Filed with Secretary of State June 12, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 39.6 of the Vehicle Code is amended to read:

39.6. Agricultural Water-Well Boring Rig. "Agricultural Water-Well Boring Rig" means a vehicle which is used exclusively in the boring of water-wells on agricultural property and which is self-propelled. Each such vehicle shall be subject "Agricultural Water-Well Boring Rig"

to the registration fee provided in Section 370 but shall be exempt from the fees provided in Section 372 of the Vehicle Code.

CHAPTER 1006

An act to add Section 20392.5 to the Education Code, relating to dismissal and re-employment of state college employees.

In effect September 22 1951

[Approved by Governor June 12, 1951. Filed with Secretary of State June 13, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 20392.5 is added to the Education Code, to read:

Order of dismissal of employees

20392.5. The Director of Education shall adopt regulations for the determination of the order in which employees of a state college shall be dismissed when the dismissal of employees of the state college is required because funds have not been made available for salaries of such employees or because of the discontinuance of services or classes. Such regulations shall, in addition to any other provisions, provide, to the extent the Director of Education shall deem practical, for the dismissal of employees in the inverse of the order of their employment.

The Director of Education shall also adopt regulations governing the re-employment of persons in a state college who were dismissed therefrom because funds were not made available for the salaries of such employees or because of the discontinuance of services or classes. Such regulations shall, in addition to any other provisions, provide, to the extent the Director of Education shall deem practical, that for a period of five years following the dismissal of any such person he shall have the right to be re-employed in a position comparable to that from which he was dismissed in preference to any person not in the employ of the college at the time of his dismissal.

The Director of Education in adopting regulations under this section shall proceed in accordance with the provisions of Chapter 4, Part 1, Division 3, Title 2 of the Government Code.

CHAPTER 1007

An act to amend Section 6487 of the Revenue and Taxation Code, relating to sales and use taxes, and providing that this act shall take effect immediately.

In effect immediately

[Approved by Governor June 12, 1951 Filed with Secretary of State June 13, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6487 of the Revenue and Taxation Code is amended to read:

Notice of deficiency determination Limitation

6487. Except in the case of fraud, intent to evade this part or authorized rules and regulations, failure to make a

return, or claim for additional amount pursuant to Section 6563, every notice of a deficiency determination shall be mailed within three years after the last day of the calendar month following the quarterly period for which the amount is proposed to be determined or within three years after the return is filed, whichever period expires the later. In the case of failure to make a return, or claim for additional amount pursuant to Section 6563, every notice of determination shall be mailed within eight years after the last day of the calendar month following the quarterly period for which the amount is proposed to be determined.

The limitation specified in this section does not apply in case of a sales tax proposed to be determined with respect to sales of property for the storage, use, or other consumption of which notice of a deficiency determination has been or is given pursuant to Sections 6486, 6515, and 6537 and to the first paragraph of this section. The limitation specified in this section does not apply in case of an amount of use tax proposed to be determined with respect to storage, use, or other consumption of property for the sale of which notice of a deficiency determination has been or is given pursuant to Sections 6486, 6515, and 6537 and to the first paragraph of this section.

SEC. 2. This act, inasmuch as it provides for a tax levy shall, under the provisions of Section 1, Article IV of the Constitution, take effect immediately; provided, however, that the provisions hereof shall become operative on July 1, 1951. Tax levy

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CHAPTER 1008

An act to add Article 3.5 to Chapter 1, Division 5 of the Education Code, and to amend Section 9701 of said code, relating to outdoor science education and conservation education.

[Approved by Governor June 12, 1951 Filed with Secretary of State June 13, 1951.] In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Article 3.5 is added to Chapter 1, Division 5, of the Education Code, to read:

Article 3.5. Programs and Classes in Outdoor Science Education and Conservation Education

10056. The governing board of any school district may: Powers of governing board

(a) Conduct programs and classes in outdoor science education and conservation education within or without the boundaries of the school district and for that purpose employ instructors, supervisors, and other personnel and provide necessary equipment and supplies.

(b) Acquire and maintain real or personal property needed for outdoor science education and conservation education programs and classes either within or without the boundaries of the

school district either by purchase, rental, lease, gift, or other means in the same manner as if the property were within the boundaries of the school district.

(c) Contract with the United States, the State of California, any city, county, city and county or school district therein, or any combination thereof for the joint operation and maintenance of such programs and classes in outdoor science education and conservation education or for assistance in their operation and maintenance.

(d) Transport or arrange transportation of pupils, instructors, supervisors or other personnel to or from places where such programs and classes are being conducted, whether within or without the district; provided, such transportation is within the State and not in excess of a radius of 180 miles from the school or schools of the district.

SEC. 2. Section 9701 of said code is amended to read:

Same
Classes for adults

9701. The governing board of any school district maintaining secondary schools shall have power with the approval of the State Department of Education to establish and maintain classes for adults, except programs and classes in outdoor science education and conservation education as the term is employed in Section 10056, for the purpose of providing instruction in civic, vocational, literacy, health, homemaking, technical and general education

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CHAPTER 1009

An act to amend Section 6301 of the Public Resources Code, relating to the jurisdiction and authority of the State Lands Commission.

In effect September 22, 1951

[Approved by Governor June 12, 1951. Filed with Secretary of State June 13, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 6301 of the Public Resources Code is amended to read:

Jurisdiction of commission

6301. The commission has exclusive jurisdiction over all ungranted tidelands and submerged lands owned by the State, and of the beds of navigable rivers, streams, lakes, bays, estuaries, inlets, and straits, including tidelands and submerged lands or any interest therein, whether within or beyond the boundaries of the State as established by law, which have been or may be acquired by the State (a) by quitclaim, cession, grant, contract, or otherwise from the United States or any agency thereof, or (b) by any other means. All jurisdiction and authority remaining in the State as to tidelands and submerged lands as to which grants have been or may be made is vested in the commission.

The commission shall exclusively administer and control all such lands, and may lease or otherwise dispose of such lands,

as provided by law, upon such terms and for such consideration, if any, as are determined by it.

The provisions of this section do not apply to land of the classes described in Section 6403, as added by Chapter 227 of the Statutes of 1947. Application

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CHAPTER 1010

An act to add Section 12108 to, and to amend Section 12501 of, the Business and Professions Code, relating to sealers and weighing or measuring instruments.

[Approved by Governor June 12, 1951. Filed with Secretary of State June 13, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 12108 is added to the Business and Professions Code, to read:

12108. The director may arrange for the services of a sealer employed in a county on a collaborative basis and allow reasonable compensation and expenses for the purpose of performing services not already within his duties and which are subject to administration or enforcement by the department under the provisions of this code or of the Agricultural Code. Services of a sealer

SEC. 2. Section 12501 of the Business and Professions Code is amended to read:

12501. Except as provided in the following section, every person who, for commercial purposes, uses or sells weights or measures or weighing instruments or measuring instruments shall, before using or before selling the same, cause such weights or measures or weighing instruments or measuring instruments to be sealed by a sealer. Sealing weights, etc

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CHAPTER 1011

An act to add Section 20372.5 to the Education Code, relating to separation from service of state college employees.

[Approved by Governor June 12, 1951. Filed with Secretary of State June 13, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 20372.5 is added to the Education Code, to read:

20372.5. Upon separation from service, without fault on his part, an employee of a state college is entitled to a lump sum payment as of the time of separation for any unused or accumulated vacation or for any time off to which he is entitled by reason of previous overtime work where compensating time off for overtime work is provided for by the appointing power or by rules of the State Personnel Board. Payment upon separation

Such sum shall be computed by projecting the accumulated time on a calendar basis so that the lump sum will equal the amount which the employee would have been paid had he taken the time off but not separated from the service. Persons separated from service through fault of their own are entitled to a lump sum payment for such compensating time off for overtime work, similarly computed, and in addition, such portion, if any, of unused vacation as the Director of Education may determine.

CHAPTER 1012

An act to amend Section 9809 of the Education Code, relating to the computation of excess cost of educating mentally retarded pupils.

In effect September 22, 1951

[Approved by Governor June 12, 1951. Filed with Secretary of State June 13, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 9809 of the Education Code is amended to read:

"Excess cost"

9809. The Superintendent of Public Instruction shall determine the amount of excess cost incurred by each school district and county superintendent of schools for the education of mentally retarded minors. "Excess cost" as employed in this section includes the total current expenditures incurred for mentally retarded minors instructed in special schools or classes, over the amount expended for current expenditures for an equal number of units of average daily attendance of pupils not classified as mentally retarded minors or physically handicapped minors.

CHAPTER 1013

Stats. 1868, p. 716

An act authorizing suits against the State of California to quiet title against it to real property entitled to be purchased under the provisions of an act entitled "An act to survey and dispose of certain salt marsh and tidelands belonging to the State of California," approved March 30, 1868, or any of the acts supplementary thereto and amendatory thereof, and regulating the procedure therein.

In effect September 22, 1951

[Approved by Governor June 12, 1951. Filed with Secretary of State June 13, 1951.]

The people of the State of California do enact as follows:

Suits against State to quiet title

SECTION 1. In all cases where the State of California has sold any salt marsh and tidelands under the provisions of the following named acts or of any of them, to wit: "An act to survey and dispose of certain salt marsh and tidelands belonging to the State of California, approved March 30, 1868, and an act entitled "An act supplementary to and amendatory of an

Stats. 1870, p. 541

act entitled 'An act to survey and dispose of certain salt marsh and tidelands belonging to the State of California,' approved March 30, 1868," approved April 1, 1870, and an act entitled "An act supplementary to and amendatory of an act supplementary to and amendatory of an act entitled 'An act to survey and dispose of certain salt marsh and tidelands belonging to the State of California,' approved March 30, 1868; also, an act approved April 1, 1870," approved March 30, 1874, to any person or persons and the person or persons purchasing said lands has paid all of the installments required to be paid by him or them on the purchase price thereof prior to the enactment of an act entitled "An act to abolish the State Board of Tideland Commissioners, and to repeal Sections 365 and 698 of the Political Code," approved February 4, 1876, and where no deed was ever executed and delivered to such purchaser or purchasers conveying to him or them the lands so purchased, or where such deed, if delivered, has been lost by such purchaser or purchasers or has never been recorded, the person or persons so purchasing said lands, or his or their successor or successors in interest, is and are hereby authorized to bring suit against the State of California in any court of said State of competent jurisdiction to quiet title to said land, or to any portion thereof, and to prosecute the same to final judgment.

Stats 1874, p 858

Stats 1876, p 24

SEC. 2. The complaint in any such action must contain a statement of the time, place and conditions of sale of the lands concerning which title is shown to be quieted, together with a statement of all moneys paid under the terms of said sale and the date of such payments. The rules of practice in civil cases relating to suits to quiet title shall apply to such suits as may be brought under this authorization, except as otherwise herein provided. No costs against the State shall be allowed in any such suit.

Complaint

SEC. 3. Service of summons in such suits shall be made upon the chairman of the State Lands Commission and upon the Attorney General, and it shall be the duty of the Attorney General to represent the State in all such suits.

Service of summons

SEC. 4. Any such suits to quiet title shall be commenced within one year after this act takes effect.

Duration

CHAPTER 1014

An act to amend Sections 12130.1 and 12131.2 of the Education Code, relating to the standards for provisional credentials authorizing service in the public schools.

[Approved by Governor June 12, 1951. Filed with Secretary of State June 13, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 12130.1 of the Education Code is amended to read:

Minimum standard for provisional credential

12130.1. The minimum standard for the provisional general elementary credential shall be two years of successful experience as a teacher in a public kindergarten or elementary school and the completion of at least 60 semester units of college work with an average grade of C or better on a five-point scale, and such additional requirements as may be prescribed by the State Board of Education.

This credential shall authorize the same service as the general elementary credential.

SEC. 2. Section 12131.2 of said code is amended to read:

Same

12131.2. The minimum standard for the provisional kindergarten-primary credential shall be two years of successful experience as a teacher in a public kindergarten or elementary school and the completion of at least 60 semester units of college work with an average grade of C or better on a five-point scale, and such additional requirements as may be prescribed by the State Board of Education.

This credential shall authorize the same service as the kindergarten-primary credential.

CHAPTER 1015

An act to amend Section 7431.1 of, and to add Section 7431.2 to, the Education Code, relating to the computation of bonded indebtedness of school districts, declaring the urgency thereof, to take effect immediately.

In effect immediately

[Approved by Governor June 12, 1951. Filed with Secretary of State June 13, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 7431.1 of the Education Code is amended to read:

Computation of limitation of indebtedness

7431.1. In computing the limitation of indebtedness of any school district of any kind or class heretofore or hereafter formed or organized, hereinafter in this section referred to as the "bonding school district," the outstanding indebtedness of any previously existing district all or any part of which forms a component part of such bonding school district shall be excluded and shall not be deemed, for the purposes of computing the limitation of indebtedness under Sections 4714, 4965, or 7431, to constitute outstanding indebtedness of such bonding school district, except to the extent that such outstanding indebtedness has been expressly assumed by such bonding school district by vote of not less than two-thirds of the electors of such bonding school district voting at an election at which the proposition of assuming such indebtedness is voted upon. Nothing herein contained shall operate to release any property from liability for taxes to pay the principal and interest of indebtedness incurred by any component district in which such taxable property is located at the time of the incurring of such indebtedness. It is the intent of the Legislature to provide in this

section a special method of computing the limitation of indebtedness of school districts irrespective of liability of the area embraced within such school districts for the payment of any bonded indebtedness.

SEC. 2. Section 7431.2 is added to said code, to read:

Exclusion of liability of other district

7431.2. For the purpose of determining the limitation of indebtedness of a school district of any type or class under Sections 4714, 4965, or 7431, such portion of the bonded indebtedness of the district as another school district is liable for shall be excluded and shall not be deemed to constitute outstanding bonded indebtedness of the district.

Urgency

SEC. 3. This act is hereby declared to be an urgency measure necessary for the immediate preservation of the public peace, health and safety within the meaning of Section 1 of Article IV of the Constitution and shall therefore go into immediate effect. A statement of the facts constituting such necessity is as follows:

The existing law is not clear as to the method of computing the bonded indebtedness of certain school districts, particularly in the case of a uniting of districts or the assumption by another district of a portion of the bond debt of an existing district. This ambiguity may prevent the making of apportionments under the state school building aid program to school districts in such circumstances, and in such case will deprive the children in such districts from obtaining adequate school buildings. In order to clarify the eligibility of such districts for state school building aid under Chapter 1.6 of Division 3 of the Education Code, it is necessary that this act take effect immediately.

CHAPTER 1016

An act to amend Section 28113 of the Government Code and Section 413 of the Education Code, relating to compensation for public service in counties of the thirteenth class.

[Approved by Governor June 12, 1951. Filed with Secretary of State June 13, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 28113 of the Government Code is amended to read:

San Joaquin County Salaries

28113. In a county of the thirteenth class the following shall receive as compensation for the services required of them by law or by virtue of their offices the following sums:

(a) The auditor, seven thousand two hundred dollars ($7,200) a year.

(b) The district attorney, eight thousand five hundred dollars ($8,500) a year.

(c) Each supervisor, three thousand six hundred dollars ($3,600) a year. In addition, each member who uses a privately owned automobile in the discharge of necessary official duties as supervisor or as ex officio road commissioner, shall be paid

six cents ($0.06) a mile for all mileage traveled within a radius of 200 miles from the county seat; for any one trip over 200 miles, six cents ($0.06) a mile for the first 200 miles of the trip, and three cents ($0.03) for each mile traveled in excess of the first 200 miles of the trip. In addition, each member shall be allowed his actual and necessary traveling expenses including meals and lodging, when required to leave the county on official county business. The chairman of the board of supervisors shall receive, as additional compensation, three hundred dollars ($300) a year for services rendered as chairman.

(d) For attendance in the superior court each trial juror shall be allowed three dollars ($3) for each day's attendance, and mileage at the rate of seven cents ($0.07) for each mile actually and necessarily traveled in attending upon and returning from court, mileage to be computed for daily attendance, irrespective of whether the daily attendance covers one or more sessions of court.

Each member of the grand jury shall be allowed three dollars ($3) for each day in attendance upon the sessions of the grand jury or for each day's service as a member of any committee of the grand jury and mileage at the rate of seven cents ($0.07) for each mile actually and necessarily traveled in attendance upon and returning from meetings of the grand jury, or any session of a grand jury committee, duly called by the secretary, or committee chairman.

The compensation provided by this section shall be payable to incumbent officers.

SEC 2 Section 413 of the Education Code is amended to read:

Same County superintendent of schools

413. The annual salary of the county superintendent of schools of a county of the thirteenth class is eight thousand dollars ($8,000), and he shall possess a valid general administrative credential issued by the State Board of Education.

Operative date

SEC. 3. If it is not legally competent to pay the compensation provided by this act to incumbent officers on the effective date of this act, such increase in compensation shall nevertheless be payable to the officers designated in this act as soon as it is legally competent to do so.

CHAPTER 1017

An act to add Section 7144.1 to the Education Code, and to amend Sections 2861 and 2862 of said code, relating to school districts constituting component parts of school districts.

In effect September 22, 1951

[Approved by Governor June 12, 1951 Filed with Secretary of State June 13, 1951]

The people of the State of California do enact as follows:

SECTION 1. Section 7144 1 is added to the Education Code, to read:

7144.1. The governing board of any union elementary school district, joint union elementary school district, or unified school district may at any time notify the Superintendent of Public Instruction in writing that it does not desire to have the provisions of Section 7144 apply to such district. Upon the receipt of such notice by the Superintendent of Public Instruction, Section 7144 shall as of the next succeeding first day of July cease to have application to such district. Nonapplication of provisions

SEC. 2. Section 2861 of said code is amended to read:

2861. For the purposes of teachers' reports, the several districts uniting to form a union or joint union elementary school district and the several districts of the union elementary school districts uniting to form a union elementary school district shall continue their separate existence. Separate existence

SEC. 3. Section 2862 of said code is amended to read:

2862. The enrollment and attendance of each component district shall be kept separate from that of the other component districts composing the union or joint union elementary school district. Separation of enrollment, etc

The Superintendent of Public Instruction may, on the request of the governing board of a district, exempt the district from the requirements of this section whenever compliance by such district with such requirements is in his judgment unnecessary to the administration of the laws relating to the apportionment of the State School Fund, and may withdraw such exemption when compliance with such requirements in his judgment becomes necessary to the administration of such laws.

CHAPTER 1018

An act to add Section 50478 to the Government Code, relating to the lease of publicly owned property for airports and related purposes.

[Approved by Governor June 12, 1951. Filed with Secretary of State June 13, 1951.]

In effect September 22, 1951

The people of the State of California do enact as follows:

SECTION 1. Section 50478 is added to the Government Code, to read:

50478. A local agency may lease or sublease property owned, leased, or otherwise controlled by it for not to exceed 50 years for airport purposes or purposes incidental to aircraft, including: Lease of property

(a) Manufacture of aircraft, airplane engines, and aircraft equipment, parts, and accessories.

(b) Construction and maintenance of hangars, mooring masts, flying fields, signal lights, radio equipment, service shops, conveniences, appliances, works, structures, and other air navigation, aircraft, and airplane engine manufacturing plants and facilities.

CHAPTER 1019

An act to amend Sections 1394 and 1395 of, and to add Section 1394.5 to, the Labor Code, relating to child labor.

In effect September 22, 1951

[Approved by Governor June 13, 1951. Filed with Secretary of State June 13, 1951.]

The people of the State of California do enact as follows:

SECTION 1. Section 1394 of the Labor Code is hereby amended to read as follows:

Exceptions

1394. Nothing in this article or Article 2 of Chapter 2 of this part shall prohibit or prevent:

(a) The employment of minors 16 years of age or over in agricultural, horticultural, viticultural, or domestic labor for more than eight hours in one day or more than 48 hours in one week.

(b) The employment of any minor at agricultural, horticultural, viticultural, or domestic labor during the time the public schools are not in session, or during other than school hours, when the work performed is for or under the control of his parent or guardian and is performed upon or in connection with premises owned, operated or controlled by the parent or guardian; but nothing herein shall permit children under school age to work at such occupations, while the public schools are in session.

SEC. 2. Section 1394.5 is added to said code, to read:

Same

1394.5. Nothing in this article or Article 2 of Chapter 2 of this part shall prohibit or prevent:

(a) The appearance of any minor in any church, public or religious school, or community entertainment.

(b) The appearance of any minor in any school entertainment or in any entertainment for charity or for children, for which no admission fee is charged.

(c) The appearance of any minor in any radio or television broadcasting exhibition, where the minor receives no compensation directly or indirectly therefor, and where the engagement of the minor is limited to a single appearance lasting not more than one hour, and where no admission fee is charged for the radio broadcasting or television exhibition.

SEC. 3. Section 1395 of said code is amended to read:

Same

1395. If the written consent of the Labor Commissioner is first obtained, or if such consent is not required for radio or television by the provisions of subdivision (b) of Section 1394.5, nothing in this article or Article 2 of Chapter 2 of this part shall prohibit or prevent:

(a) The employment of any minor, in the presentation of any drama, legitimate play, or in any radio broadcasting or television studio.

(b) The employment of any minor 12 years of age or over in any other performance, concert, or entertainment.

(c) Any minor over the age of eight years from appearing in any performance, concert, or entertainment during the public school vacation.

(d) Any minor between the ages of eight and 18 years, who is by any law of this State permitted to be employed as an actor, actress, or performer in a theater, motion picture studio, radio broadcasting studio, or television studio, before 10 o'clock p.m., in the presentation of a performance, play, or drama continuing from an earlier hour till after 10 o'clock p.m., from performing his part in such presentation between the hours of 10 and 12 o'clock p.m.

(e) The appearance of any minor in any entertainment which is noncommercial in nature.

(f) The employment of any minor artist in the making of phonograph recordings.

(g) The employment of any minor as an advertising or photographic model.

(h) The employment or appearance of any minor pursuant to a contract approved by the superior court under the provisions of Section 36 of the Civil Code.

CHAPTER 1020

An act making appropriations for the support of the Government of the State of California and for several public purposes in accordance with the provisions of Section 34 of Article IV of the Constitution of the State of California, to take effect immediately.

[Approved by Governor June 14, 1951. Filed with Secretary of State June 14, 1951] In effect immediately

The people of the State of California do enact as follows:

SECTION 1. This act shall be known and may be cited as the "Budget Act of 1951." Short title

SEC. 2. The following sums of money, or so much thereof as may be necessary unless otherwise provided herein, are hereby appropriated for the use and support of the State of California for the 1951-52 Fiscal Year beginning July 1, 1951, and ending June 30, 1952. All such appropriations unless otherwise herein provided, shall be paid out of the General Fund in the State Treasury. Budget appropriations

Whenever by constitutional or statutory provision the revenues or receipts of any institution, department, board, bureau, commission, officer, employee, or other agency, or any moneys in any special fund created by law therefor, are to be used for salaries, support or any proper purpose, expenditures shall be made therefrom for any such purposes to the extent only of the amount herein appropriated, unless otherwise stated herein. Special funds

Recurrent appropriations

Appropriations for purposes not otherwise provided for herein which have been heretofore made by any existing constitutional or statutory provision shall continue to be governed thereby.

Items included Support

Whenever herein an appropriation is made for support it shall include salaries and all other proper expenses, including repairs and equipment, incurred in connection with the institution, department, board, bureau, commission, officer, employee, or other agency, for which such appropriation is made.

Construction, etc

Whenever herein an appropriation is made for construction and improvements, it shall include equipment necessary in connection with such construction or improvements.

Variance between words and figures

Whenever herein in any item of appropriation the amount of such appropriation as set forth in words differs from the amount thereof as set forth in figures, the lesser amount, whether in words or figures, is the amount appropriated by such item.

Acquisition of real property

Whenever herein any item of appropriation is made for acquisition of land or other real property, it shall include all necessary expenses in connection with the acquisition of such property.

Legislature

LEGISLATURE

Item		Amount
1—For salaries of Senators		$144,000
2—For pay of officers, clerks, and all other employees of the Senate		9,000
3—For mileage of Lieutenant Governor, Senators and statutory officers of the Senate		1,200
4—For expenses of Members of the Senate		16,840
5—For contingent expenses of Senate and legislative committees thereof composed in whole or in part of Members of the Senate To be transferred by the State Controller to the Senate Contingent Fund.	$400,000	
6—For salaries of Assemblymen		288,000
7—For pay of officers, clerks, and all other employees of Assembly		9,000
8—For mileage of Assemblymen and statutory officers of the Assembly		2,500
9—For expenses of Members of the Assembly		33,680
10—For contingent expenses of Assembly and legislative committees thereof composed in whole or in part of Members of the Assembly To be transferred by the State Controller to the Assembly Contingent Fund.	400,000	
11—For legislative printing, binding, mailing, etc., to be transferred by the State Controller to the Legislative Printing Fund	200,000	
12—For contingent expenses of the State Capitol Committee		2,500
13—For support of Legislative Office in Alameda County		4,835

Item			Amount	
14—For support of Legislative Office at Los Angeles			4,800	
15—For support of Legislative Office in San Diego			6,569	
16—For support of Legislative Office at San Francisco			4,662	
17—For support of Legislative Counsel Bureau, in accordance with the following schedule			254,670	Legislative counsel
and in addition thereto any amounts collected for services to other agencies which by law are available for support of said office.				
Schedule:				
(a) Salaries and Wages		261,027		
(b) Operating Expenses		19,858		
(c) Equipment		5,285		
Total of schedule		286,170		
Less: Estimated reimbursements:				
(d) For services to Code Commission		30,000		
(e) For services to other state agencies		1,500		
Net appropriation		254,670		
18—For support of California Code Commission			30,530	Code commission
19—For support of California Commission on Uniform State Laws			3,500	Commission on Uniform State Laws
JUDICIAL				
20—For support of Supreme Court of California			367,213	Supreme Court
21—For support of Judicial Council			78,161	Judicial Council
22—For additional support of Judicial Council, to be expended for extra compensation and traveling expenses of judges assigned by the Judicial Council			18,000	
23—For support of the District Court of Appeal, First Appellate District			173,461	District Courts of Appeal
24—For support of the District Court of Appeal, Second Appellate District			264,298	
25—For support of the District Court of Appeal, Third Appellate District			93,753	
26—For support of the District Court of Appeal, Fourth Appellate District			100,290	
EXECUTIVE				
27—For support of the Governor and of the Governor's Office (exempt from the provisions of Sections 12410, 13320, and 16003 of the Government Code)			286,240	Governor

Item		Amount
	28—For support of the Governor's residence (exempt from the provisions of Sections 12410, 13320, 16003, and 17031 of the Government Code)	12,000
	29—For special contingent expenses (secret service), Governor's Office (exempt from the provisions of Sections 12410, 13320, 16003, and 17031 of the Government Code)	7,500
	30—For support of the Office of Civil Defense, California State Disaster Council, and advisory committees	1,294,255
Disaster Council	31—For support of the California Disaster Act to be expended only pursuant to allotments recommended by the State Disaster Council and approved by the Director of Civil Defense, the Director of Finance, and the Governor	500,000
Lieutenant Governor	32—For salary and support of Lieutenant Governor	28,906
	GENERAL ADMINISTRATION	
Employees' Retirement System	33—For support of Board of Administration of the State Employees' Retirement System, in accordance with the following schedule	209,024
	and in addition thereto any amounts collected for services which by law are available for support of said board.	
	Schedule:	
	(a) Salaries and Wages 351,769	
	(b) Operating Expenses 65,675	
	(c) Equipment 10,080	
	Total of schedule 427,524	
	Less: Estimated reimbursements:	
	(d) For services to contracting agencies 218,500	
	Net appropriation 209,024	
Commission on Interstate Cooperation	34—For support of California Commission on Interstate Cooperation	25,880
Personnel Board	35—For support of State Personnel Board, in accordance with the following schedule	1,359,238
	and in addition thereto any amounts collected for services, which by law are available for support of said board.	
	Schedule:	
	(a) Salaries and Wages 1,173,260	
	(b) Operating Expenses 251,311	
	(c) Equipment 23,907	
	Total of schedule 1,448,478	

Item		Amount	
Less: Estimated reimbursements:			
(d) For services to other state agencies and units of local government	89,240		
Net appropriation	1,359,238		
36—For support of Secretary of State, in accordance with the following schedule		201,086	Secretary of State
and in addition thereto any amounts collected for services to other agencies, which by law are available for support of said office.			
Schedule:			
(a) Salaries and Wages	139,240		
(b) Operating Expenses	44,210		
(c) Equipment	25,136		
Total of schedule	208,586		
Less: Estimated reimbursements:			
(d) For services to other agencies	7,500		
Net appropriation	201,086		
37—For printing Roster of Public Officials, Secretary of State		4,000	
38—For support of Division of Collection Agencies, Secretary of State's Office, payable from the Collection Agency Fund, in accordance with the following schedule		36,074	
Schedule:			
(a) Salaries and Wages	19,515		
(b) Operating Expenses	15,234		
(c) Equipment	1,325		
Total of schedule	36,074		

AGRICULTURE

39—For support of Department of Agriculture and the State Livestock Sanitary Committee, in accordance with the following schedule		4,707,786	Department of Agriculture
and in addition thereto any amounts collected for services to activities supported out of other funds which by law are available for support of said department.			
Schedule:			
(a) Salaries and Wages	3,241,035		
(b) Operating Expenses	1,654,701		
(c) Equipment	94,369		
Total of schedule	4,990,105		

Item		Amount
Less: Estimated reimbursements for services rendered to activities supported from other funds	282,319	
Net appropriation	4,707,786	
40—For cooperation with the Federal Government in marketing research under the provisions of Public Law 733 (Seventy-ninth Congress) and Section 1286 of the Agricultural Code, Department of Agriculture		90,000
41—For control and eradication of pullorum disease as authorized by Chapter 1179, Statutes of 1947, Department of Agriculture		85,000
42—For support of Department of Agriculture, payable from the Department of Agriculture Fund, in accordance with the following schedule		3,312,119
and in addition thereto any amounts collected for services to activities supported out of other funds which by law are available for support of said department.		
Schedule:		
(a) Salaries and Wages	2,326,331	
(b) Operating Expenses	949,871	
(c) Equipment	53,917	
Total of schedule	3,330,119	
Less: Estimated reimbursements:		
(d) For services to activities supported out of other funds	18,000	
Net appropriation	3,312,119	
Poultry Improvement Commission 43—For support of Poultry Improvement Commission, payable from the Poultry Testing Project Fund		66,073
and in addition thereto any amounts collected for services to employees which by law are available for support of said commission. Said appropriation, shall be expended in accordance with the following schedule:		
Schedule:		
(a) Salaries and Wages	32,059	
(b) Operating Expenses	33,070	
(c) Equipment	1,628	
Total of schedule	66,757	

Item		Amount
Less: Estimated reimbursements:		
(d) For maintenance furnished employees	684	
Net appropriation	66,073	
43.1—For augmentation of the Poultry Testing Project Fund payable from any moneys in the Fair and Exposition Fund available for permanent improvements upon the property of the state, citrus, county, or district agricultural associations for fair purposes, allocated by Section 19626 of the Business and Professions Code		68,220
to be transferred by the State Controller to the Poultry Testing Project Fund.		Poultry Testing Project Fund

CORRECTIONS

44—For support of Departmental Administration, and Board of Corrections, Department of Corrections, in accordance with the following schedule		249,303
and in addition thereto any amounts collected for services to other agencies, which by law are available for support of said department.		Department of Corrections
Schedule:		
(a) Salaries and Wages	217,383	
(b) Operating Expenses	32,930	
(c) Equipment	4,390	
Total of schedule	254,703	
Less: Estimated reimbursements:		
(d) For medical services to other state agencies	5,400	
Net appropriation	249,303	
44.1—For expenses of special commissions assisting the Board of Corrections in making a study of crime conditions pursuant to Sections 6027 and 6028 of the Penal Code, Department of Corrections		56,057
44.2—For compensation, fees, and expenses of confidential personnel furnished by the Director of Corrections to the special commissions assisting the Board of Corrections in the study of crime, Department of Corrections (exempt from the provisions of Sections 12410, 13320, 16003, and 17031 of the Government Code)		45,000
provided, that claims for such compensation shall be presented by the Director of Corrections in his own name with a statement that		

Item		Amount
	the charges have been incurred pursuant to this item and when so presented shall be paid therefrom; and provided further, that upon the completion of each secret investigation, and in any event within not more than one year after the payment of any claims, the Director of Corrections shall file with the Controller vouchers in support of the claims; provided, that the Controller shall not divulge any information conveyed by the vouchers, except upon order of a court of records in cases where the information is relevant and material evidence or upon order of the Legislature; and provided further, that such oaths of office as may be required of persons whose compensation is paid from this item may be kept in the confidential files of the Director of Corrections.	
	45—For transportation of prisoners to and between state prisons, including the return of parole violators to prison	80,000
	46—For expenses of returning fugitives from justice from outside the State	200,000
	47—For court costs and county charges, payable under Section 4700 of the Penal Code, in connection with trials of inmates charged with commission of a crime or crimes while incarcerated in a state institution or prison under the Department of Corrections	10,000
Medical Facility	48—For support of the Medical Facility, Department of Corrections, in accordance with the following schedule	902,547
	and in addition thereto any amounts collected for services to employees or other agencies which by law are available for support of said agency.	
	Schedule:	
	(a) Salaries and Wages 578,877	
	(b) Operating Expenses 429,835	
	(c) Equipment 3,050	
	Total of schedule 1,011,762	
	Less: Estimated reimbursements:	
	(d) For services to employees 26,970	
	(e) For maintenance of Federal prisoners 38,325	
	(f) For maintenance of Public Health wards 43,920	
	Net appropriation 902,547	

Item		Amount	
49—For support of California Institution for Men, Department of Corrections, in accordance with the following schedule		2,047,166	California Institution for Men
and in addition thereto any amounts collected for services to employees, for services to prison industries, and from inmate work projects, which by law are available for support of said institution.			
Schedule:			
(a) Salaries and Wages	1,304,393		
(b) Operating Expenses	904,895		
(c) Equipment	44,014		
(d) Inmate Pay-work Projects	41,130		
Total of schedule	2,294,432		
Less: Estimated reimbursements:			
(e) For services to employees	31,740		
(f) For services to prison industries	32,040		
(g) Estimated receipts from inmate work projects	183,486		
Net appropriation	2,047,166		
50—For purchase of materials and supplies to provide initial inventory, California Institution for Men, Department of Corrections		15,000	
51—For support of California State Prison at Folsom, Department of Corrections, in accordance with the following schedule		1,990,979	State prisons Folsom
and in addition thereto any amounts collected for services to employees, to prison industries and other agencies, and from sale of surplus products, which by law are available for support of said prison.			
Schedule:			
(a) Salaries and Wages	1,185,627		
(b) Operating Expenses	857,445		
(c) Equipment	55,297		
Total of schedule	2,098,369		
Less: Estimated reimbursements:			
(d) For services to employees and sale of surplus products	72,125		
(e) For services to prison industries, and to the Division of Architecture	35,265		
Net appropriation	1,990,979		

Item		Amount
San Quentin	52—For support of California State Prison at San Quentin, Department of Corrections, in accordance with the following schedule	3,305,150
	and in addition thereto any amounts collected for services to employees and inmates, for services to correctional industries and other agencies, which by law are available for support of said prison.	
	Schedule:	
	(a) Salaries and Wages	1,979,948
	(b) Operating Expenses	1,548,415
	(c) Equipment	87,408
	(d) Inmate Pay-work Projects	35,370
	Total of schedule	3,651,141
	Less: Estimated reimbursements:	
	(e) For services to employees and inmates	113,255
	(f) For services to correctional industries and to the Division of Architecture	45,350
	Estimated receipts:	
	(g) For services to Division of Forestry	187,386
	Net appropriation	3,305,150
Soledad	53—For support of California State Prison at Soledad, Department of Corrections, in accordance with the following schedule	1,557,870
	and in addition thereto any amounts collected for services to employees, from sale of surplus products, and for services to other agencies, which by law are available for support of said agency.	
	Schedule:	
	(a) Salaries and Wages	974,449
	(b) Operating Expenses	738,125
	(c) Equipment	9,925
	(d) Inmate Pay-work Projects	27,420
	Total of schedule	1,749,919
	Less: Estimated reimbursements:	
	(e) For services to employees and sale of surplus products	71,860
	(f) Payment for services to Division of Forestry	120,189
	Net appropriation	1,557,870
	54—For purchase of materials and supplies to provide initial inventory, California State Prison at Soledad, Department of Corrections	40,000

Item		Amount
55—For support of California Vocational Institution, Department of Corrections, in accordance with the following schedule and in addition thereto any amounts collected for services to employees, and prison industries which by law are available for support of said institution.		California Vocational Institution 956,492
Schedule:		
(a) Salaries and Wages	648,024	
(b) Operating Expenses	324,825	
(c) Equipment	6,987	
Total of schedule	979,836	
Less: Estimated reimbursements:		
(d) For services to employees	17,480	
(e) For medical services to California Institution for Women	3,864	
(f) For services to prison industries	2,000	
Net appropriation	956,492	
56—For support of California Institution for Women, Department of Corrections, in accordance with the following schedule and in addition thereto any amounts collected for services to employees, from sale of surplus products, and for services to prison industries, which by law are available for support of said agency.		Institution for Women 401,702
Schedule:		
(a) Salaries and Wages	224,971	
(b) Operating Expenses	189,600	
(c) Equipment	5,236	
Total of schedule	419,807	
Less: Estimated reimbursements:		
(d) For services to employees and sale of surplus products	16,215	
(e) For services to prison industries	1,890	
Net appropriation	401,702	
57—For support of Adult Authority, Department of Corrections, in accordance with the following schedule and in addition thereto any amounts returned by paroled or discharged prisoners in repayment of cash assistance advanced, which by law are available for support of said agency.		Adult Authority 584,672

Item		Amount
	Schedule:	
	(a) Salaries and Wages	434,827
	(b) Operating Expenses	131,367
	(c) Equipment	20,318
	Total of schedule	586,512
	Less: Estimated reimbursements:	
	(d) From parolees for cash assistance advanced	1,840
	Net appropriation	584,672
Board of Trustees, California Institution for Women	58—For support of Board of Trustees, California Institution for Women, Department of Corrections, in accordance with the following schedule	55,659
	and in addition thereto any amounts returned by paroled or discharged prisoners in repayment of cash assistance advanced, which by law are available for support of said agency.	
	Schedule:	
	(a) Salaries and Wages	37,967
	(b) Operating Expenses	15,935
	(c) Equipment	2,032
	Total of schedule	55,934
	Less: Estimated reimbursements:	
	(d) From parolees for cash assistance advanced	275
	Net appropriation	55,659
Youth Authority	59—For support of Departmental Administration, Youth Authority, in accordance with the following schedule	945,670
	and in addition thereto any amounts collected for services to other agencies, which by law are available for support of said department.	
	Schedule:	
	(a) Salaries and Wages	696,977
	(b) Operating Expenses	231,265
	(c) Equipment	19,228
	Total of schedule	947,470
	Less: Estimated reimbursements:	
	(d) For food consultant services to other state agencies	1,800
	Net appropriation	945,670

Item		Amount	
60—For per diem and other necessary expenses in connection with consulting services and conferences of the California Youth Committee, created pursuant to Section 1520 of the Military and Veterans Code		4,000	
61—For deportation of nonresidents committed to the Youth Authority		21,500	
62—For transportation of persons committed to the Youth Authority to or between its facilities, including the return of parole violators		75,500	
63—For maintenance of persons committed to the Youth Authority and paroled to the custody of private foster homes		33,100	
64—For support of Youth Authority Camps, Youth Authority, such sum, not to exceed $100,000, as the Director of Finance by executive order shall direct, to be transferred by the State Controller to this item from Item 191 for use in defraying expenditures of such camps pending receipt of reimbursement for services rendered to the Division of Forestry. This item shall be augmented by any amounts collected by the Youth Authority for such services rendered by such camps.			Youth Authority Camps
65—For support of Fricot Ranch School for Boys, Youth Authority, in accordance with the following schedule		239,336	Fricot Ranch School
and in addition thereto any amounts collected for services to employees and sale of surplus products which by law are available for support of said school.			
Schedule:			
(a) Salaries and Wages	154,188		
(b) Operating Expenses	92,315		
(c) Equipment	3,763		
Total of schedule	250,266		
Less: Estimated reimbursements:			
(d) For services to employees and sale of surplus products	10,930		
Net appropriation	239,336		
66—For support of the Fred C. Nelles School for Boys, Youth Authority, in accordance with the following schedule		656,468	Fred C Nelles School
and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said school.			

Item		Amount
	Schedule:	
	(a) Salaries and Wages	502,228
	(b) Operating Expenses	162,755
	(c) Equipment	17,650
	Total of schedule	682,633
	Less: Estimated reimbursements:	
	(d) For services to employees and sale of surplus products	26,165
	Net appropriation	656,468
Paso Robles School	67—For support of Paso Robles School for Boys, Youth Authority, in accordance with the following schedule	281,573
	and in addition thereto any amounts collected for services to employees and sale of surplus products, which by law are available for support of said school.	
	Schedule:	
	(a) Salary and Wages	194,679
	(b) Operating Expenses	91,280
	(c) Equipment	3,714
	Total of schedule	289,673
	Less: Estimated reimbursements:	
	(d) For services to employees and sale of surplus products	8,100
	Net appropriation	281,573
Preston School of Industry	68—For support of Preston School of Industry, Youth Authority, in accordance with the following schedule	1,241,908
	and in addition thereto any amounts collected for services to other agencies, services to employees, and from sale of surplus products, which by law are available for support of said school.	
	Schedule:	
	(a) Salaries and Wages	926,653
	(b) Operating Expenses	357,135
	(c) Equipment	21,395
	Total of schedule	1,305,183
	Less: Estimated reimbursements:	
	(d) For services to employees and other agencies, and sale of surplus products	63,275
	Net appropriation	1,241,908

Item		Amount
69—For support of Los Guilucos School for Girls, Youth Authority, in accordance with the following schedule		Los Guilucos School 286,604
and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said school.		
Schedule:		
(a) Salaries and Wages	203,040	
(b) Operating Expenses	88,255	
(c) Equipment	4,689	
Total of schedule	295,984	
Less: Estimated reimbursements:		
(d) For services to employees and sale of surplus products	9,380	
Net appropriation	286,604	
70—For support of Ventura School for Girls, Youth Authority, in accordance with the following schedule		Ventura School 452,092
and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said school.		
Schedule:		
(a) Salaries and Wages	341,435	
(b) Operating Expenses	123,075	
(c) Equipment	6,932	
Total of schedule	471,442	
Less: Estimated reimbursements:		
(d) For services to employees and sale of surplus products	19,350	
Net appropriation	452,092	

EDUCATION

71—For support of Department of Education, Superintendent of Public Instruction and State Board of Education, in accordance with the following schedule		Department of Education 1,884,689
and in addition thereto any amounts collected for services to other activities, for sale of bulletins, and for services to local school districts, which by law are available for support for said department.		

Item		Amount
	Schedule:	
	(a) Salaries and Wages	1,385,841
	(b) Operating Expenses	554,121
	(c) Equipment	61,369
	Total of schedule	2,001,331
	Less: Estimated reimbursements:	
	(d) For services to other activities, for sale of bulletins, and for services to local school districts	116,642
	Net appropriation	1,884,689
	71.5—For administration of Sections 12105.1 and 12105.2 of the Education Code, Department of Education	30,000
Vocational education	73—For vocational education, Department of Education, of which the sum of $357,191 is appropriated in lieu of the appropriations made by Education Code, Sections 5705, 5706 and 9161 to be transferred to the Vocational Education Fund upon order of the State Controller. At the end of the fiscal year, any unencumbered balance of money so transferred shall revert to the General Fund to the credit of this item. Notwithstanding any other provision of law, expenditures from the appropriation made by this item are subject to the provisions of Section 18004 of the Government Code.	670,259
Teacher training, etc	74—For teacher training and preparation of instructional materials for related instruction in connection with apprenticeship and on-the-job training and institutional-on-farm training programs, Department of Education to be transferred to the Vocational Education Fund by the State Controller on order of the Director of Finance. At the end of the fiscal year, any unencumbered balance of money so transferred shall revert to the General Fund to the credit of this item. Notwithstanding any other provision of law, expenditures from the appropriation made by this item are subject to the provisions of Section 18004 of the Government Code.	29,791
Fire training	75—For fire training and fire training institutes, Department of Education to be transferred to the Vocational Education Fund by the State Controller on order of the Director of Finance. At the end of the fiscal	74,831

Item		Amount
	year, any unencumbered balance of money so transferred shall revert to the General Fund to the credit of this item. Notwithstanding any other provision of law, expenditures from the appropriation made by this item are subject to the provisions of Section 18004 of the Government Code.	
76	For vocational rehabilitation, Department of Education, of which the sum of $180,000 is appropriated in lieu of the appropriations made by Education Code Sections 5803 and 5804 ---------- to be transferred to the Vocational Rehabilitation Fund by the State Controller in such amounts as will provide not more than one-half of the amount of federal funds deposited in the Vocational Rehabilitation Fund for this purpose. At the end of the fiscal year, any unencumbered balance of money so transferred shall revert to the General Fund to the credit of this item. This appropriation, together with any funds made available for vocational rehabilitation by the Federal Government, or any agency thereof, shall be expended in accordance with the following schedule: Schedule: (a) Salaries and Wages ---------- 777,599 (b) Operating Expenses ---------- 1,762,900 (c) Equipment ---------- 9,501 Total of schedule ---------- 2,550,000 Less: (d) Estimated Federal Government contributions ---------- 1,700,000 Net appropriation ---------- 850,000	Vocational rehabilitation 850,000
77	For additional vocational rehabilitation, Department of Education, for administration of Chapter 524 of the Statutes of 1945, providing for the installation of vending stands in public buildings and the operation thereof by licensed blind persons ---------- to be transferred to the Vocational Rehabilitation Fund by the State Controller. At the end of the fiscal year, any unencumbered balance of money so transferred shall revert to the General Fund to the credit of this item.	Same 35,000

Item		Amount
Division of Libraries	78—For support of Division of Libraries, Department of Education, in accordance with the following schedule	387,929
	and in addition thereto any amounts collected for services, which by law are available for support of said agency.	
	Schedule:	
	(a) Salaries and Wages	282,185
	(b) Operating Expenses	41,205
	(c) Equipment	65,139
	Total of schedule	388,529
	Less: Estimated reimbursements:	
	(d) For photostat services	600
	Net appropriation	387,929
State colleges: Chico	79—For support of Chico State College, in accordance with the following schedule	681,650
	and in addition thereto the amount of such receipts from the Federal Government for the education of veterans and such student fees as may otherwise be made available by law for support of said college.	
	Schedule:	
	(a) Salaries and Wages	718,031
	(b) Operating Expenses	98,639
	(c) Equipment	58,252
	Total of schedule	874,922
	Less:	
	(d) Estimated student fees appropriated by Education Code, Section 20344	63,959
	(e) Estimated receipts from Federal Government for the education of veterans, appropriated by Education Code, Section 20344.1	129,313
	Net appropriation	681,650
Fresno	80—For support of Fresno State College, in accordance with the following schedule	1,228,236
	and in addition thereto the amount of such reimbursements for services to other agencies, or other funds, such receipts from the Federal Government for the education of veterans, and such student fees as may otherwise be made available by law for support of said college.	

Item		Amount
Schedule:		
(a) Salaries and Wages	1,332,664	
(b) Operating Expenses	171,360	
(c) Equipment	77,523	
Total of schedule	1,581,547	
Less:		
(d) Estimated reimbursements from Fresno State College Foundation for accounting service	5,946	
(e) Estimated student fees appropriated by Education Code, Section 20344	194,815	
(f) Estimated receipts from Federal Government for education of veterans, appropriated by Education Code, Section 20344.1	152,550	
Net appropriation	1,228,236	
81—For additional support, Fresno State College, payable from the State College Fund, in accordance with the following schedule		227,791
Schedule:		
(a) Salaries and Wages	153,101	
(b) Operating Expenses	68,550	
(c) Equipment	6,140	
Total of schedule	227,791	
82—For support of Humboldt State College, in accordance with the following schedule and in addition thereto the amount of such receipts from the Federal Government for the education of veterans and such student fees as may otherwise be made available by law for support of said college.		Humboldt 453,642
Schedule:		
(a) Salaries and Wages	412,430	
(b) Operating Expenses	65,576	
(c) Equipment	55,851	
Total of schedule	533,857	
Less:		
(d) Estimated student fees appropriated by Education Code, Section 20344	31,560	

Item		Amount
	(e) Estimated receipts from Federal Government for education of veterans, appropriated by Education Code, Section 20344.1 ---------- 48,655	
	Net appropriation ---------- 453,642	
Los Angeles	83—For support of Los Angeles State College of Applied Arts and Sciences, in accordance with the following schedule ---------- and in addition thereto, such amounts collected from other agencies, such receipts from the Federal Government for the education of veterans and such student fees as may otherwise be made available by law for support of said college.	1,130,674
	Schedule:	
	(a) Salaries and Wages ---------- 1,059,265	
	(b) Operating Expenses ---------- 363,364	
	Total of schedule ---------- 1,422,629	
	Less: Estimated reimbursements:	
	(c) For services to Los Angeles Junior College ---------- 18,100	
	(d) Estimated student fees appropriated by Education Code, Section 20344 ---------- 164,250	
	(e) Estimated receipts from Federal Government for education of veterans, appropriated by Education Code, Section 20344.1 ---------- 109,605	
	Net appropriation ---------- 1,130,674	
Long Beach	84—For support of Long Beach State College, in accordance with the following schedule ---------- and in addition thereto the amount of such receipts from the Federal Government for the education of veterans and such student fees as may otherwise be made available by law for support of said college.	583,752
	Schedule:	
	(a) Salaries and Wages ---------- 604,292	
	(b) Operating Expenses ---------- 92,175	
	Total of schedule ---------- 696,467	
	Less:	
	(c) Estimated student fees appropriated by Education Code, Section 20344 ---------- 84,845	

Item		Amount
(d) Estimated receipts from Federal Government for education of veterans, appropriated by Education Code, Section 20344.1	27,870	
Net appropriation	583,752	
85—For support of Sacramento State College, in accordance with the following schedule and in addition thereto the amount of such receipts from the Federal Government for the education of veterans and such student fees as may otherwise be made available by law for support of said college.		Sacramento 570,799
Schedule:		
(a) Salaries and Wages	612,489	
(b) Operating Expenses	157,025	
(c) Equipment	250	
Total of schedule	769,764	
Less:		
(d) Estimated student fees appropriated by Education Code, Section 20344	98,425	
(e) Estimated receipts from Federal Government for education of veterans, appropriated by Education Code, Section 20344.1	100,540	
Net appropriation	570,799	
86—For support of San Diego State College, in accordance with the following schedule and in addition thereto the amount of such receipts from the Federal Government for the education of veterans and such student fees as may otherwise be made available by law for support of said college.		San Diego 1,519,906
Schedule:		
(a) Salaries and Wages	1,663,539	
(b) Operating Expenses	209,839	
(c) Equipment	99,329	
Total of schedule	1,972,707	
Less:		
(d) Estimated student fees appropriated by Education Code, Section 20344	198,247	

Item		Amount
	(e) Estimated receipts from Federal Government for education of veterans, appropriated by Education Code, Section 20344.1 ---------- 254,554	
	Net appropriation------- 1,519,906	
San Francisco	87—For support of San Francisco State College, in accordance with the following schedule--- and in addition thereto the amount of such receipts from the Federal Government for the education of veterans and such student fees as may otherwise be made available by law for support of said college.	1,745,228
	Schedule:	
	(a) Salaries and Wages-------- 1,951,534	
	(b) Operating Expenses------- 292,155	
	(c) Equipment ---------- 107,782	
	Total of schedule-------- 2,351,471	
	Less:	
	(d) Estimated student fees appropriated by Education Code, Section 20344-------- 403,982	
	(e) Estimated receipts from Federal Government for education of veterans, appropriated by Education Code, Section 20344.1 ---------- 202,261	
	Net appropriation------- 1,745,228	
San Jose	88—For support of San Jose State College, in accordance with the following schedule------ and in addition thereto the amount of such receipts from the Federal Government for the education of veterans, and such student fees as may otherwise be made available by law for support of said college.	2,238,301
	Schedule:	
	(a) Salaries and Wages-------- 2,355,674	
	(b) Operating Expenses------- 314,931	
	(c) Equipment ---------- 125,379	
	Total of schedule-------- 2,795,984	
	Less:	
	(d) Estimated student fees appropriated by Education Code, Section 20344-------- 283,521	

Item		Amount
	(e) Estimated receipts from Federal Government for education of veterans, appropriated by Education Code, Section 20344.1 ---------- 274,162	
	Net appropriation------- 2,238,301	
89—For support, California State Polytechnic College, payable from any moneys in the Fair and Exposition Fund available to said school under the provisions of Section 19626 of the Business and Professions Code---------- and in addition thereto any amounts collected for services to other agencies and to activities supported out of other funds, services to employees, and from sale of surplus products as may otherwise be made available by law for support of said school. Said appropriation, together with such receipts from the Federal Government for the education of veterans and such student fees as are appropriated by the Education Code for support of said school, shall be expended in accordance with the following schedule:		1,781,277 California State Polytechnic
Schedule:		
	(a) Salaries and Wages-------- 1,770,526	
	(b) Operating Expenses------- 341,660	
	(c) Equipment ---------- 113,180	
	Total of schedule-------- 2,225,366	
Less:		
	(d) Estimated reimbursements for services to employees, to activities supported from other funds and to other agencies, and from sale of surplus products ---------- 145,245	
	(e) Estimated student fees appropriated by Education Code, Section 20344------- 42,632	
	(f) Estimated receipts from Federal Government for education of veterans, appropriated by Education Code, Section 20344.1---------- 256,203	
	Net appropriation------- 1,781,277	
90—For support of California Maritime Academy ---------- and in addition thereto any amounts collected for services to employees and the amount of		196,552 California Maritime Academy

Item		Amount
	such fees as may otherwise be made available by law for the support of said academy. The appropriation made by this item, together with any funds made available for support of the Maritime Academy by the Federal Government, or any agency thereof, shall be expended in accordance with the following schedule:	
	Schedule:	
	(a) Salaries and Wages	213,990
	(b) Operating Expenses	103,184
	(c) Equipment	4,480
	Total of schedule	321,654
	Less:	
	(d) Estimated reimbursements for services to employees and others	12,697
	(e) Estimated student fees appropriated by Sections 21155.1 and 21158 of the Education Code	87,405
	(f) Estimated Federal Government contributions	25,000
	Net appropriation	196,552
School for blind	91—For support of California School for the Blind at Berkeley, in accordance with the following schedule	336,866
	and in addition thereto any amounts collected for services to students, employees, and other agencies which by law are available for support of said school.	
	Schedule:	
	(a) Salaries and Wages	277,007
	(b) Operating Expenses	77,891
	(c) Equipment	10,978
	Total of schedule	365,876
	Less: Estimated reimbursements:	
	(d) For services to students, employees, and other agencies	29,010
	Net appropriation	336,886
School for deaf	92—For support of California School for the Deaf at Berkeley, in accordance with the following schedule	767,206
	and in addition thereto any amounts collected for services to employees, other agencies, counties and students, which by law are available for support of said school.	

Item		Amount	
Schedule:			
(a) Salaries and Wages	583,533		
(b) Operating Expenses	212,394		
(c) Equipment	17,161		
Total of schedule	813,088		
Less: Estimated reimbursements:			
(d) For services to employees, other agencies, counties and students	45,882		
Net appropriation	767,206		
93—For expenses of deaf graduates attending Gallaudet College, California School for the Deaf at Berkeley		7,446	Students at Gallaudet College
94—For support of California School for the Deaf at Riverside, in accordance with the following schedule		16,869	Riverside
Schedule:			
(a) Salaries and Wages	10,694		
(b) Operating Expenses	4,550		
(c) Equipment	1,625		
Total of schedule	16,869		
95—For support of School for Cerebral Palsied Children, Northern California, in accordance with the following schedule and in addition thereto any amounts collected for services to employees, and for services to other agencies, which by law are available for the support of said school.		272,042	School for Cerebral Palsied Children, Northern California
Schedule:			
(a) Salaries and Wages	151,520		
(b) Operating Expenses	128,755		
(c) Equipment	415		
Total of schedule	280,690		
Less: Estimated reimbursements:			
(d) For services to employees and other agencies	8,648		
Net appropriation	272,042		
96—For support of School for Cerebral Palsied Children, Southern California, in accordance with the following schedule and in addition thereto any amounts collected for services to employees, and for services to other agencies, which by law are available for the support of said school.		297,628	Southern California

Item		Amount
	Schedule:	
	(a) Salaries and Wages	164,795
	(b) Operating Expenses	137,671
	(c) Equipment	415
	Total of schedule	302,881
	Less: Estimated reimbursements:	
	(d) For services to employees and other agencies	5,253
	Net appropriation	297,628
Training Center for Adult Blind	97—For support of Training Center for Adult Blind, in accordance with the following schedule	230,202
	and in addition thereto any amounts collected for services which by law are available for support of said institution.	
	Schedule:	
	(a) Salaries and Wages	162,184
	(b) Operating Expenses	72,895
	(c) Equipment	4,591
	Total of schedule	239,670
	Less: Estimated reimbursements:	
	(d) For services to employees and workers	9,468
	Net appropriation	230,202
Oakland Orientation Center for the Blind	97.5—For support of Oakland Orientation Center for the Blind, in accordance with the following schedule	26,760
	and in addition thereto any amounts transferred from Item 97 under the provisions of Section 26.	
	Schedule:	
	(a) Salaries and Wages	18,034
	(b) Operating Expenses	1,726
	(c) Equipment	7,000
	Total of schedule	26,760
Industrial Workshop for Blind	98—For support of Industrial Workshop for the Blind, Los Angeles, in accordance with the following schedule	198,074
	Schedule:	
	(a) Salaries and Wages	66,674
	(b) Operating Expenses	129,258
	(c) Equipment	2,142
	Total of schedule	198,074

Item		Amount	
99—For support of State Blind Shop, San Diego, in accordance with the following schedule		40,109	State Blind Shop
Schedule:			
(a) Salaries and Wages	28,930		
(b) Operating Expenses	8,929		
(c) Equipment	2,250		
Total of schedule	40,109		
100—For support of State Teacher's Retirement System, in accordance with the following schedule		135,787	Teachers' Retirement System
Schedule:			
(a) Salaries and Wages	93,530		
(b) Operating Expenses	34,914		
(c) Equipment	7,343		
Total of schedule	135,787		
101—For support of University of California, exempt from Section 13 of this act		39,443,542	University of California
102—For support of Hastings College of Law		7,000	Hastings College of Law
FISCAL AFFAIRS			
103—For support of State Board of Control, in accordance with the following schedule		19,262	Board of Control
Schedule:			
(a) Salaries and Wages	7,890		
(b) Operating Expenses	10,836		
(c) Equipment	536		
Total of schedule	19,262		
104—For support of State Controller and in addition thereto any amounts collected for services rendered special programs for audit of appropriations for aid to local government. The appropriation made by this item, together with the amounts appropriated by Items 105 and 107, shall be expended in accordance with the following schedule:		1,596,042	Controller
Schedule:			
(a) Salaries and Wages	1,341,599		
(b) Operating Expenses	388,733		
(c) Equipment	30,716		
Total of schedule	1,761,048		
Less:			
(d) Estimated reimbursements for services rendered special programs for audit of appropriations for aid to local government	55,250		

Item		Amount
(e) Amount payable from appropriation for additional support, Item 105	94,344	
(f) Amount payable from appropriation for additional support, Item 107	15,412	
Net appropriation	1,596,042	
105—For additional support of State Controller, payable from the Motor Vehicle Transportation Tax Fund		94,344
106—For audit of special appropriations for aid to local government under Chapter 29, Statutes of 1946, First Extraordinary Session, Chapter 391, Statutes of 1947, Chapter 1575, Statutes of 1947, and Chapter 24, Statutes of 1948, which shall be in lieu of the appropriations for support of the Controller made by said acts, State Controller		9,750
107—For additional support of State Controller, payable from the Public School Building Loan Fund, Chapter 1389, Statutes of 1949		15,412
108—For audit of special appropriations for aid to local government under Chapter 47, Statutes of 1944, Fourth Extraordinary Session, and Chapter 20, Statutes of 1946, First Extraordinary Session, State Controller, payable from the Postwar Unemployment and Construction Fund, which shall be in lieu of the appropriation for support of the Controller made by Section 9 of Chapter 20, Statutes of 1946 (First Extra Session)		72,997
Bureau of Highway Accounts and Reports 109—For support of Bureau of Highway Accounts and Reports, State Controller, payable from the Motor Vehicle Fuel Fund, in lieu of the appropriation made by Section 2103.1 of the Streets and Highways Code		98,483
Motor Vehicle Fuel Tax Refund Division 110—For support of Motor Vehicle Fuel Tax Refund Division, State Controller, payable from the Motor Vehicle Fuel Fund, in accordance with the following schedule		183,003
Schedule:		
(a) Salaries and Wages	143,236	
(b) Operating Expenses	35,473	
(c) Equipment	4,294	
Total of schedule	183,003	
Tax-deeded Lands Division 111—For support of Tax-deeded Lands Division, State Controller, payable from the State Re-		

Item		Amount
demption Tax Fund, in accordance with the following schedule		167,507
and in addition thereto any amounts collected for services which by law are available for support of such agency.		
Schedule:		
(a) Salaries and Wages	142,962	
(b) Operating Expenses	41,685	
(c) Equipment	2,860	
Total of schedule	187,507	
Less: Estimated reimbursements:		
(d) For services to political subdivisions	20,000	
Net appropriation	167,507	
112—For support of State Board of Equalization, in accordance with the following schedule		10,494,658
and in addition thereto any amounts collected for services to activities supported out of other funds, and for mapping services to counties which by law are available for support of said department.		
Schedule:		
(a) Salaries and Wages	9,094,278	
(b) Operating Expenses	1,571,399	
(c) Equipment	84,433	
Total of schedule	10,750,110	
Less: Estimated reimbursements:		
(d) For services to activities supported out of other funds	184,420	
(e) For mapping services to counties	67,427	
(f) For services to other departments	3,605	
Net appropriation	10,494,658	
113—For support of Motor Transportation License Tax Division, State Board of Equalization, payable from the Motor Vehicle Transportation Tax Fund, in accordance with the following schedule		670,351
Schedule:		
(a) Salaries and Wages	453,802	
(b) Operating Expenses	213,334	
(c) Equipment	3,215	
Total of schedule	670,351	

Board of Equalization

Motor Transportation License Tax Division

Item		Amount
Motor Vehicle Fuel Tax Division	114—For support of Motor Vehicle Fuel Tax Division, State Board of Equalization, payable from the Motor Vehicle Fuel Fund, in accordance with the following schedule	421,449
	Schedule:	
	(a) Salaries and Wages	315,339
	(b) Operating Expenses	102,630
	(c) Equipment	3,480
	Total of schedule	421,449
Department of Finance	115—For support of Department of Finance, exclusive of Buildings and Grounds Division	1,813,228
	and in addition thereto any amounts collected for services to other agencies, which by law are available for support of said department. Said appropriation, together with the amount appropriated by Item 117 hereof, shall be expended in accordance with the following schedule.	
	Schedule:	
	(a) Salaries and Wages	1,708,336
	(b) Operating Expenses	235,666
	(c) Equipment	25,410
	Total of schedule	1,969,412
	Less:	
	(d) Estimated reimbursements for services to other agencies and/or divisions of said department	106,184
	(e) Amount payable from Fair and Exposition Fund (Item 117)	50,000
	Net appropriation	1,813,228
	116—For expenses in connection with liquidation and disposal of surplus equipment, leases and other property of the Department of Social Welfare acquired for the administration of Article XXV of the Constitution, Department of Finance	157,188
	provided, that notwithstanding any other provisions of law the income from the disposal or subletting of any such property or leases is hereby appropriated in addition thereto.	
Audits Division	117—For support of the Audits Division, State Department of Finance, payable from the Fair and Exposition Fund	50,000

Item		Amount	
118	For payment of automobile liability claims and salaries and expenses incident to investigation, adjustment and defense thereof, or for premiums for automobile liability insurance, Department of Finance	120,000	
119	For the purchase of insurance to insure the liability of the State and its officers and employees for damage or injury to persons or property resulting from the dangerous or defective condition of state-owned or controlled property, under the jurisdiction of the Department of Finance, Department of Finance	2,500	
120	For official advertising, Department of Finance	12,000	
121	For premiums on official bonds required by law for officers and employees whose salaries are paid from the General Fund, including premiums on official bonds required by Section 28 of the Unemployment Insurance Act, Department of Finance	3,000	
122	For distribution of state documents to libraries as provided by Sections 13660 to 13667, inclusive, of the Government Code, Department of Finance	40,000	
124	For support, including expenses of Christmas tree lighting and decorations, Buildings and Grounds Division, Department of Finance	1,967,636	
125	For alterations, repairs, and equipment, State Capitol, state office buildings, and rented office buildings, Department of Finance	150,000	Office buildings, etc
126	For maintenance of the state burying ground in San Mateo County, known as the Union Cemetery, as provided by Chapter 1096 and Chapter 1238, Statutes of 1947, Department of Finance	1,500	State burying ground
127	For support of Local Allocations Division, Department of Finance, which shall be in lieu of the appropriations for the use of the Department of Finance made by Section 3 of Chapter 29, Statutes of 1946 (1st Extra Session), Section 4 of Chapter 1, Statutes of 1946 (2d Extra Session), Section 2 of Chapter 391, Statutes of 1947, Section 2 of Chapter 1574, Statutes of 1947, Section 5022 of the Education Code, and Section 4 of Chapter 24, Statutes of 1948	64,748	Local Allocations Division
	The appropriation made by this item, together with the amounts appropriated by Items 128 and 129, shall be expended in accordance with the following schedule.		

Item		Amount
Schedule:		
(a) Salaries and Wages	270,929	
(b) Operating Expenses	58,564	
(c) Equipment	2,961	
Total of schedule	332,454	
Less:		
(d) Amount payable from Postwar Unemployment and Construction Fund (Item 128)	64,748	
(e) Amount payable from Public School Building Loan Fund (Item 129)	202,958	
Net appropriation	64,748	
128—For additional support of Local Allocations Division, Department of Finance, payable from the Postwar Unemployment and Construction Fund, which shall be in lieu of the appropriations for support of the director and the department made by Section 9 of Chapter 20, Statutes of 1946 (1st Extra Session)		64,748
129—For additional support of Local Allocations Division, Department of Finance, payable from the Public School Building Loan Fund		202,958
Division of Fairs and Expositions 130—For support of the Division of Fairs and Expositions, Department of Finance, payable from the Fair and Exposition Fund, in accordance with the following schedule		87,925
Schedule:		
(a) Salaries and Wages	64,300	
(b) Operating Expenses	20,190	
(c) Equipment	3,435	
Total of schedule	87,925	
130.1—For customer surveys and research, state, district and county fairs, Department of Finance, payable from any moneys in the Fair and Exposition Fund available for permanent improvements upon the property of state, citrus, county or district agricultural associations for fair purposes, allocated by Section 19626 of the Business and Professions Code		30,000
State Agricultural Society 131—For support of State Agricultural Society, Division of Fairs and Expositions, Department of Finance, payable from the State Agricultural Society Contingent Fund		1,631,210

Item		Amount
132—For augmentation of the State Agricultural Society Contingent Fund, payable from any moneys in the Fair and Exposition Fund available for permanent improvements upon the property of state, citrus, county, or district agricultural associations for fair purposes, allocated by Section 19626 of the Business and Professions Code ---------- 501,176 to be transferred to the State Agricultural Society Contingent Fund by the State Controller.	Contingent Fund	
133—For support of Sixth District Agricultural Association, Division of Fairs and Expositions, Department of Finance, payable from the Sixth District Agricultural Association Fund, in accordance with the following schedule----	Sixth District Agricultural Association	96,418
Schedule:		
(a) Salaries and Wages ------- 50,525		
(b) Operating Expenses ------- 45,193		
(c) Equipment ---------- 700		
Total of schedule-------- 96,418		
134—For maintenance and operation of parking lot property acquired under the provisions of Chapter 1463, Statutes of 1947, Sixth District Agricultural Association, payable from the Sixth District Agricultural Association Fund	Parking lot —Sixth Agricultural District	1,200
135—For support, Division of State Lands, State Lands Commission, Department of Finance, payable from the State Lands Act Fund, in accordance with the following schedule------ and in addition thereto any amounts collected for services which by law are available for support of said agency.	Division of State Lands	194,258
Schedule:		
(a) Salaries and Wages-------- 243,911		
(b) Operating Expenses------- 95,583		
(c) Equipment ---------- 6,264		
Total of schedule-------- 345,758		
Less: Estimated reimbursements:		
(d) For administration of tide and submerged leases------ 144,000		
(e) For services to other agencies ---------- 7,500		
Net appropriation------- 194,258		
136—For the defense of the State's interests in its tide and submerged lands, Division of State Lands, Department of Finance, payable from the State Lands Act Fund----------		70,000

Item		Amount
	137—For the continuation of the prosecution of the litigation between the State and the Department of Water and Power of the City of Los Angeles, Division of State Lands, Department of Finance, payable from the State Lands Act Fund	10,000
	138—For expenses in connection with the defense of quiet title actions filed in accordance with law, Division of State Lands, Department of Finance, payable from the State Lands Act Fund	15,000
Napa State Farm	139—For support of Napa State Farm, Department of Finance, in accordance with the following schedule	34,930
	and in addition thereto, any amounts collected for services to employees which by law are available for support of said agency.	
	Schedule:	
	(a) Salaries and Wages 24,554	
	(b) Operating Expenses 10,800	
	(c) Equipment 500	
	Total of schedule 35,854	
	Less: Estimated reimbursements:	
	(d) For services to employees 924	
	Net appropriation 34,930	
Franchise Tax Board	140—For support of Franchise Tax Board, in accordance with the following schedule	2,819,179
	Schedule:	
	(a) Salaries and Wages 2,362,218	
	(b) Operating Expenses 401,624	
	(c) Equipment 55,337	
	Total of schedule 2,819,179	
State Treasurer	141—For support of the State Treasurer, in accordance with the following schedule	277,983
	Schedule:	
	(a) Salaries and Wages 166,293	
	(b) Operating Expenses 106,706	
	(c) Equipment 4,984	
	Total of schedule 277,983	
Preparation and sale of bonds	142—For expenses of the State Treasurer for preparation and advertising the sale of bonds under authority of Chapter 835, Statutes of 1929, payable from the San Francisco Harbor Improvement Fund	1,000

Item		Amount	
	HIGHWAY PATROL		
143—For support of the Department of the California Highway Patrol, payable from the Motor Vehicle Fund, in accordance with the following schedule		9,669,326	Highway Patrol
and in addition thereto any amounts collected from rentals which by law are available for support of said agency; provided, that no part of this appropriation shall be expended in payment for services of personnel assigned to enforce the provisions of the ordinances of any city and county; provided further, however, that this restriction shall not limit the authority of members of the California Highway Patrol to enforce any city or county ordinance as an incident to their assigned duties with respect to traffic law enforcement.			
Schedule:			
(a) Salaries and Wages	6,949,062		
(b) Operating Expenses	2,236,546		
(c) Equipment	501,401		
Total of schedule	9,687,009		
Less: Estimated reimbursements:			
(d) Rentals received from the Department of Motor Vehicles	17,683		
Net appropriation	9,669,326		
	INDUSTRIAL RELATIONS		
144—For support of Department of Industrial Relations, in accordance with the following schedule		4,020,919	Department of Industrial Relations
and in addition thereto any amounts received from the Federal Government or any agency thereof for the administration of apprenticeship or other on-the-job training.			
Schedule:			
(a) Salaries and Wages	3,281,960		
(b) Operating Expenses	786,944		
(c) Equipment	65,574		
Total of schedule	4,134,478		
Less:			
(d) Estimated amounts to be received from the Federal Government for administration			

Item		Amount
	of apprenticeship and other on-the-job training	113,559
	Net appropriation	4,020,919
	145—For payment of the additional compensation for subsequent injury provided for by Section 4751 of the Labor Code, Department of Industrial Relations	87,000
State Fire Marshal	146—For support of State Fire Marshal, in accordance with the following schedule	244,675
	Schedule:	
	(a) Salaries and Wages	183,626
	(b) Operating Expenses	56,680
	(c) Equipment	4,369
	Total of schedule	244,675

INVESTMENT

Division of Banking	147—For support of Division of Banking, Department of Investment, payable from the State Banking Fund, in accordance with the following schedule	277,048
	Schedule:	
	(a) Salaries and Wages	205,044
	(b) Operating Expenses	67,496
	(c) Equipment	4,508
	Total of schedule	277,048
Division of Building and Loan	148—For support of Division of Building and Loan, Department of Investment, payable from the Building and Loan Inspection Fund, in accordance with the following schedule	150,619
	Schedule:	
	(a) Salaries and Wages	114,452
	(b) Operating Expenses	35,254
	(c) Equipment	913
	Total of schedule	150,619
Division of Corporations	149—For support of Division of Corporations, Department of Investment, in accordance with the following schedule	631,497
	Schedule:	
	(a) Salaries and Wages	525,081
	(b) Operating Expenses	97,690
	(c) Equipment	8,726
	Total of schedule	631,497

Item		Amount	
150—For support of the Department of Insurance, payable from the Insurance Fund, in accordance with the following schedule		988,884	Department of Insurance
and in addition thereto any amounts collected for services to activities which by law are available for support of said department.			
Schedule:			
(a) Salaries and Wages	733,941		
(b) Operating Expenses	263,328		
(c) Equipment	8,615		
Total of schedule	1,005,884		
Less: Estimated reimbursements:			
(d) For services to insurance companies in liquidation	17,000		
Net appropriation	988,884		
151—For support of the Division of Real Estate, Department of Investment, payable from the Real Estate Fund, in accordance with the following schedule		551,743	Division of Real Estate
Schedule:			
(a) Salaries and Wages	372,693		
(b) Operating Expenses	174,176		
(c) Equipment	4,874		
Total of schedule	551,743		
152—For support of California Districts Securities Commission, in accordance with the following schedule		29,035	District Securities Commission
Schedule:			
(a) Salaries and Wages	22,500		
(b) Operating Expenses	6,275		
(c) Equipment	260		
Total of schedule	29,035		

JUSTICE

153—For support of Department of Justice and in addition thereto any amounts collected for services to other agencies, which by law are available for support of said department. Said appropriation, together with the amount appropriated by Item 154 hereof, shall be expended in accordance with the following schedule:		2,197,374	Department of Justice

Item		Amount
Schedule:		
(a) Salaries and Wages	1,776,510	
(b) Operating Expenses	646,781	
(c) Equipment	71,533	
Total of schedule	2,494,824	
Less: Estimated reimbursements:		
(d) Charges to special fund agencies for legal services	168,695	
(e) Charges to other agencies for teletype service	50,187	
(f) Services to other agencies	38,568	
(g) Amount payable from appropriation for additional support (Item 154)	40,000	
Net appropriation	2,197,374	
154—For additional support of Department of Justice, payable from the Motor Vehicle Fund. To be transferred by the State Controller to the General Fund in augmentation of Item 153.		40,000
155—For fees to special counsel employed pursuant to Section 12520 of the Government Code, Department of Justice		2,500
156—For litigation and legal services in connection with activities of the Colorado River Board of California, Department of Justice		47,366
157—For enforcement of provisions of Chapter 530, Statutes of 1907, and the Unfair Practices Act, Department of Justice		23,481
158—For litigation and legal services in connection with bank tax suit involving Section 4a, Bank and Corporation Franchise Tax Act, Department of Justice		29,473
MENTAL HYGIENE		
Department of Mental Hygiene 159—For support of Department of Mental Hygiene, in accordance with the following schedule		1,288,956
Schedule:		
(a) Salaries and Wages	958,416	
(b) Operating Expenses	280,021	
(c) Equipment	50,519	
Total of schedule	1,288,956	
160—For transportation of patients and other persons committed to state institutions of the Department of Mental Hygiene, to be expended by the Department of Mental Hygiene		122,100

Item		Amount	
161—For expenses of deportation and transfer of patients of the Department of Mental Hygiene, Department of Mental Hygiene		63,000	
162—For family care of patients paroled or on leave of absence from state institutions of the Department of Mental Hygiene pursuant to Section 6726 and Section 7012.5 of the Welfare and Institutions Code, Department of Mental Hygiene		359,000	
163—For support of Outpatient Mental Hygiene Clinics, Department of Mental Hygiene, in accordance with the following schedule		362,558	Outpatient clinics
and in addition thereto any amounts collected from Department of Public Health for additional outpatient clinical activities under the National Mental Health Act, which by law are available for support of said institution.			
Schedule:			
(a) Salaries and Wages	404,344		
(b) Operating Expenses	77,857		
(c) Equipment	10,045		
Total of schedule	492,246		
Less: Estimated reimbursements:			
(d) From Department of Public Health for additional outpatient clinical activities under the National Mental Health Act	129,688		
Net appropriation	362,558		
164—For support of the Langley Porter Clinic at San Francisco, in accordance with the following schedule		768,107	Langley Porter Clinic
and in addition thereto any amounts collected for services to employees, which by law are available for support of said institution.			
Schedule:			
(a) Salaries and Wages	644,961		
(b) Operating Expenses	121,338		
(c) Equipment	9,881		
Total of schedule	776,180		
Less: Estimated reimbursements:			
(d) For services to employees	8,073		
Net appropriation	768,107		
165—For support of Agnews State Hospital, in accordance with the following schedule		3,992,038	State hospitals Agnews
and in addition thereto any amounts collected for services to employees and from sale of sur-			

Item		Amount
	plus products, which by law are available for support of said institution.	
	Schedule:	
	(a) Salaries and Wages	2,678,776
	(b) Operating Expenses	1,287,749
	(c) Equipment	125,984
	Total of schedule	4,092,509
	Less: Estimated reimbursements:	
	(d) For services to employees and for sale of surplus products	100,471
	Net appropriation	3,992,038
Camarillo	166—For support of Camarillo State Hospital, in accordance with the following schedule and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said institution.	5,437,548
	Schedule:	
	(a) Salaries and Wages	3,788,150
	(b) Operating Expenses	1,639,361
	(c) Equipment	157,267
	Total of schedule	5,584,778
	Less: Estimated reimbursements:	
	(d) For services to employees and for sale of surplus products	147,230
	Net appropriation	5,437,548
DeWitt	167—For support of DeWitt State Hospital, in accordance with the following schedule and in addition thereto any amounts collected for services to employees which by law are available for support of said institution.	2,882,541
	Schedule:	
	(a) Salaries and Wages	1,933,878
	(b) Operating Expenses	992,105
	(c) Equipment	50,785
	Total of schedule	2,976,768
	Less: Estimated reimbursements:	
	(d) For services to employees	94,227
	Net appropriation	2,882,541
Mendocino	168—For support of Mendocino State Hospital, in accordance with the following schedule and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said institution.	2,521,874

Item		Amount
Schedule:		
(a) Salaries and Wages	1,792,183	
(b) Operating Expenses	750,057	
(c) Equipment	71,648	
Total of schedule	2,613,888	
Less: Estimated reimbursements:		
(d) For services to employees and for sale of surplus products	92,014	
Net appropriation	2,521,874	
169—For support of Modesto State Hospital, in accordance with the following schedule and in addition thereto any amounts collected for services to employees which by law are available for support of said institution.		Modesto 3,095,671
Schedule:		
(a) Salaries and Wages	2,074,888	
(b) Operating Expenses	1,021,241	
(c) Equipment	94,296	
Total of schedule	3,200,425	
Less: Estimated reimbursements:		
(d) For services to employees	104,754	
Net appropriation	3,095,671	
170—For support of Napa State Hospital, in accordance with the following schedule and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said institution.		Napa 3,895,557
Schedule:		
(a) Salaries and Wages	2,653,518	
(b) Operating Expenses	1,287,687	
(c) Equipment	85,131	
Total of schedule	4,026,336	
Less: Estimated reimbursements:		
(d) For services to employees and for sale of surplus products	130,779	
Net appropriation	3,895,557	
171—For support of Norwalk State Hospital, in accordance with the following schedule and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said institution.		Norwalk 2,521,405

Item		Amount
	Schedule:	
	(a) Salaries and Wages	1,845,200
	(b) Operating Expenses	620,796
	(c) Equipment	145,485
	Total of schedule	2,611,481
	Less: Estimated reimbursements:	
	(d) For services to employees and for sale of surplus products	90,076
	Net appropriation	2,521,405
Patton	172—For support of Patton State Hospital, in accordance with the following schedule and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said institution.	3,875,203
	Schedule:	
	(a) Salaries and Wages	2,723,656
	(b) Operating Expenses	1,097,565
	(c) Equipment	140,060
	Total of schedule	3,961,845
	Less: Estimated reimbursements:	
	(d) For services to employees and for sale of surplus products	86,644
	Net appropriation	3,875,203
Stockton	173—For support of Stockton State Hospital, in accordance with the following schedule and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said institution.	4,384,576
	Schedule:	
	(a) Salaries and Wages	3,111,791
	(b) Operating Expenses	1,300,364
	(c) Equipment	115,496
	Total of schedule	4,527,651
	Less: Estimated reimbursements:	
	(d) For services to employees and for sale of surplus products	143,075
	Net appropriation	4,384,576
Pacific Colony	174—For support of Pacific Colony, in accordance with the following schedule and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said institution.	2,330,415

Item		Amount	
Schedule:			
(a) Salaries and Wages	1,637,171		
(b) Operating Expenses	665,757		
(c) Equipment	94,762		
Total of schedule	2,397,690		
Less: Estimated reimbursements:			
(d) For services to employees and for sale of surplus products	67,275		
Net appropriation	2,330,415		
175—For support of Sonoma State Home, in accordance with the following schedule		3,706,344	Sonoma State Home
and in addition thereto any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said institution.			
Schedule:			
(a) Salaries and Wages	2,640,087		
(b) Operating Expenses	1,037,350		
(c) Equipment	100,727		
Total of schedule	3,778,164		
Less: Estimated reimbursements:			
(d) For services to employees, service to other agencies, and for sale of surplus products	71,820		
Net appropriation	3,706,344		

MILITARY AFFAIRS

176—For support of the Adjutant General, the California National Guard and the California Defense and Security Corps in accordance with the following schedule	3,212,874	Adjutant General, etc
and in addition thereto any amounts received from the United States Government for maintenance and operation of installations and for armory rental utility expense, which by law are available for support of said agency; provided, that no expenditures shall be made from this appropriation as a substitution for personnel, equipment, facilities or other assistance, or for any portion thereof, which in the absence of such expenditure, or of this appropriation, would be available to the Adjutant General, the California National Guard or the California Defense and Security Corps from the Federal Government.		

Item		Amount
	Schedule:	
	(a) Salaries and Wages	2,015,730
	(b) Operating Expenses	1,379,054
	(c) Equipment	35,378
	Total of schedule	3,430,162
	Less: Estimated reimbursements:	
	(d) From United States Government for maintenance and operation of installations	213,788
	(e) From Armory Board for armory rental utility expense	3,500
	Net appropriation	3,212,874
California Cadet Corps	177—For maintenance of California Cadet Corps, the Adjutant General, in accordance with the following schedule	196,084
	Schedule:	
	(a) Salaries and Wages	54,778
	(b) Operating Expenses	128,261
	(c) Equipment	13,045
	Total of schedule	196,084

MOTOR VEHICLES

Department of Motor Vehicles	178—For support of Department of Motor Vehicles, payable from the Motor Vehicle Fund, in accordance with the following schedule and in addition thereto any amounts collected for sale of registration lists and for services to other agencies which by law are available for support of said department.	9,001,432
	Schedule:	
	(a) Salaries and Wages	7,819,506
	(b) Operating Expenses	2,696,369
	(c) Equipment	155,248
	Total of schedule	10,671,123
	Less: Estimated reimbursements:	
	(d) For sale of registration lists	24,182
	(e) Services to City and County of San Francisco	7,406
	(f) Rentals received from other state departments	8,925
	(g) Amount payable from Motor Vehicle License Fee Fund (Item 179)	1,629,178
	Net appropriation	9,001,432

Item		Amount
179—For additional support, Department of Motor Vehicles, payable from the Motor Vehicle License Fee Fund to be transferred to the Motor Vehicle Fund in augmentation of Item 178, as provided by Section 11003 of the Revenue and Taxation Code.		1,629,178
180—For payment of deficiencies in appropriations for the Department of Motor Vehicles which may be authorized by the Director of Finance, with the consent of the Governor, pursuant to Section 11006 of the Government Code, the sum of $100,000, or so much thereof as may be necessary, payable from the Motor Vehicle Fund.		
NATURAL RESOURCES		
181—For support of Departmental Administration, Department of Natural Resources, in accordance with the following schedule and in addition thereto any amounts collected for services to activities supported out of other funds which by law are available for support of said department.		Department of Natural Resources 210,818
Schedule:		
(a) Salaries and Wages	275,624	
(b) Operating Expenses	42,730	
(c) Equipment	10,566	
Total of schedule	328,920	
Less: Estimated reimbursements:		
(d) For services to activities supported out of other funds	118,102	
Net appropriation	210,818	
181.1—For Department of Natural Resources exhibit at State Fair, Departmental Administration, Department of Natural Resources, payable from any moneys in the Fair and Exposition Fund available for permanent improvements upon the property of the state, citrus, county, or district agricultural associations for fair purposes, allocated by Section 19626 of the Business and Professions Code, in accordance with the following schedule and in addition thereto any amounts collected for services to activities supported out of other funds which by law are available for support of said department.		3,825

Item		Amount
	Schedule:	
	State Fair exhibits	7,500
	Less: Estimated reimbursements:	
	For services to activities supported out of other funds	3,675
	Net appropriation	3,825
Pacific Marine Fisheries Commission	182—For expenses of the Pacific Marine Fisheries Commission, in accordance with the Pacific Marine Fisheries Compact, Department of Natural Resources, payable from the Fish and Game Preservation Fund	15,100
Division of Beaches and Parks	183—For support of Division of Beaches and Parks, Department of Natural Resources, payable from the State Park Maintenance Fund, in accordance with the following schedule	1,490,323
	and in addition thereto any amounts collected for services which by law are available for support of said division.	
	Schedule:	
	(a) Salaries and Wages	1,463,955
	(b) Operating Expenses	596,762
	(c) Equipment	49,899
	Total of schedule	2,110,616
	Less: Estimated reimbursements:	
	(d) For employees' maintenance	56,000
	(e) For maintenance of La Purisima Mission, Santa Barbara County	3,500
	(f) Amount payable from the General Fund (Item 184)	560,793
	Net appropriation	1,490,323
	Of which amount there shall be made available by transfer to the State Park Maintenance Fund by the State Controller the sum of $618,881 from the State Park Fund, and $501,289 from the State Beach Fund.	
	Upon executive order of the Director of Finance, there may be transferred to the State Park Maintenance Fund for credit to this item, any additional amounts appropriated or otherwise made available by law from the State Beach Fund or the State Park Fund for support or maintenance of this division for the 1951-1952 Fiscal Year.	
	184—For additional support of Division of Beaches and Parks, Department of Natural Resources to be transferred by the State Controller to the State Park Maintenance Fund for credit to	560,793

Item		Amount
	Item 183 upon written order of the Department of Finance; provided, that any moneys made available to the Division of Beaches and Parks, Department of Natural Resources, from this item shall be repaid to the General Fund out of any moneys impounded in the State Lands Act Fund under the decision and order of the United States Supreme Court which hereafter may be released by the Federal Government and subsequently paid into the State Beach Fund or the State Park Fund. The transfer to the General Fund from the respective funds shall be in such amounts as may be determined by the Department of Finance. Such transfer shall be made by the State Controller upon written order of the Department of Finance.	
186	—For investigation of beach erosion, Division of Beaches and Parks, Department of Natural Resources, payable from the State Beach Fund	10,000
187	—For support of Division of Fish and Game, Department of Natural Resources, and for the maintenance and construction of fish screens and other stream improvements, payable from the Fish and Game Preservation Fund, in accordance with the following schedule_____	5,249,441
	and in addition thereto any amounts collected for services which by law are available for support of said division.	
	Schedule:	
	(a) Salaries and Wages_____ 2,780,712	
	(b) Operating Expenses_____ 2,170,212	
	(c) Equipment _____ 396,908	
	Total of schedule_____ 5,347,832	
	Less: Estimated reimbursements:	
	(d) For services to employees___ 37,061	
	(e) For use of automotive and operating equipment _____ 58,630	
	(f) For services to State Water Pollution Control Board____ 2,700	
	Net appropriation_____ 5,249,441	
188	—For cooperation with the Federal Government in the purchase of land for game production, improvement of waterfowl areas and research in game management under the provisions of the Pittman-Robertson Act, Division of Fish and Game, Department of Natural Resources, payable from the Fish and Game Preservation Fund _____	200,000

Division of Fish and Game

Item		Amount
	189—For cooperation with the Federal Government in fish restoration and management projects under provisions of the Dingell-Johnson Act, Division of Fish and Game, Department of Natural Resources, payable from the Fish and Game Preservation Fund	43,000
Wildlife Conservation Board	190—For support of Wildlife Conservation Board, Department of Natural Resources, payable from the Wildlife Restoration Fund	41,483
Division of Forestry	191—For support of Division of Forestry, Department of Natural Resources, in accordance with the following schedule	7,951,670
	and in addition thereto any amounts collected for services to other agencies and to employees, and to counties under cooperative agreements and for fire protection and other services to the Federal Government, or any agency thereof, pursuant to contracts, which by law are available for support of said division.	
	Schedule:	
	(a) Salaries and Wages	5,983,124
	(b) Operating Expenses	2,947,115
	(c) Equipment	507,364
	Total of schedule	9,437,603
	Less: Estimated reimbursements:	
	(d) For services to employees	423,641
	(e) For services to counties under cooperative agreements	944,585
	(f) For fire protection and other services to the Federal Government, or any agency thereof, pursuant to contracts	115,432
	(g) For use of automotive equipment—Youth Authority	2,275
	Net appropriation	7,951,670
	192—For direct allotment to cooperating counties for prevention and suppression of forest fires on state responsibility lands, Division of Forestry, Department of Natural Resources, in accordance with the following schedule	601,277
	Schedule:	
	(a) Contra Costa County	2,412
	(b) Kern County	175,668
	(c) Los Angeles County	189,527
	(d) Marin County	43,556
	(e) San Mateo County	58,917

Item		Amount
(f) Santa Barbara County	65,628	
(g) Ventura County	65,569	
Total of schedule	601,277	
193—For direct allotment to the United States Forest Service, for prevention and suppression of forest fires on private and state-owned lands located within and adjacent to the boundaries of United States National Forests within this State, Division of Forestry, Department of Natural Resources		498,222
194—For forest land survey in cooperation with the California Forest and Range Experiment Station of the United States Department of Agriculture, Division of Forestry, Department of Natural Resources		42,000
195—For watershed research at the San Dimas Experimental Forest in cooperation with the California Forest and Range Experiment Station of the United States Department of Agriculture, Division of Forestry, Department of Natural Resources		24,000
196—For white pine blister rust control, Division of Forestry, Department of Natural Resources; provided, that any amount withdrawn from this item must be matched by an expenditure of an equal amount by the Federal Government in this State for the same purpose pursuant to an agreement which may provide for the advance of the State's contribution or any part thereof to the Federal Government		168,437
197—For emergency fire suppression and detection, Division of Forestry, Department of Natural Resources, which may be transferred to Item 191 upon executive order of the Director of Finance		240,000
198—For pine beetle control, Division of Forestry, Department of Natural Resources, to be expended in accordance with Section 4455 of the Public Resources Code		50,000
199—For support of Division of Mines, Department of Natural Resources, in accordance with the following schedule		350,398
Schedule:		
(a) Salaries and Wages	207,297	
(b) Operating Expenses	131,833	
(c) Equipment	11,268	
Total of schedule	**350,398**	

Division of Mines

Item		Amount
Geological exploration	200—For geological exploration in cooperation with United States Geological Survey, Division of Mines, Department of Natural Resources; provided, that any amount withdrawn from this item must be matched by an expenditure of a like amount by the Federal Government in this State for this purpose	35,000
Division of Oil and Gas	201—For support of Division of Oil and Gas, Department of Natural Resources, payable from the Petroleum and Gas Fund, in accordance with the following schedule	378,895
	and in addition thereto any amounts collected for services to employees, which by law are available for support of said division.	
	Schedule:	
	(a) Salaries and Wages 274,796	
	(b) Operating Expenses 96,257	
	(c) Equipment 8,610	
	Total of schedule 379,663	
	Less: Estimated reimbursements:	
	(d) For employees' rent and utilities 768	
	Net appropriation 378,895	
Soil Conservation Commission	202—For support of State Soil Conservation Commission, Department of Natural Resources	31,431
	and in addition thereto any amounts collected for services to activities supported out of other funds which by law are available for support of said commission.	
Commercial fisheries research	203—For research in the development of commercial fisheries of the Pacific Ocean and of marine products, and Marine Research Committee, payable from the Fish and Game Preservation Fund	140,000
	PROFESSIONAL AND VOCATIONAL STANDARDS	
Division of Administrative Procedure	204—For support of Division of Administrative Procedure, Department of Professional and Vocational Standards, in accordance with the following schedule	76,011
	and in addition thereto any amounts collected for services to other agencies, which by law are available for support of said division.	
	Schedule:	
	(a) Salaries and Wages 89,087	
	(b) Operating Expenses 37,974	
	(c) Equipment 950	
	Total of schedule 128,011	

Item		Amount	
Less: Estimated reimbursements:			
(d) From other agencies for hearing and other services	52,000		
Net appropriation	76,011		
205—For support of State Board of Accountancy, payable from the Accountancy Fund, in accordance with the following schedule		163,771	State boards Accountancy
Schedule:			
(a) Salaries and Wages	41,064		
(b) Operating Expenses	121,888		
(c) Equipment	819		
Total of schedule	163,771		
206—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners Fund, in accordance with the following schedule		31,919	Architectural Examiners
Schedule:			
(a) Salaries and Wages	18,836		
(b) Operating Expenses	12,983		
(c) Equipment	100		
Total of schedule	31,919		
207—For support of State Athletic Commission, payable from the Athletic Commission Fund, in accordance with the following schedule		142,781	Athletic Commission
Schedule:			
(a) Salaries and Wages	106,537		
(b) Operating Expenses	35,509		
(c) Equipment	735		
Total of schedule	142,781		
208—For support of State Board of Barber Examiners, payable from the State Board of Barber Examiners' Fund, in accordance with the following schedule		98,714	Barber Examiners
Schedule:			
(a) Salaries and Wages	59,139		
(b) Operating Expenses	38,375		
(c) Equipment	1,200		
Total of schedule	98,714		
209—For support of Cemetery Board, Department of Professional and Vocational Standards, payable from Cemetery Fund, in accordance with the following schedule		15,197	Cemetery Board

Item		Amount
	Schedule:	
	(a) Salaries and Wages 8,025	
	(b) Operating Expenses 6,837	
	(c) Equipment 335	
	Total of schedule 15,197	
Chiropractic Examiners	210—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners' Fund, in accordance with the following schedule	42,171
	Schedule:	
	(a) Salaries and Wages 22,037	
	(b) Operating Expenses 19,510	
	(c) Equipment 624	
	Total of schedule 42,171	
Registration of Civil and Professional Engineers	211—For support of State Board of Registration for Civil and Professional Engineers, payable from the Civil Engineer's Fund, in accordance with the following schedule	154,695
	Schedule:	
	(a) Salaries and Wages 89,110	
	(b) Operating Expenses 64,722	
	(c) Equipment 863	
	Total of schedule 154,695	
Contractors' License	212—For support of Contractors' State License Board, payable from the Contractors' License Fund, in accordance with the following schedule	461,196
	Schedule:	
	(a) Salaries and Wages 309,718	
	(b) Operating Expenses 148,380	
	(c) Equipment 3,098	
	Total of schedule 461,196	
Cosmetology	213—For support of State Board of Cosmetology, payable from the Board of Cosmetology's Contingent Fund, in accordance with the following schedule	146,646
	Schedule:	
	(a) Salaries and Wages 89,178	
	(b) Operating Expenses 57,261	
	(c) Equipment 207	
	Total of schedule 146,646	
Dental Examiners	214—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund, in accordance with the following schedule	55,003

Item		Amount	
Schedule:			
(a) Salaries and Wages	31,903		
(b) Operating Expenses	22,540		
(c) Equipment	560		
Total of schedule	55,003		
215—For support of Detective License Bureau, Department of Professional and Vocational Standards, payable from the Private Detective Fund, in accordance with the following schedule		24,733	Detective License Bureau
Schedule:			
(a) Salaries and Wages	13,922		
(b) Operating Expenses	10,321		
(c) Equipment	490		
Total of schedule	24,733		
216—For support of State Board of Dry Cleaners, payable from the Dry Cleaners' Fund, in accordance with the following schedule		142,080	Dry Cleaners
Schedule:			
(a) Salaries and Wages	85,952		
(b) Operating Expenses	54,128		
(c) Equipment	2,000		
Total of schedule	142,080		
217—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund, in accordance with the following schedule		28,788	Funeral Directors and Embalmers
Schedule:			
(a) Salaries and Wages	16,119		
(b) Operating Expenses	12,569		
(c) Equipment	100		
Total of schedule	28,788		
218—For support of Bureau of Furniture and Bedding Inspection, Department of Professional and Vocational Standards, payable from the Bureau of Furniture and Bedding Inspection Fund, in accordance with the following schedule		160,433	Bureau of Furniture and Bedding Inspection
Schedule:			
(a) Salaries and Wages	113,687		
(b) Operating Expenses	46,228		
(c) Equipment	518		
Total of schedule	160,433		
219—For support of State Board of Guide Dogs for the Blind		365	Guide Dogs for Blind

Item		Amount
Medical Examiners	220—For support of State Board of Medical Examiners, payable from Contingent Fund of the Board of Medical Examiners, in accordance with the following schedule	168,503
	Schedule:	
	(a) Salaries and Wages	83,633
	(b) Operating Expenses	82,545
	(c) Equipment	2,325
	Total of schedule	168,503
Nurse Examiners	221—For support of Board of Nurse Examiners of the State of California, payable from the Board of Nurse Examiners' Fund, in accordance with the following schedule and in addition thereto any amounts collected for services which by law are available for support of said board.	116,691
	Schedule:	
	(a) Salaries and Wages	60,296
	(b) Operating Expenses	55,846
	(c) Equipment	1,049
	Total of schedule	117,191
	Less: Estimated reimbursements:	
	(d) For sale of registration lists	500
	Net appropriation	116,691
Optometry	222—For support of State Board of Optometry, payable from the State Optometry Fund, in accordance with the following schedule	27,411
	Schedule:	
	(a) Salaries and Wages	16,767
	(b) Operating Expenses	10,397
	(c) Equipment	247
	Total of schedule	27,411
Pharmacy	223—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund, in accordance with the following schedule	146,260
	Schedule:	
	(a) Salaries and Wages	88,486
	(b) Operating Expenses	57,574
	(c) Equipment	200
	Total of schedule	146,260
Social Work Examiners	224—For support of the Board of Social Work Examiners of the State of California, payable from the Registered Social Workers' Fund, in accordance with the following schedule	16,937

Item		Amount	
Schedule:			
(a) Salaries and Wages	9,986		
(b) Operating Expenses	6,803		
(c) Equipment	148		
Total of schedule	16,937		
225—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund, in accordance with the following schedule		35,016	Structural Pest Control
Schedule:			
(a) Salaries and Wages	18,109		
(b) Operating Expenses	16,757		
(c) Equipment	150		
Total of schedule	35,016		
226—For support of Board of Examiners in Veterinary Medicine, payable from the Board of Veterinary Examiners' Contingent Fund, in accordance with the following schedule		11,480	Examiners in Veterinary Medicine
Schedule:			
(a) Salaries and Wages	6,068		
(b) Operating Expenses	5,362		
(c) Equipment	50		
Total of schedule	11,480		
227—For support of Yacht and Ship Brokers Commission, payable from the Yacht and Ship Brokers Fund, in accordance with the following schedule		14,014	Yacht and Ship Brokers Commission
Schedule:			
(a) Salaries and Wages	6,965		
(b) Operating Expenses	6,949		
(c) Equipment	100		
Total of schedule	14,014		
228—For support of Board of Osteopathic Examiners of the State of California, payable from the Contingent Fund of the Board of Osteopathic Examiners, in accordance with the following schedule		34,865	Osteopathic Examiners
Schedule:			
(a) Salaries and Wages	22,129		
(b) Operating Expenses	12,188		
(c) Equipment	548		
Total of schedule	34,865		

	Item		Amount
Pilot Commissioners	229—For support of the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, payable from the Board of Pilot Commissioners' Special Fund, in accordance with the following schedule		12,240
	Schedule:		
	(a) Salaries and Wages	10,803	
	(b) Operating Expenses	1,250	
	(c) Equipment	187	
	Total of schedule	12,240	
Horse Racing Board	230—For support of California Horse Racing Board, payable from the Fair and Exposition Fund, in accordance with the following schedule		133,252
	Schedule:		
	(a) Salaries and Wages	80,598	
	(b) Operating Expenses	52,246	
	(c) Equipment	408	
	Total of schedule	133,252	

PUBLIC HEALTH

Department of Public Health	231—For support of Department of Public Health		4,015,601
	232—For additional support of Department of Public Health, payable from Department of Public Health Fund and in addition thereto any amounts collected from sale of antigens, services to other agencies, dental services, and laboratory services to local areas, amounts made available by the Federal Government, or any agency thereof, as grants for public health purposes, and amounts contributed by organizations for public health purposes, which by law are available for support of said department. Said appropriation, together with the appropriation made by Item 231 hereof, shall be expended in accordance with the following schedule.		317,184
	Schedule:		
	(a) Salaries and Wages	3,407,691	
	(b) Operating Expenses	2,315,081	
	(c) Equipment	116,447	
	(d) Contributions to State Employees' Retirement Fund	271,558	
	Total of schedule	6,110,777	

Item		Amount	
Less:			
(e) Estimated reimbursements from sale of antigens	27,600		
(f) Estimated reimbursements for laboratory services to local areas	18,760		
(g) Estimated reimbursements for services to Departments of Corrections and Mental Hygiene	32,000		
(h) Estimated reimbursements for dental services	4,400		
(i) Estimated grants from the Federal Government or agencies thereof	1,695,232		
(j) Estimated amount payable from General Fund appropriation made by Item 231	4,015,601		
Net appropriation	317,184		
233—For care of recalcitrant tubercular patients as provided by Section 3300.4 of the Health and Safety Code, Department of Public Health		43,800	Care of tubercular patients
234—For support of the State Water Pollution Control Board and the several Regional Water Pollution Control Boards in accordance with the following schedule		383,952	Water Pollution Boards
Schedule:			
(a) Salaries and Wages	259,387		
(b) Operating Expenses	121,946		
(c) Equipment	2,619		
Total of schedule	383,952		
235—For research, studies, and investigations relative to the technical phases of the control of water pollution, State Water Pollution Control Board		67,141	
236—For studies, investigations, and services to be performed by other agencies including but not limited to the Department of Public Health, the Division of Water Resources, Department of Public Works, and the Division of Fish and Game, Department of Natural Resources at the request of the State Water Pollution Control Board and Regional Water Pollution Control Boards, to be made available by executive order of the Director of Finance in such amounts as he finds necessary, State Water Pollution Control Board		243,020	

Item		Amount
	PUBLIC UTILITIES	
Public Utilities Commission	237—For support of the Public Utilities Commission of the State of California, in accordance with the following schedule	1,467,621
	and in addition thereto any amounts collected for services to activities supported out of other funds, and reporting service to litigants which by law are available for support of said commission.	
	Schedule:	
	(a) Salaries and Wages	1,817,646
	(b) Operating Expenses	302,980
	(c) Equipment	33,995
	Total of schedule	2,154,621
	Less: Estimated reimbursements:	
	(d) Services to Railroad Commission Transportation Rate Fund	632,000
	(e) Reporting service to litigants	55,000
	Net appropriation	1,467,621
	238—For additional support of the Public Utilities Commission of the State of California, payable from the Railroad Commission Transportation Rate Fund, in accordance with the following schedule	1,206,446
	Schedule:	
	(a) Salaries and Wages	445,467
	(b) Operating Expenses	759,205
	(c) Equipment	1,774
	Total of schedule	1,206,446
	239—For support of itinerant merchants regulation, Public Utilities Commission of the State of California, payable from the Itinerant Merchants Fund, in accordance with the following schedule	13,724
	Schedule:	
	(a) Salaries and Wages	8,990
	(b) Operating Expenses	4,734
	Total of schedule	13,724

Item		Amount	
	PUBLIC WORKS		
240—For pro rata support of Departmental Administration, Department of Public Works, in accordance with the following schedule_____ and in addition thereto any amounts collected for services to activities supported out of other funds which by law are available for support of said department.		96,119	Department of Public Works
Schedule:			
(a) Salaries and Wages_____	185,923		
(b) Operating Expenses _____	34,913		
(c) Equipment _____	322		
Total of schedule_____	221,158		
Less: Estimated reimbursements:			
(d) For services to activities supported out of other funds___	125,039		
Net appropriation_____	96,119		
241—For support of Division of Architecture, Department of Public Works, in accordance with the following schedule_____ and in addition thereto any amounts collected for services to activities supported out of other funds which by law are available for support of said division.		320,396	Division of Architecture
Schedule:			
(a) Salaries and Wages_____	288,433		
(b) Operating Expenses _____	77,333		
(c) Equipment _____	4,630		
Total of schedule_____	370,396		
Less: Estimated reimbursements:			
(d) For services to activities supported out of other funds___	50,000		
Net appropriation _____	320,396		
242—For support of Division of Architecture, Department of Public Works, payable from the Division of Architecture Public Building Fund, in accordance with the following schedule _____		571,479	
Schedule:			
(a) Salaries and Wages_____	496,365		
(b) Operating Expenses _____	52,184		
(c) Equipment _____	22,930		
Total of schedule_____	571,479		

Item		Amount
Division of Water Resources	243—For support of Division of Water Resources, Department of Public Works, including cooperative work with other agencies	1,265,195
	and in addition thereto any amounts collected for services to activities supported out of other funds which by law are available for support of said division and/or department. Said appropriation, together with the amount appropriated by Item 244 hereof, shall be expended in accordance with the following schedule.	
	Schedule:	
	(a) Salaries and Wages	989,116
	(b) Operating Expenses	337,669
	(c) Equipment	66,876
	(d) Contributions to Watermaster Services	26,688
	Total of schedule	1,420,349
	Less:	
	(e) Estimated amount payable from State Watermaster Service Fund (Item 244)	50,763
	Estimated reimbursements:	
	(f) For services to activities supported out of other funds	104,391
	Net appropriation	1,265,195
	244—For additional support of the Division of Water Resources, Department of Public Works, payable from the State Watermaster Service Fund	24,075
	which sum shall be augmented by the transfer made from the General Fund in accordance with the provisions of Section 4360 of the Water Code.	
	245—For work in cooperation with the Federal Government, Division of Water Resources, Department of Public Works, to be expended in accordance with the following schedule	471,575
	Schedule:	
	(a) Yuba River Debris Control	45,000
	(b) Topographic mapping	300,000
	(c) Stream gaging	111,575
	(d) Irrigation investigations	7,500
	(e) Establishment of gaging stations	7,500
	Total of schedule	471,575
	provided, that any amount withdrawn from this item must be matched by an expenditure	

Item		Amount	
	of like amount by the Federal Government in this State for this purpose; and further provided, that the amount for item (a) in the above schedule, Yuba River Debris Control, shall be available subject to the provisions of Sections 2, 3, and 4 of Chapter 686, Statutes of 1935.		
246—For support of the California Aeronautics Commission, in accordance with the following schedule		102,547	California Aeronautics Commission
and in addition thereto any amounts collected for services, which by law are available for support of said commission.			
Schedule:			
(a) Salaries and Wages	66,211		
(b) Operating Expenses	36,336		
(c) Equipment	2,500		
Total of schedule	105,047		
Less: Estimated reimbursements:			
(d) For services to other state agencies	2,500		
Net appropriation	102,547		
247—For support of Colorado River Board of California, in accordance with the following schedule		103,531	Boards: Colorado River
Schedule:			
(a) Salaries and Wages	57,644		
(b) Operating Expenses	44,916		
(c) Equipment	971		
Total of schedule	103,531		
249—For support of Reclamation Board, in accordance with the following schedule		148,542	Reclamation
Schedule:			
(a) Salaries and Wages	118,084		
(b) Operating Expenses	28,172		
(c) Equipment	2,286		
Total of schedule	148,542		
250—For support of the State Water Resources Board		70,513	Water Resources
251—For minor investigations, studies, and reports on water resources, State Water Resources Board; provided, that any sums expended from this item shall be matched by a like amount from local agencies or other sources		54,500	

Item		Amount
	252—For conducting water resources investigations, surveys, and studies, preparing plans and estimates, making reports thereon and otherwise performing all work and doing all things required relative thereto by provisions of the State Water Resources Act of 1945, State Water Resources Board	392,892
San Francisco Bay Ports Commission	252.5—For support of the Interim San Francisco Bay Ports Commission	40,000
	SOCIAL WELFARE	
Department of Social Welfare	253—For support of Department of Social Welfare. Such appropriation, together with any grants made available by the Federal Government for support of the Department of Social Welfare during the 1951-52 Fiscal Year shall be expended in accordance with the following schedule:	1,844,179
	Schedule:	
	(a) Salaries and Wages	1,803,355
	(b) Operating Expenses	792,943
	(c) Equipment	8,168
	(d) Contributions to State Employees' Retirement Fund	144,757
	Total of schedule	2,749,223
	Less:	
	(e) Estimated amounts payable from federal grants	905,044
	Net appropriation	1,844,179
Recreation Commission	254—For support of the Recreation Commission and the Director of Recreation, in accordance with the following schedule	76,093
	Schedule:	
	(a) Salaries and Wages	45,297
	(b) Operating Expenses	30,664
	(c) Equipment	132
	Total of schedule	76,093
	VETERANS AFFAIRS	
Department of Veterans Affairs	255—For support of Department of Veterans Affairs, in accordance with the following schedule and in addition thereto any amounts collected for services to activities supported from other funds.	238,512

Item		Amount	
Schedule:			
(a) Salaries and Wages	206,744		
(b) Operating Expenses	46,256		
(c) Equipment	1,512		
Total of schedule	254,512		
Less: Estimated reimbursements:			
(d) From Veterans' Dependents' Education Fund for administrative services (Item 256)	16,000		
Net appropriation	238,512		
256—For additional support of Department of Veterans Affairs, payable from the Veterans' Dependents' Education Fund to be transferred to the General Fund in augmentation of Item 255.		16,000	
257—For educational assistance to veterans, Department of Veterans Affairs, to be expended under the provisions of Article 2 of Chapter 6 of Division 4 of the Military and Veterans Code		3,332,315	
258—For veterans' claims and rights service, Department of Veterans Affairs, to be expended under the provisions of Section 699.5 of the Military and Veterans Code		550,000	
259—For educational assistance to veterans' dependents, Department of Veterans Affairs, payable from the Veterans' Dependents' Education Fund to be expended under the provisions of Article 2 of Chapter 4 of Division 4 of the Military and Veterans Code.		195,055	
260—For educational assistance to veterans' dependents, Department of Veterans Affairs, to be expended under the provisions of Article 2 of Chapter 4 of Division 4 of the Military and Veterans Code		59,745	
261—For support of Veterans' Home of California and in addition thereto any grants received from the Federal Government and any amounts collected for services to employees and from sale of surplus products, which by law are available for support of said home. Said appropriation shall be expended in accordance with the following schedule; provided, that none of the funds herein appropriated shall be expended for the payment of sick leave pay for member employees:		1,459,184	Veterans' Home

Item		Amount
	Schedule:	
	(a) Salaries and Wages	1,564,881
	(b) Operating Expenses	776,288
	(c) Equipment	55,694
	Total of schedule	2,396,863
	Less:	
	(d) Estimated reimbursements for services to employees and for members and for sale of surplus products	81,679
	(e) Estimated receipts from Federal Government	856,000
	Net appropriation	1,459,184
Woman's Relief Corps Home	262—For support of Woman's Relief Corps Home of California, in accordance with the following schedule	68,483
	and in addition thereto any amounts collected for services to employees, which by law are available for support of said home.	
	Schedule:	
	(a) Salaries and Wages	52,926
	(b) Operating Expenses	17,732
	(c) Equipment	825
	Total of schedule	71,483
	Less: Estimated reimbursements:	
	(d) For services to employees	3,000
	Net appropriation	68,483
Hospitalization of members	263—For hospitalization of members, Woman's Relief Corps Home of California, to be expended under the provisions of Section 1086.1 of the Military and Veterans Code	2,500
	MISCELLANEOUS	
Legislators' Retirement Fund	264—For State's Contribution to the Legislators' Retirement Fund in accordance with Section 9358 of the Government Code	28,500
Compensation benefits to state officers and employees	265—For such proportion of the compensation benefits to state officers and employees as in each case the contribution out of the General Fund to the salary of such officer or employee, during the portion of the 1951-52 Fiscal Year prior to the date when the benefit becomes payable, bears to the total salary of such officer or employee during the same period, or for officers and employees of the State paid in	

Item		Amount	
whole or in part from the Vocational Education Fund or Vocational Rehabilitation Fund; or for premiums on insurance therefor		650,000	
266—For refunding of payments of taxes, licenses, fees and other receipts which have been paid erroneously into the General Fund and for the refund of which no other provision is made by law; provided, that expenditures from this item shall be approved by the State Board of Control		5,000	Refund of tax payments, etc
267—For claim of the Secretary of the State Board of Control, to be paid from the several funds in accordance with the following schedule		163,953	Claim of Secretary of Board of Control
Schedule:			
(a) General Fund	77,063		
(b) Accountancy Fund	5		
(c) State Agricultural Society Contingency Fund	389		
(d) Department of Agriculture Fund	41		
(e) Fish and Game Preservation Fund	1,140		
(f) Fair and Exposition Fund available to 1A District Agricultural Association under the provisions of Section 19622 of the Business and Professions Code	878		
(g) Fair and Exposition Fund available to the California Polytechnic School under the provisions of Section 19626 of the Business and Professions Code	675		
(h) State Highway Fund	6,327		
(i) State Lands Act Fund	974		
(j) Motor Vehicle Fund	8,295		
(k) Motor Vehicle Fuel Fund	46,627		
(l) Motor Vehicle License Fee Fund	417		
(m) Board of Nurse Examiners Fund	48		
(n) State Park Maintenance Fund	2,214		
(nn) Wildlife Restoration Fund	4,190		
(o) Division of Architecture Revolving Fund	149		
(p) Correctional Industries Revolving Fund	13,030		

Item		Amount
	and the Director of Finance and pursuant to the recommendation of the California State Disaster Council. The money so transferred may be expended as provided in said Item 269 to carry out the provisions of the California Disaster Act for the relief and alleviation of the state of extreme emergency. Upon the termination of the period of the state of extreme emergency, the unencumbered balance of the money so transferred shall be returned to the Revenue Deficiency Reserve Fund.	
Price Increase Fund	270—For Price Increase Fund, to be allocated only on written authorization of the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations for support or for other purposes, in such amounts as are necessary to meet increases in prices of commodities	2,000,000
	and in addition to said sum there is hereby appropriated from each special fund from which appropriations for support or for other purposes are made in this act, an amount necessary to meet increases in prices of commodities.	
	CAPITAL OUTLAY	
Department of Agriculture	271—For minor construction, improvements, repairs, and equipment, Department of Agriculture, payable from the Capital Outlay and Savings Fund	8,010
Poultry Improvement Commission	272—For minor construction, improvements, repairs, and equipment, Poultry Improvement Commission payable from any moneys in the Fair and Exposition Fund available for permanent improvements upon the property of state, citrus, county, or district agricultural associations for fair purposes, allocated by Section 19626 of the Business and Professions Code	4,870
Department of Corrections: Medical Facility	273—For major construction, improvements, and equipment, Medical Facility, Department of Corrections, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund	1,060,411
	Schedule:	
	(a) Construct Unit No. 1 (Additional Cost) 1,008,211	
	(b) Preliminary Plans for Additional Capacity 52,200	
	Total of schedule 1,060,411	

Item		Amount
274—For minor construction, improvements, repairs, and equipment, Medical Facility, Department of Corrections, payable from the Capital Outlay and Savings Fund		25,000
		California Institution for Men
275—For major construction, improvements, and equipment, California Institution for Men, Department of Corrections, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund		275,000
Schedule:		
(a) Maintenance Shop Building	275,000	
Total of schedule	275,000	
276—For minor construction, improvements, repairs, and equipment, California Institution for Men, Department of Corrections, payable from the Capital Outlay and Savings Fund		40,700
		Folsom Prison
277—For minor construction, improvements, repairs, and equipment, California State Prison at Folsom, Department of Corrections, payable from the Capital Outlay and Savings Fund		54,450
277.1—For major construction, improvements, and equipment, California State Prison at Folsom, Department of Corrections, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund		50,000
Schedule:		
(a) Furniture Refinishing Building	50,000	
Total of schedule	50,000	
277.2—For acquisition of real property, California State Prison at Folsom, Department of Corrections, to be expended under the provisions of the Property Acquisition Act, payable from the Capital Outlay and Savings Fund		39,000
		San Quentin Prison
278—For major construction, improvements, and equipment, California State Prison at San Quentin, Department of Corrections, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund		223,200
Schedule:		
(a) Modernize Inmate Mess Hall	223,200	
Total of schedule	223,200	
278.1—For major construction, improvements, and equipment, California State Prison at San Quentin, Department of Corrections, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund		26,200

Item		Amount
	Schedule:	
	(a) Preliminary plans for Commissary, Laundry, and Maintenance Shops Building---- 26,200	
	Total of schedule-------- 26,200	
	279—For minor construction, improvements, repairs, and equipment, California State Prison at San Quentin, Department of Corrections, payable from the Capital Outlay and Savings Fund--	13,500
Soledad Prison	280—For major construction, improvements, and equipment, California State Prison at Soledad, Department of Corrections, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund----------	592,000
	Schedule:	
	(a) Industries Building------- 592,000	
	Total of schedule-------- 592,000	
	281—For minor construction, improvements, repairs, and equipment, California State Prison at Soledad, Department of Corrections, payable from the Capital Outlay and Savings Fund--	28,605
New Medium Security Prison	282—For major construction, improvements, and equipment, New Medium Security Prison, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund ----------	182,500
	Schedule:	
	(a) Preliminary Plans-------- 182,500	
	Total of schedule-------- 182,500	
Vocational and Agricultural Institution	283—For major construction, improvements, and equipment, Vocational and Agricultural Institution, Department of Corrections, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund--	580,085
	Schedule:	
	(a) Equipment ---------- 580,085	
	Total of schedule-------- 580,085	
	283.1—For major construction, improvements, and equipment, additional cost, Vocational and Agricultural Institution, Department of Corrections, payable from the Capital Outlay and Savings Fund ----------	555,800
	284—For minor construction, improvements, repairs, and equipment, California Vocational Institution, Department of Corrections, payable from the Capital Outlay and Savings Fund------	10,000

Item		Amount	
284.1—For acquisition of real property, California Youth Training School, Youth Authority, to be expended under provisions of the Property Acquisition Act, payable from the Capital Outlay and Savings Fund		300,000	Youth Training School
285—For major construction, improvements, and equipment, California Youth Training School, Youth Authority, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund		223,438	
Schedule:			
(a) Plans and Specifications	223,438		
Total of schedule	223,438		
286—For major construction, improvements, and equipment, Southern California Reception Center and Clinic, Youth Authority, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund		168,000	Southern California Reception Center
Schedule:			
(a) Partial Site Development	10,000		
(b) Dormitory	158,000		
Total of schedule	168,000		
287—For major construction, improvements, and equipment, Youth Authority Camps, Youth Authority, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund		178,500	Youth Authority Camps
Schedule:			
(a) Kitchen and dining hall	59,500		
(b) Dormitory	119,000		
Total of schedule	178,500		
288—For minor construction, improvements, repairs, and equipment, Youth Authority Camps, Youth Authority, payable from the Capital Outlay and Savings Fund		26,500	
289—For major construction, improvements, and equipment, Fricot Ranch School for Boys, Youth Authority, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund		88,000	Fricot Ranch School
Schedule:			
(a) Construct Five Residences	63,000		
(b) Replace Ditch with Pipeline	25,000		
Total of schedule	88,000		

Item		Amount
	290—For minor construction, improvements, repairs, and equipment, Fricot Ranch School for Boys, Youth Authority, payable from the Capital Outlay and Savings Fund	5,750
Fred C. Nelles School	291—For minor construction, improvements, repairs, and equipment, Fred C. Nelles School for Boys, Youth Authority, payable from the Capital Outlay and Savings Fund	19,660
	291.1—For major construction, improvements, and equipment, Fred C. Nelles School for Boys, Youth Authority, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund	90,000
	(a) School building 90,000	
	Total of schedule 90,000	
Paso Robles School	292—For major construction, improvements, and equipment, Paso Robles School for Boys, Youth Authority, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund	306,000
	Schedule:	
	(a) Power Plant and Steam Distribution System 129,500	
	(b) Partial Site Development 15,000	
	(c) Dormitory 161,500	
	Total of schedule 306,000	
	293—For minor construction, improvements, repairs, and equipment, Paso Robles School for Boys, Youth Authority, payable from the Capital Outlay and Savings Fund	2,000
Preston School of Industry	294—For major construction, improvements, and equipment, Preston School of Industry, Youth Authority, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund	35,125
	Schedule:	
	(a) Master and Preliminary Plans 35,125	
	Total of schedule 35,125	
	295—For minor construction, improvements, repairs, and equipment, Preston School of Industry, Youth Authority, payable from the Capital Outlay and Savings Fund	14,660
Los Guilucos School	296—For major construction, improvements, and equipment, Los Guilucos School for Girls, Youth Authority, in accordance with the following schedule, payable from the Capital Outlay and Savings Fund	160,000